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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)

### INTERIM RESULTS ANNOUNCEMENT FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2019

#### FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Year-on-Year Change*	For the
	2019	2018		year ended
	RMB'000	RMB'000	%	31 December
	(unaudited)	(unaudited)		2018
				RMB'000
				(audited)
Revenue	160,462	284,235	(43.5)	453,234
– Web-based games	70,229	96,219	(27.0)	168,362
– Mobile games	90,233	188,016	(52.0)	284,872
Gross profit	109,170	193,984	(43.7)	304,970
Profit attributable to owners of the Company	63,114	153,778	(59.0)	201,532
Non-IFRS adjusted net profit***	63,545	155,856	(59.2)	204,753
	For the three months ended 30 June		Year-on-Year Change*	
	2019	2018		
	RMB'000	RMB'000	%	
	(unaudited)	(unaudited)		
Revenue	80,258	124,365	(35.5)	
– Web-based games	34,419	44,169	(22.1)	
– Mobile games	45,839	80,196	(42.8)	
Gross profit	53,953	88,594	(39.1)	
Profit attributable to owners of the Company	23,035	71,756	(67.9)	
Non-IFRS adjusted net profit***	23,181	72,626	(68.1)	

## REVENUE BY GAMES

	For the six months ended 30 June		Year-on-Year Change* %
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	
Texas Hold'em Series	117,794	219,719	(46.4)
Other Card and Board****	42,668	64,516	(33.9)
<b>Total</b>	<b>160,462</b>	<b>284,235</b>	<b>(43.5)</b>

	For the three months ended 30 June		Year-on-Year Change* %
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	
Texas Hold'em Series	58,891	91,134	(35.4)
Other Card and Board****	21,367	33,231	(35.7)
<b>Total</b>	<b>80,258</b>	<b>124,365</b>	<b>(35.5)</b>

## REVENUE BY LANGUAGE VERSIONS OF GAMES

	For the six months ended 30 June		Year-on-Year Change* %
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	
Simplified Chinese	24,878	116,386	(78.6)
Other languages	135,584	167,849	(19.2)
<b>Total</b>	<b>160,462</b>	<b>284,235</b>	<b>(43.5)</b>

	For the three months ended 30 June		Year-on-Year Change* %
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	
Simplified Chinese	12,618	38,338	(67.1)
Other languages	67,640	86,027	(21.4)
<b>Total</b>	<b>80,258</b>	<b>124,365</b>	<b>(35.5)</b>

## OPERATIONAL HIGHLIGHTS

	For the three months ended			Year-on-Year Change*	Quarter-on-Quarter Change**
	30 June 2019 (unaudited)	31 March 2019 (unaudited)	30 June 2018 (unaudited)		
Paying Players ( <i>in thousands</i> )	<b>398</b>	484	594	(33.0)	(17.8)
• Web-based games	<b>15</b>	17	21	(28.6)	(11.8)
• Mobile games	<b>383</b>	467	573	(33.2)	(18.0)
Daily Active Users (“DAUs”) ( <i>in thousands</i> )***	<b>2,405</b>	2,634	3,338	(28.0)	(8.7)
• Web-based games	<b>190</b>	192	203	(6.4)	(1.0)
• Mobile games	<b>2,215</b>	2,442	3,135	(29.3)	(9.3)
Monthly Active Users (“MAUs”) ( <i>in thousands</i> )****	<b>7,429</b>	8,286	12,462	(40.4)	(10.3)
• Web-based games	<b>551</b>	608	871	(36.7)	(9.4)
• Mobile games	<b>6,878</b>	7,678	11,591	(40.7)	(10.4)
Average Revenue Per Paying Users (“ARPPU”) of Texas Hold’em Series ( <i>in RMB</i> )					
• Web-based games	<b>818.3</b>	744.8	733.3	11.6	9.9
• Mobile games	<b>118.5</b>	124.5	189.3	(37.4)	(4.8)
ARPPU for Other Card and Board ( <i>in RMB</i> )					
• Web-based games	<b>16.7</b>	20.3	59.0	(71.7)	(17.7)
• Mobile games	<b>22.6</b>	17.5	22.5	0.4	29.1

\* *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 June 2019 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.*

\*\*\*\*\* *The categories of “Fight the Landlord” and “Others” set out in the summary in the previous quarterly results announcement is combined and referred to as “Other Card and Board” above.*

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 six months ended 30 June 2019 (the “**Reporting Period**”) (the “**Interim Results**”). The Interim Results have been reviewed by Pan-China (H.K.) CPA Limited, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board and by the audit committee of the Company (the “**Audit Committee**”).

## **BUSINESS OVERVIEW AND OUTLOOK**

In terms of financial performance, we recorded a revenue of approximately RMB80.3 million for the second quarter of 2019, representing a year-on-year decrease of approximately 35.5% compared to the same period in 2018; we recorded a revenue of approximately RMB160.5 million for the first half of 2019, representing a year-on-year decrease of approximately 43.5% compared to the same period in 2018. The year-on-year decrease in revenue in the second quarter and the first half of 2019 was primarily attributable to (1) the impact from the incident of Apple Inc. carrying out rectification and inspection on the applications launched on its system starting from the second quarter of 2017 (the “**Apple Incident**”); (2) the effect of policy risks regarding the market rumor of the “Administrative Measures of Online Chess and Card Games” to be implemented by the Chinese government aiming to shut down Texas Hold’em poker games and prohibiting the operation of Texas Hold’em poker games starting from 1 June 2018. Although such policies have not yet been implemented, certain platforms have removed relevant products, which affected our revenue to a certain extent (the “**Policy Risk Factor**”); and (3) the decrease in revenue generated from web-based games, due to the industry trend of a gradual transfer of web-based games to mobile terminals. The revenue of the Group for the second quarter of 2019 increased by approximately 0.1% compared to the first quarter of 2019, which was mainly due to the impact of the Policy Risk Factor on our revenue being stabilised, and a slight increase in revenue resulting from the promotion activities conducted by the Group in the second quarter of 2019.

We recorded an unaudited non-IFRS adjusted net profit of approximately RMB23.2 million in the second quarter of 2019, which represented a year-on-year decline of approximately 68.1% as compared to the same period in 2018. In the first half of 2019, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB63.5 million, representing a year-on-year decrease of approximately 59.2% compared to the same period in 2018. Such year-on-year decline in unaudited non-IFRS adjusted net profit for the second quarter and the first half of 2019 was mainly due to the decrease in revenue and the lower fair value of financial assets of the Group such as the investments in equity investment in partnerships caused by market factors

for the six months ended 30 June 2019. Excluding the effect of the factors such as fair value changes in equity investment in partnerships, the unaudited non-IFRS adjusted net profit for the second quarter and the first half of 2019 decreased by approximately 50.2% and approximately 45.0%, respectively as compared to that of the same periods in 2018. Our unaudited non-IFRS adjusted net profit for the second quarter of 2019 decreased by approximately 42.6% compared to the first quarter of 2019. Excluding the impact of one-off non-operating items such as fair value changes in equity investment in partnerships, the non-IFRS adjusted net profit for the second quarter of 2019 was roughly the same as that for the first quarter of 2019.

In terms of the Group's operating performance, we recorded a certain decline in the numbers of paying players and users during the second quarter of 2019 compared to the first quarter of 2019. In particular, the number of paying players decreased by 17.8% from approximately 0.48 million in the first quarter of 2019 to approximately 0.40 million in the second quarter of 2019. The number of DAUs decreased by 8.7% from approximately 2.6 million in the first quarter of 2019 to 2.4 million in the second quarter of 2019. The number of MAUs decreased by 10.3% from approximately 8.3 million in the first quarter of 2019 to approximately 7.4 million in the second quarter of 2019, whereas the ARPPU grew in both Texas Hold'em web-based games and the mobile versions of other card and board games.

During the second quarter of 2019, we held the fifth session of BPT branded competition series – BPT 2019 match in Asia successfully. The event was designed to bolster player activity and loyalty, widen its user base, allow the Boyaa BPT brand to penetrate into the global chess and card sphere, and increase the Company's brand awareness.

In the future, the Company will continue to conduct more intensive market surveys, launch innovative game rules, improve the experience of our game players, remain dedicated to product refinement and operation diversification, ramp up the quality of our games in an all-rounded manner, and spare no effort to build our brand for online and offline match series. On top of consolidating our existing market, more efforts will be made to further expand our overseas market as well as other chess and card games business, so as to offset the impact arising from the Policy Risk Factor. The Group will strictly comply with various laws and regulations of the People's Republic of China (the "PRC"), develop high-quality puzzle games and matches, and continue with its journey to forge a century-old brand for chess and card games.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Second Quarter of 2019 Compared to Second Quarter of 2018**

#### ***Revenue***

Our revenue for the three months ended 30 June 2019 amounted to approximately RMB80.3 million, representing a year-on-year decrease of approximately 35.5% from approximately RMB124.4 million recorded for the same period of 2018. The year-on-year decrease was primarily due to the impact of the Apple Incident from the second quarter of 2017, and the effect of Policy Risk Factor from the second quarter of 2018. For the three months ended 30 June 2019, revenue generated from our mobile games and web-based games accounted for approximately 57.1% and 42.9% of our total revenue, respectively, as compared with approximately 64.5% and 35.5%, respectively, for the three months ended 30 June 2018.

#### ***Cost of revenue***

Our cost of revenue for the three months ended 30 June 2019 amounted to approximately RMB26.3 million, representing a year-on-year decrease of approximately 26.5% from approximately RMB35.8 million recorded for the same period in 2018. The year-on-year decrease was primarily due to the reduction in commission charges by platforms and third party payment vendors.

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

As a result of the foregoing, our gross profit for the three months ended 30 June 2019 amounted to approximately RMB54.0 million, representing a year-on-year decrease of approximately 39.1% from approximately RMB88.6 million recorded for the same period in 2018.

Our gross profit margin were approximately 67.2% and 71.2%, respectively, for the three months ended 30 June 2019 and the same period in 2018.

#### ***Selling and marketing expenses***

Our selling and marketing expenses for the three months ended 30 June 2019 amounted to approximately RMB4.3 million, representing a year-on-year decrease of approximately 49.3% from approximately RMB8.4 million recorded for the same period in 2018. 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 June 2019 amounted to approximately RMB27.8 million, representing a year-on-year decrease of approximately 16.3% from approximately RMB33.2 million recorded for the same period in 2018. The year-on-year decrease was mainly attributable to the decrease in employee benefit expenses.

### ***Other gains – net***

For the three months ended 30 June 2019, we recorded other gains (net) of approximately RMB0.6 million, compared to approximately RMB27.6 million recorded for the same period in 2018. The other gains (net) primarily consisted of fair value gains/(losses) on financial assets at fair value through profit or loss relating to the non-quoted investments in equity investment partnerships and certain wealth management products we purchased, government subsidies and dividends from financial assets at fair value through other comprehensive income.

### ***Finance income – net***

Our net finance income for the three months ended 30 June 2019 was approximately RMB2.7 million, compared to approximately RMB4.2 million recorded for the same period of 2018. The year-on-year change was primarily due to increase in exchange losses as compared to the same period of 2018.

### ***Share of result of associates***

We held investments in six associates, namely Shenzhen Fanhou Technology Co., Ltd. ( 深圳市飯後科技有限公司 ), Shenzhen Huifu World 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 ), Chengdu Boyu Interactive Technology Co., Ltd. ( 成都博娛互動科技有限公司 ) and Shanghai Allin Network Technology Co., Limited ( 上海傲英網絡科技有限公司 ) and its subsidiaries as at 30 June 2019 (31 December 2018: six), all of which were online game or internet technology companies. We recorded a share of profit of associates of approximately RMB0.02 million for the three months ended 30 June 2019, compared to a share of profit of associates of approximately RMB1.2 million recorded for the same period in 2018.

### ***Income tax expenses***

Our income tax expenses for the three months ended 30 June 2019 was approximately RMB2.2 million, representing a decrease of approximately 73.1% from approximately RMB8.3 million recorded for the three months ended 30 June 2018. The effective tax rate were 8.8% and 10.4%, respectively, for the three months ended 30 June 2019 and the same period in 2018. The effective tax rate for the three months ended 30 June 2019 was lower than that for the same period in 2018.

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

As a result of the foregoing, our profit attributable to owners of the Company for the three months ended 30 June 2019 amounted to approximately RMB23.0 million, representing a year-on-year decrease of approximately 67.9%, from the profit attributable to owners of the Company of approximately RMB71.8 million recorded for the same period in 2018.

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

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

Our unaudited non-IFRS adjusted net profit for the three months ended 30 June 2019 of approximately RMB23.2 million was derived from our unaudited profit of the same period excluding share-based compensation expenses of approximately RMB0.04 million, RMB0.04 million and RMB0.07 million included in cost of revenue, selling and marketing expenses and administrative expenses, respectively, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 30 June 2018 of approximately RMB72.6 million derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.2 million, RMB0.2 million and RMB0.5 million included in cost of revenue, selling and marketing expenses and administrative expenses, respectively.



## **First Half of 2019 Compared to First Half of 2018**

### ***Revenue***

Our revenue for the six months ended 30 June 2019 amounted to approximately RMB160.5 million, representing a year-on-year decrease of approximately 43.5% from approximately RMB284.2 million recorded for the same period in 2018. The year-on-year decrease was primarily due to the impact of the Apple Incident from the second quarter of 2017, and the effect of Policy Risk Factor from the second quarter of 2018. For the six months ended 30 June 2019, revenue generated from our mobile games and web-based games accounted for approximately 56.2% and 43.8% of our total revenue, respectively, as compared with approximately 66.1% and 33.9%, respectively, for the six months ended 30 June 2018.

### ***Cost of revenue***

Our cost of revenue for the six months ended 30 June 2019 amounted to approximately RMB51.3 million, representing a year-on-year decrease of approximately 43.2% from approximately RMB90.3 million recorded for the same period in 2018. The year-on-year decrease was mainly due to the reduction in commission charges by platforms and third party payment vendors.

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

As a result of the foregoing, our gross profit for the six months ended 30 June 2019 amounted to approximately RMB109.2 million, representing a year-on-year decrease of approximately 43.7% from approximately RMB194.0 million recorded for the same period in 2018.

Our gross profit margin were approximately 68.0% and 68.2%, respectively, for the six months ended 30 June 2019 and the same period in 2018.

### ***Selling and marketing expenses***

Our selling and marketing expenses for the six months ended 30 June 2019 amounted to approximately RMB8.6 million, representing a year-on-year decrease of approximately 59.1% from approximately RMB21.1 million recorded for the same period in 2018. 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 six months ended 30 June 2019 amounted to approximately RMB53.5 million, representing a year-on-year decrease of approximately 25.3% from approximately RMB71.6 million recorded for the same period in 2018. The year-on-year decrease was mainly due to the decrease in employee benefit expenses.

### ***Other gains – net***

For the six months ended 30 June 2019, we recorded other gains (net) of approximately RMB14.6 million, compared to approximately RMB62.9 million recorded for the same period in 2018. The other gains (net) primarily consisted of fair value gains/(losses) on financial assets at fair value through profit or loss relating to the non-quoted investments in equity investment partnerships and certain wealth management products we purchased, government subsidies and dividends from financial assets at fair value through other comprehensive income.

### ***Finance income – net***

Our net finance income for the six months ended 30 June 2019 was approximately RMB11.1 million, compared to approximately RMB9.0 million recorded for the same period of 2018. The year-on-year change was primarily due to the increase in interest income as compared to the same period of 2018.

### ***Share of results of associates***

We held investments in six associates, namely Shenzhen Fanhou Technology Co., Ltd. ( 深圳市飯後科技有限公司 ), Shenzhen HuifuWorld Network Technology Co., Ltd. ( 深圳市匯富天下網絡科技有限公司 ), Shenzhen Easething Technology Co., Ltd. ( 深圳市易新科技有限公司 ), Shenzhen Jisiwei Intelligent Technology Co., Ltd. ( 深圳市極思維智能科技有限公司 ), Chengdu Boyu Interactive Technology Co., Ltd. ( 成都博娛互動科技有限公司 ) and Shanghai Allin Network Technology Co., Limited ( 上海傲英網絡科技有限公司 ) and its subsidiaries as at 30 June 2019 (31 December 2018: six), all of which were online game or internet technology companies. We recorded a share of loss of associates of approximately RMB0.2 million for the six months ended 30 June 2019, compared to a share of profit of associates of approximately RMB1.4 million recorded for the same period in 2018.

### ***Income tax expenses***

Our income tax expenses for the six months ended 30 June 2019 was approximately RMB9.5 million, representing a decrease of approximately 54.5% from approximately RMB20.9 million recorded for the six months ended 30 June 2018. The effective tax rate were 13.1% and 12.0%, respectively, for the six months ended 30 June 2019 and the same period in 2018. The increase in effective tax rate for the six months ended 30 June 2019 compared to the same period in 2018 is primarily due to the decrease in domestic revenue that enjoyed a lower tax rate.

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

As a result of the foregoing, our profit attributable to owners of the Company for the six months ended 30 June 2019 amounted to approximately RMB63.1 million, representing a year-on-year decrease of approximately 59.0%, from the profit attributable to owners of the Company of approximately RMB153.8 million recorded for the same period in 2018.

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

Our unaudited non-IFRS adjusted net profit for the six months ended 30 June 2019 of approximately RMB63.5 million was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.1 million, RMB0.1 million and RMB0.2 million included in cost of revenue, selling and marketing expenses and administrative expenses, respectively, as compared to our unaudited non-IFRS adjusted net profit for the six months ended 30 June 2018 of approximately RMB155.9 million derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.4 million, RMB0.6 million and RMB1.1 million included in cost of revenue, selling and marketing expenses and administrative expenses, respectively.

### ***Liquidity and Capital Resources***

For the six months ended 30 June 2019, we financed our operations primarily through cash generated from our operating activities as well as the net proceeds we received from the global offering completed in November 2013. We intend to finance our expansion, investment and business operations by internal resources and through organic and sustainable growth. We will make investments in line with our capital and investment management policies and strategies.

### *Gearing ratio*

As at 30 June 2019, the Group's gearing ratio (total liabilities divided by total assets) was 17.4% (31 December 2018: 10.4%). The increase in the Group's gearing ratio as at 30 June 2019 compared to the same date in 2018 is primarily due to the Special Dividend (the "**Special Dividend**") approved at the annual general meeting of the Company held on 6 June 2019. The Special Dividend was distributed on 19 July 2019. We had dividend payable approximately RMB175.4 million as at 30 June 2019, which increased total liabilities as at 30 June 2019 compared to the same date in 2018.

### *Term deposits*

As at 30 June 2019, we had term deposits of approximately RMB218.4 million (31 December 2018: approximately RMB500.9 million), which were mainly denominated in Renminbi ("**RMB**") and United States dollars ("**USD**"). The original maturities of the term deposits are over 3 months and less than 1 year. The effective interest rate for the term deposits of the Group for the six months ended 30 June 2019 was approximately 2.67%.

### *Cash and cash equivalents*

As at 30 June 2019, we had cash and cash equivalents of approximately RMB818.6 million (31 December 2018: approximately RMB390.3 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 62.3%), USD (as to approximately 14.4%) and other currencies (as to approximately 23.3%). We currently do not hedge transactions undertaken in foreign currencies. Due to our persistent efforts in managing our exposure to foreign currencies through constant monitoring to limit as much as possible the amount of foreign currencies held by us, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

Net proceeds from our initial public offering, after deducting the underwriting commission and other estimated expenses in connection with the offering which the Company received, amounted to approximately HKD837.9 million. Up to 30 June 2019, a total amount of approximately RMB674.6 million from the net proceeds from our initial public offering had been utilised for the following purposes:

- (a) approximately RMB303.6 million for our marketing activities and business expansion;
- (b) approximately RMB101.2 million for investments in technologies and complementary online games or businesses; and

- (c) approximately RMB269.8 million for research and development activities, working capital and other general corporate purposes, including but not limited to the investment in our technology infrastructure and enhancement of our game portfolio.

### **Financial assets at fair value through other comprehensive income**

We accounted for financial assets at fair value through other comprehensive income (transferred from available-for-sale financial assets upon adoption of IFRS 9 on 1 January 2018) at their respective fair values. As at 30 June 2019, the fair value of our unlisted and listed investments classified as financial assets at fair value through other comprehensive income amounted to approximately RMB52.9 million (31 December 2018: approximately RMB64.5 million). These financial assets at fair value through other comprehensive income consisted of both listed and unlisted equity securities, which are mainly represented by our equity investment in Dalian Zeus Entertainment Group Co., Ltd. (“**Zeus Entertainment**”). Zeus Entertainment is mainly engaged in research and development and publication of web-based and mobile games.

We consider that none of the other unlisted and listed investments classified as financial assets 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% of our total assets as at 30 June 2019.

### ***Financial assets at fair value through profit or loss***

As at 30 June 2019, we also recorded financial assets at fair value through profit or loss amounted to approximately RMB1,313.6 million (31 December 2018: approximately RMB1,409.0 million), which consisted of non-quoted investments in asset management plans and equity investment partnerships included in non-current assets, and non-quoted investments in certain wealth management products included in current assets. As at 30 June 2019, the fair values of the investments in asset management plans were determined by an independent professional valuer engaged by the Company using valuation techniques in combination of discount cash flow model and market comparable approach; the fair values of the investments in equity investment partnerships were determined by an independent professional valuer engaged by the Company using market comparable approach; and the fair values of investments in wealth management products, which have an initial term ranging from immediate to 360 days, were determined based on the estimated rate of return of investments. For the six months ended 30 June 2019, we recorded realised/unrealised fair value gains on financial assets at fair value through profit or loss of approximately RMB4.9 million (for the six months ended 30 June 2018: approximately RMB47.4 million).

The investments in wealth management products under financial assets 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. Generally, the Company has in the past selected wealth management products that are principal guaranteed and relatively low risk products. 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 in wealth management products. Each of such investments made during the six months ended 30 June 2019 does not constitute a notifiable transaction or a connected transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). As agreed with the financial institutions, the underlying investment portfolio of the wealth management products of the Company were primarily represented by inter-bank loan market instruments and exchange traded fixed-income financial instruments, such as inter-bank loans, government bonds, central bank bills and similar products, which were highly liquid with a relatively short term of maturity, and which were considered to akin to placing deposits with banks whilst enabling the Group to earn an attractive rate of return.

On 28 December 2016, the Group, through Shenzhen Dong Fang Bo Ya Technology Co., Ltd. ("**Boyaa Shenzhen**"), established a limited partnership namely Jiaxing Boyaa ChunLei Equity Investments Limited Partnership Enterprise ("**Jiaxing Boyaa**") with Shanghai Tailai Tianji Asset Management Co., Ltd ("**Tailai Tianji**"). During the six months ended 30 June 2019, 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 June 2019 was approximately RMB321.6 million. Jiaxing Boyaa is established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. We are optimistic about the on-going performance of Jiaxing Boyaa. Nevertheless, we will closely monitor the performance of Jiaxing Boyaa on an on-going basis.

We consider that, save for our capital investment in Jiaxing Boyaa as a limited partnership, no other single investment that was designated as financial assets 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 June 2019.

### ***Borrowings***

For the six months ended 30 June 2019, 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 six months ended 30 June 2019, our capital expenditure amounted to approximately RMB5.9 million (for the six months ended 30 June 2018: approximately RMB5.5 million). The capital expenditure mainly included purchasing equipment, motor vehicles and leasehold improvements of approximately RMB5.9 million (for the six months ended 30 June 2018: approximately RMB5.5 million), which was funded by using our cash flows generated from our operations.

### ***Contractual obligations***

As at 30 June 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of servers and office buildings which amounted to approximately RMB14.4 million (31 December 2018: approximately RMB18.0 million).

Save as disclosed above, the Group did not have other significant outstanding commitments as at 30 June 2019.

### ***Contingent liabilities and guarantees***

As at 30 June 2019, the Group did not have any significant unrecorded contingent liabilities and guarantees.

### ***Significant investments and future plans for major investments***

For the six months ended 30 June 2019, the Group's investment in Jiaxing Boyaa amounted to RMB300.0 million. Jiaxing Boyaa mainly carried out equity investments and venture capital investments.

In the coming future, the Group will continue to identify new opportunities for business development. As at the date of this announcement, the Group has not executed any agreement in respect of material acquisitions, investments or capital asset and did not have any other future plans relating to material acquisitions, investments or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming 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.

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

As at 30 June 2019, none of the Group's assets was pledged or charged.

### *Employees and staff costs*

As at 30 June 2019, we had a total of 311 full time employees, who are mainly based in mainland China. In particular, 265 employees are responsible for our game development and operation functions, 7 employees for game support and 39 employees for administration and senior management functions.

We organize and launch various training programs on a regular basis for our employees to enhance their knowledge of online game development and operation, improve time management and internal communications, and strengthen team bonding. We also provide various incentives, including share-based awards, such as share options and restricted share units (“**RSUs**”) granted pursuant to the share incentive schemes of the Company, and performance-based bonuses to better motivate our employees. As required by PRC laws and regulations, we 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 our employees.

For the six months ended 30 June 2019, the total staff costs of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to approximately RMB38.5 million, representing approximately 34.0% of the total expenses of the Group. Pursuant to the post-IPO share option scheme adopted by the Company in October 2013 (the “**Post-IPO Share Option Scheme**”) and the pre-IPO share option scheme adopted by the Company in January 2011 and amended in September 2013 (the “**Pre-IPO Share Option Scheme**”) as well as the RSU Scheme adopted by the Company in September 2013 (the “**RSU Scheme**”), there were a total of 7,605,170 share options and 6,618,245 shares underlying the RSUs outstanding and/or granted to a total of 249 directors, senior management members and employees of the Group as at 30 June 2019. There were also 52,659,372 shares underlying the RSUs allowed to be granted under the RSU Scheme which were held by The Core Admin Boyaa RSU Limited as nominee for the benefit of eligible participants pursuant to the RSU Scheme. Further details of the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme and the RSU Scheme will be set out in the section headed “Share Option Schemes and Restricted Share Unit Scheme” in the Other Information section in our 2019 interim report to be issued in due course.



## FINANCIAL INFORMATION

### INTERIM CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2019

	<i>Notes</i>	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>38,670</b>	37,442
Right-of-use assets		<b>10,888</b>	–
Intangible assets		<b>774</b>	1,384
Interest in associates		<b>16,804</b>	16,964
Financial assets at fair value through other comprehensive income	3	<b>52,894</b>	64,525
Deferred income tax assets		<b>35,228</b>	34,494
Prepayments and other receivables		<b>30,758</b>	25,435
Financial assets at fair value through profit or loss	5	<b>548,896</b>	589,331
		<b>734,912</b>	769,575
<b>Current assets</b>			
Trade receivables	4	<b>20,480</b>	18,365
Prepayments and other receivables		<b>37,024</b>	28,262
Financial assets at fair value through profit or loss	5	<b>764,688</b>	819,714
Term deposits		<b>218,433</b>	500,947
Cash and cash equivalents		<b>818,588</b>	390,350
		<b>1,859,213</b>	1,757,638
<b>Total assets</b>		<b>2,594,125</b>	2,527,213

## INTERIM CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2019

	<i>Notes</i>	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		234	235
Share premium		367,794	543,721
Repurchased shares		(570)	(2,060)
Shares held for restricted share units scheme ("RSU Scheme")		(14)	(14)
Reserves		(97,461)	(87,524)
Retained earnings		<u>1,873,790</u>	<u>1,810,676</u>
		<b>2,143,773</b>	<b>2,265,034</b>
Non-controlling interests		<u>–</u>	<u>–</u>
<b>Total equity</b>		<b><u>2,143,773</u></b>	<b><u>2,265,034</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		17,124	18,811
Lease liabilities		<u>7,193</u>	<u>–</u>
		<b>24,317</b>	<b>18,811</b>
<b>Current liabilities</b>			
Trade and other payables	7	68,874	69,363
Lease liabilities		4,346	–
Contract liabilities		14,448	18,005
Dividend payable		175,426	–
Current income tax liabilities		<u>162,941</u>	<u>156,000</u>
		<b>426,035</b>	<b>243,368</b>
<b>Total liabilities</b>		<b><u>450,352</u></b>	<b><u>262,179</u></b>
<b>Total equity and liabilities</b>		<b><u>2,594,125</u></b>	<b><u>2,527,213</u></b>
<b>Net current assets</b>		<b><u>1,433,178</u></b>	<b><u>1,514,270</u></b>
<b>Total assets less current liabilities</b>		<b><u>2,168,090</u></b>	<b><u>2,283,845</u></b>

# INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2019

	Notes	Three months ended 30 June		Six months ended 30 June	
		2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Revenue	2	80,258	124,365	160,462	284,235
Cost of revenue	8	<u>(26,305)</u>	<u>(35,771)</u>	<u>(51,292)</u>	<u>(90,251)</u>
<b>Gross profit</b>		<b>53,953</b>	88,594	<b>109,170</b>	193,984
Selling and marketing expenses	8	(4,275)	(8,431)	(8,622)	(21,105)
Administrative expenses	8	(27,750)	(33,160)	(53,476)	(71,571)
Other gains – net	9	<u>572</u>	<u>27,562</u>	<u>14,628</u>	<u>62,878</u>
<b>Operating profit</b>		<b>22,500</b>	74,565	<b>61,700</b>	164,186
Finance income	10	<u>3,848</u>	4,243	<u>12,386</u>	9,115
Finance costs	10	<u>(1,103)</u>	–	<u>(1,315)</u>	(89)
Finance income – net	10	<u>2,745</u>	4,243	<u>11,071</u>	9,026
Share of profit/(loss) of associates		<u>19</u>	<u>1,242</u>	<u>(160)</u>	<u>1,448</u>
<b>Profit before income tax</b>		<b>25,264</b>	80,050	<b>72,611</b>	174,660
Income tax expenses	11	<u>(2,229)</u>	<u>(8,294)</u>	<u>(9,497)</u>	<u>(20,882)</u>
<b>Profit for the period</b>		<b><u>23,035</u></b>	<b><u>71,756</u></b>	<b><u>63,114</u></b>	<b><u>153,778</u></b>
<b>Other comprehensive income/(loss)</b>					
Items that may be reclassified to profit or loss:					
– Currency translation differences		<u>11,264</u>	21,632	<u>2,215</u>	2,416
Items that will not be reclassified subsequently to profit or loss:					
– Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		<u>(11,131)</u>	<u>(47,353)</u>	<u>(9,927)</u>	<u>(48,194)</u>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b><u>133</u></b>	<b><u>(25,721)</u></b>	<b><u>(7,712)</u></b>	<b><u>(45,778)</u></b>
<b>Total comprehensive income for the period</b>		<b><u>23,168</u></b>	<b><u>46,035</u></b>	<b><u>55,402</u></b>	<b><u>108,000</u></b>

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

*FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2019*

	<i>Notes</i>	<b>Three months ended</b>		<b>Six months ended</b>	
		<b>30 June</b>		<b>30 June</b>	
		<b>2019</b>	2018	<b>2019</b>	2018
		<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
		<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
<b>Profit attributable to:</b>					
– Owners of the Company		<b>23,035</b>	71,756	<b>63,114</b>	153,778
– Non-controlling interests		–	–	–	–
		<b>23,035</b>	71,756	<b>63,114</b>	153,778
<b>Total comprehensive income attributable to:</b>					
– Owners of the Company		<b>23,168</b>	46,035	<b>55,402</b>	108,000
– Non-controlling interests		–	–	–	–
		<b>23,168</b>	46,035	<b>55,402</b>	108,000
<b>Earnings per share (expressed in RMB cents per share)</b>					
– Basic	12	<b>3.48</b>	10.68	<b>9.53</b>	22.66
– Diluted	12	<b>3.44</b>	10.55	<b>9.43</b>	22.26
<b>Dividends</b>	13	–	–	–	–

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(unaudited)

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Repurchased shares	Shares held for RSU		Retained earnings	Total	Total equity		
				Reserves	Scheme					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2019	235	543,721	(2,060)	(14)	(87,524)	1,810,676	2,265,034	-	2,265,034	
Profit for the period	-	-	-	-	-	63,114	63,114	-	63,114	
<b>Other comprehensive income/(loss)</b>										
- Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(9,927)	-	(9,927)	-	(9,927)	
- Currency translation differences	-	-	-	-	2,215	-	2,215	-	2,215	
<b>Total comprehensive income/(loss) for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,712)</u>	<u>63,114</u>	<u>55,402</u>	<u>-</u>	<u>55,402</u>	
<b>Employee share option and RSU schemes</b>										
- Value of employee services	-	-	-	-	431	-	431	-	431	
- Exercise and lapse of share options and RSUs	-	2,656	-	-	(2,656)	-	-	-	-	
Special dividend	-	(175,426)	-	-	-	-	(175,426)	-	(175,426)	
Buy-back of shares	-	-	(1,668)	-	-	-	(1,668)	-	(1,668)	
Cancellation of shares	(1)	(3,157)	3,158	-	-	-	-	-	-	
<b>Total transactions with owners, recognised directly in equity</b>	<u>(1)</u>	<u>(175,927)</u>	<u>1,490</u>	<u>-</u>	<u>(2,225)</u>	<u>-</u>	<u>(176,663)</u>	<u>-</u>	<u>(176,663)</u>	
Balance at 30 June 2019	<u>234</u>	<u>367,794</u>	<u>(570)</u>	<u>(14)</u>	<u>(97,461)</u>	<u>1,873,790</u>	<u>2,143,773</u>	<u>-</u>	<u>2,143,773</u>	

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	(unaudited)								
	Attributable to owners of the Company								
	Share capital	Share premium	Repurchased shares	Shares held		Retained earnings	Total	Non-controlling interests	Total equity
				for RSU	Reserves				
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2018</b>	249	642,365	(27,283)	(15)	93,634	1,515,211	2,224,161	–	2,224,161
<b>Adjustment on adoption of IFRS 9</b>	–	–	–	–	(101,407)	101,407	–	–	–
Adjusted balance at 1 January 2018	<u>249</u>	<u>642,365</u>	<u>(27,283)</u>	<u>(15)</u>	<u>(7,773)</u>	<u>1,616,618</u>	<u>2,224,161</u>	<u>–</u>	<u>2,224,161</u>
Profit for the period	–	–	–	–	–	153,778	153,778	–	153,778
<b>Other comprehensive income/(loss)</b>									
– Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	–	–	–	–	(48,194)	–	(48,194)	–	(48,194)
– Currency translation differences	–	–	–	–	2,416	–	2,416	–	2,416
<b>Total comprehensive income/(loss) for the period</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(45,778)</u>	<u>153,778</u>	<u>108,000</u>	<u>–</u>	<u>108,000</u>
<b>Employee share option and RSU scheme</b>									
– Value of employee services	–	–	–	–	2,078	–	2,078	–	2,078
– Proceeds from shares issued	–	1,909	–	–	–	–	1,909	–	1,909
<b>Buy-back of shares</b>	–	–	(74,210)	–	–	–	(74,210)	–	(74,210)
<b>Cancellation of shares</b>	<u>(12)</u>	<u>(100,048)</u>	<u>100,060</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Total transactions with owners, recognised directly in equity</b>	<u>(12)</u>	<u>(98,139)</u>	<u>25,850</u>	<u>–</u>	<u>2,078</u>	<u>–</u>	<u>(70,223)</u>	<u>–</u>	<u>(70,223)</u>
<b>Balance at 30 June 2018</b>	<u>237</u>	<u>544,226</u>	<u>(1,433)</u>	<u>(15)</u>	<u>(51,473)</u>	<u>1,770,396</u>	<u>2,261,938</u>	<u>–</u>	<u>2,261,938</u>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	39,382	110,754
Income tax paid	(4,371)	(19,943)
	<u>35,011</u>	<u>90,811</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,945)	(5,505)
Purchase of financial assets at fair value through profit or loss	(528,547)	(1,479,700)
Placement of term deposits with original maturities over three months	(211,152)	(213,171)
Proceeds from maturity of term deposits with original maturities over three months	494,400	65,342
Proceeds from disposals of financial assets at fair value through profit or loss	619,500	1,288,100
Proceeds from disposals of property, plant and equipment	138	21
Dividends from financial assets at fair value through other comprehensive income	–	134
Return on financial assets at fair value through profit or loss	11,707	19,667
Interest received	14,562	2,683
	<u>394,663</u>	<u>(322,429)</u>
<b>Cash flows from financing activities</b>		
Buy-back of shares	(1,668)	(74,210)
Proceeds from issuance of ordinary shares	–	1,909
Payment of lease liabilities	(1,762)	–
	<u>(3,430)</u>	<u>(72,301)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>426,244</b>	<b>(303,919)</b>
Cash and cash equivalents at the beginning of the period	390,350	858,193
Exchange gains on cash and cash equivalents	1,994	3,638
<b>Cash and cash equivalents at the end of the period</b>	<b>818,588</b>	<b>557,912</b>

## NOTES:

### 1. GENERAL INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Boyaa Interactive International Limited (the “**Company**”) was incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 12 November 2013 (the “**Listing**”).

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the development and operations of online card and board game business in the People’s Republic of China (the “**PRC**”), Hong Kong and other countries and regions.

The interim consolidated balance sheet as at 30 June 2019, the interim consolidated statement of profit or loss and other comprehensive income for the three and six months then ended, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes (collectively defined as the “**Interim Condensed Consolidated Financial Information**”) of the Group have been approved by the Board of Directors (the “**Board**”) on 28 August 2019.

This Interim Condensed Consolidated Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Condensed Consolidated Financial Information is prepared in accordance with International Accounting Standards (“**IAS**”) 34 ‘Interim Financial Reporting’ issued by the International Accounting Standards Board. This Interim Condensed Consolidated Financial Information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2018 as set out in the 2018 annual report of the Company (the “**2018 Financial Statements**”).

Except as described below, the accounting policies applied are consistent with those used in the 2018 Financial Statements, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and other comprehensive income, which were carried at fair value.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

In the current interim period, the Group has applied, for the first time, the following new IFRS that is mandatorily effective for the financial year ending 31 December 2019.

IFRS 16	Leases
---------	--------

Except for the adoption of IFRS 16 “Leases”, other standards and amendments which are effective from 1 January 2019 do not have a material effect on the Group’s financial statements.



The Group applies the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to contracts that were previously identified as leases under IAS 17 “Leases” and IFRIC-Int 4 “Determining whether an Arrangement contains a Lease”.

The Group has transitioned to IFRS 16 in accordance with the modified retrospective approach and, therefore, the information presented for 2018 has not been restated. The right-of-use asset for property lease was measured at the amount equal to the lease liability, adjusted by the amount of any prepayments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018.

The reconciliation of operating lease commitment to lease liabilities is set out below:

	<b><i>RMB'000</i></b> <b>(unaudited)</b>
Operating lease commitments at 1 January 2019	<b>17,998</b>
Short-term leases	<b>(3,638)</b>
Effect of discounting	<b>(1,476)</b>
	<hr/>
Lease liabilities at 1 January 2019	<b><u>12,884</u></b>

The weighted average incremental borrowing rate applied to lease liabilities on 1 January 2019 was 6.8%.

The adjustment of the opening balances (affected items only) below results from the initial application of the IFRS 16 as at 1 January 2019. The prior-year amounts were not adjusted.

	<b>31 December 2018</b> <i>RMB'000</i> (Audited)	<b>IFRS 16 Adjustment</b> <i>RMB'000</i> (unaudited)	<b>1 January 2019</b> <i>RMB'000</i> (unaudited)
<b>Assets:</b>			
Right-of-use assets	—	12,884	12,884
<b>Liabilities:</b>			
Lease liabilities	—	12,884	12,884

The directors of the Company anticipate that the new standards that have been issued but are not effective for the financial year beginning on 1 January 2019 do not have a material impact on the Group's consolidated financial statements.

## 2. REVENUE AND SEGMENT INFORMATION

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2019</b> <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	<b>2019</b> <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Disaggregation of revenue from contracts with customers by game forms:				
– Web-based games	<b>34,419</b>	44,169	<b>70,229</b>	96,219
– Mobile games	<b>45,839</b>	80,196	<b>90,233</b>	188,016
	<b>80,258</b>	124,365	<b>160,462</b>	284,235

Substantially all the revenue generated are recognised at a point in time.

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

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

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Simplified Chinese	12,618	38,338	24,878	116,386
Other languages	67,640	86,027	135,584	167,849
	<u>80,258</u>	<u>124,365</u>	<u>160,462</u>	<u>284,235</u>

The Group has a large number of game players, none of whom contributed 10% or more of the Group's revenue for the three and six months ended 30 June 2019 and 2018.

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

	30 June 2019 <i>RMB'000</i> (unaudited)	31 December 2018 <i>RMB'000</i> (audited)
Mainland China	80,371	64,987
Other locations	17,523	16,238
	<u>97,894</u>	<u>81,225</u>

### 3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2019 <i>RMB'000</i> (unaudited)	31 December 2018 <i>RMB'000</i> (audited)
Balance at the beginning of the period/year	64,525	–
Transfer from available-for-sale financial assets upon adoption of IFRS 9	–	128,280
Additions	–	43,670
Fair value changes	(11,679)	(109,007)
Currency translation differences	48	1,582
	<u>52,894</u>	<u>64,525</u>
Balance at the end of the period/year	<u>52,894</u>	<u>64,525</u>

Financial assets at fair value through other comprehensive income include the following:

	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
Listed equity securities	49,610	60,719
Unlisted equity investments	3,035	3,035
Preference shares of private companies	249	771
	<u>52,894</u>	<u>64,525</u>

#### 4. TRADE RECEIVABLES

	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
Trade receivables	26,219	22,955
Less: impairment provision	<u>(5,739)</u>	<u>(4,590)</u>
	<u>20,480</u>	<u>18,365</u>

Trade receivables were arising from the development and operation of online game business. Platforms and third party payment vendors collect the payment from the paying players and remit the cash net of commission charges which are pre-determined according to the relevant terms of the agreements entered into between the Group and platforms or third party payment vendors. The credit terms of trade receivables granted to the platforms and third party payment vendors are usually 30 to 120 days. Ageing analysis based on recognition date of the gross trade receivables, before provision for impairment, at the respective balance sheet dates is as follows:

	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
0 – 60 days	18,178	16,718
61 – 90 days	384	995
91 – 180 days	1,505	1,737
Over 180 days	<u>6,152</u>	<u>3,505</u>
	<u>26,219</u>	<u>22,955</u>

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
<b>Included in non-current assets</b>		
Non-quoted investments in:		
– asset management plans	72,885	104,033
– equity investment partnerships	<u>476,011</u>	<u>485,298</u>
	<u>548,896</u>	<u>598,331</u>
<b>Included in current assets</b>		
Non-quoted investments in:		
– asset management plans	31,236	6,875
– wealth management products	<u>733,452</u>	<u>812,839</u>
	<u>764,688</u>	<u>819,714</u>
	<u><b>1,313,584</b></u>	<u><b>1,409,045</b></u>

## 6. SHARE-BASED PAYMENTS

### (a) Share options

On 7 January 2011, the Board of the Company approved the establishment of a share option scheme (i.e. the 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 (i.e. the 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.

*Movements in the number of share options outstanding*

	<b>Number of share options</b>	
	<b>2019</b>	2018
	<b>(unaudited)</b>	(unaudited)
At 1 January	<b>8,323,315</b>	10,707,790
Exercised	–	(808,000)
Lapsed	<b>(718,145)</b>	<b>(777,530)</b>
At 30 June	<b><u>7,605,170</u></b>	<b><u>9,122,260</u></b>

No share options exercised during the period ended 30 June 2019.

Share options exercised during the period ended 30 June 2018 resulted in 808,000 shares being issued, with exercise proceeds of approximately RMB1,909,000. The related weighted average share price at the time of exercise was HKD3.29 per share.

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 30 June 2019 and 2018 are as follows:

<b>Expiry date</b>	<b>Exercise price</b>		<b>Number of share options</b>	
	<b>Original currency</b>	<b>Equivalent to HKD</b>	<b>2019</b>	2018
			<b>(unaudited)</b>	(unaudited)
31 January 2019	USD0.05	HKD0.388	–	11,888
1 March 2020	USD0.10	HKD0.775	<b>2,749</b>	2,749
30 June 2020	USD0.15	HKD1.163	<b>66,249</b>	72,240
6 September 2025	HKD3.108	HKD3.108	<b>7,536,172</b>	<b>9,035,383</b>
			<b><u>7,605,170</u></b>	<b><u>9,122,260</u></b>

**(b) RSUs**

Pursuant to a resolution passed by the Board of the Company in 2013, the Company set up a 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 and copied to the Company.

The RSU Scheme will be valid and effective for a period of eight years, commencing from the date of the first grant of the RSUs.

Movements in the number of RSUs outstanding:

	Number of RSUs	
	2019 (unaudited)	2018 (unaudited)
At 1 January	7,781,613	20,480,853
Lapsed	(8,368)	(519,463)
Vested and transferred	<u>(1,155,000)</u>	<u>(11,390,398)</u>
At 30 June	<u>6,618,245</u>	<u>8,570,992</u>
Vested but not transferred as at 30 June	<u>6,481,179</u>	<u>6,761,134</u>

The related weighted average share price at the time when the RSUs were vested and transferred was HKD1.67 per share (30 June 2018: HKD3.14 per share).

**7. TRADE AND OTHER PAYABLES**

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Trade payables	389	378
Other taxes payables	43,559	43,253
Accrued expenses	4,826	3,125
Accrued commissions charges by platforms	14,083	15,138
Accrued advertising expenses	657	1,718
Salary and staff welfare payables	4,840	5,250
Others	<u>520</u>	<u>501</u>
	<u>68,874</u>	<u>69,363</u>

Trade payables were mainly arising from the leasing of servers. The credit terms of trade payables granted by the vendors are usually 30 to 90 days. The ageing analysis of trade payables based on recognition date is as follows:

	<b>30 June 2019 RMB'000 (unaudited)</b>	31 December 2018 RMB'000 (audited)
0 – 30 days	<b>82</b>	76
31 – 60 days	<b>4</b>	–
61 – 90 days	<b>–</b>	–
Over 90 days	<b>303</b>	302
	<b>389</b>	378

## 8. EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses and administrative expenses are analysed as follows:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2019 RMB'000 (unaudited)</b>	2018 RMB'000 (unaudited)	<b>2019 RMB'000 (unaudited)</b>	2018 RMB'000 (unaudited)
Commission charges by platforms and third party payment vendors (included in cost of revenue)	<b>22,951</b>	32,620	<b>45,199</b>	79,203
Employee benefit expenses (excluding share-based compensation expenses)	<b>20,659</b>	24,363	<b>38,091</b>	61,006
Share-based compensation expenses	<b>146</b>	870	<b>431</b>	2,078
Servers rental expenses	<b>2,190</b>	2,979	<b>4,508</b>	6,167
Office rental expenses	<b>787</b>	2,117	<b>1,346</b>	4,345
Depreciation of right-of-use assets	<b>1,021</b>	–	<b>2,039</b>	–
Depreciation of property, plant and equipment	<b>2,744</b>	2,258	<b>3,976</b>	4,418
Travelling and entertainment expenses	<b>1,087</b>	1,392	<b>2,267</b>	2,010
Other professional service fees	<b>2,942</b>	1,847	<b>6,746</b>	3,165
Auditor's remuneration	<b>400</b>	550	<b>950</b>	1,100
Advertising expenses	<b>1,719</b>	5,202	<b>3,889</b>	13,757
Amortisation of intangible assets	<b>332</b>	350	<b>610</b>	706
Other expenses	<b>1,352</b>	2,814	<b>3,338</b>	4,972
	<b>58,330</b>	77,362	<b>113,390</b>	182,927



Research and development expenses during the three and six months ended 30 June 2019 and 2018, are analysed as below:

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Employee benefit expenses (excluding share-based compensation expenses)	12,767	14,932	25,312	33,179
Depreciation of right-of-use asset	118	–	501	–
Office rental expenses	–	561	–	1,168
Other expenses	1,478	2,724	3,056	3,430
	<u>14,363</u>	<u>18,217</u>	<u>28,869</u>	<u>37,777</u>

No research and development expenses were capitalised for the three and six months ended 30 June 2019 and 2018.

## 9. OTHER GAINS – NET

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Realised/unrealised fair value (losses)/gains on financial assets at fair value through profit or loss	(2,037)	14,775	4,900	47,417
Foreign exchange gains/(losses), net	287	(1,578)	287	(1,367)
Government subsidies and tax rebates	760	4,433	8,212	6,860
Dividends from financial assets at fair value through other comprehensive income	–	134	–	134
Dividends from financial assets at fair value through profit or loss	2,122	12,271	2,122	12,271
Loss on disposal of property, plant and equipment	(331)	–	(664)	(1)
Others	(229)	(2,473)	(229)	(2,436)
	<u>572</u>	<u>27,562</u>	<u>14,628</u>	<u>62,878</u>

## 10. FINANCE INCOME – NET

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
<b>Finance income</b>				
Interest income	7,640	4,217	12,494	6,900
Interest income on non-current loans to employees	211	935	513	1,141
Foreign exchange (losses)/gains, net	(4,003)	(909)	(621)	1,074
	<u>3,848</u>	<u>4,243</u>	<u>12,386</u>	<u>9,115</u>
<b>Finance costs</b>				
Discounting effects of non-current loans to employees	(902)	–	(902)	(89)
Interest expense on lease liabilities	(201)	–	(413)	–
	<u>(1,103)</u>	<u>–</u>	<u>(1,315)</u>	<u>(89)</u>
<b>Finance income – net</b>	<u>2,745</u>	<u>4,243</u>	<u>11,071</u>	<u>9,026</u>

## 11. INCOME TAX EXPENSES

The income tax expenses of the Group for the three and six months ended 30 June 2019 and 2018 is analysed as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
<b>Current income tax – PRC</b>				
– Provision for the period	1,034	1,038	2,349	6,450
– (Over-provision)/under-provision in prior periods	(2,246)	(1,137)	431	(1,137)
	<u>(1,212)</u>	<u>(99)</u>	<u>2,780</u>	<u>5,313</u>
<b>Current income tax – Hong Kong</b>				
– Provision for the period	4,987	6,077	7,381	10,520
– Over-provision in prior periods	–	–	–	–
	<u>4,987</u>	<u>6,077</u>	<u>7,381</u>	<u>10,520</u>
<b>Deferred income tax</b>	<u>(1,546)</u>	<u>2,316</u>	<u>(664)</u>	<u>5,049</u>
	<u><b>2,229</b></u>	<u><b>8,294</b></u>	<u><b>9,497</b></u>	<u><b>20,882</b></u>

### (a) Cayman Islands Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

### (b) Hong Kong Profits Tax

Hong Kong profits tax has been provided at the rate of 8.25% on assessable profits up to HKD2,000,000 and 16.5% on any part of assessable profits over HKD2,000,000 for the period.

(c) **PRC Corporate Income Tax (“CIT”)**

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 three and six months ended 30 June 2019 and 2018, based on the existing legislation, interpretations and practices in respect thereof.

An indirect wholly owned subsidiary of the Company, Shenzhen Dong Fang Bo Ya Technology Co., Ltd. (“**Boyaa Shenzhen**”), had successfully renewed its “High and New Technology Enterprise” (“**HNTE**”) qualification in 2018 and as a result, Boyaa Shenzhen enjoys a preferential tax rate of 15% from 1 January 2018 to 31 December 2021. Therefore, the actual income tax rate for Boyaa Shenzhen was 15% for the three and six months ended 30 June 2019 (for the three and six months ended 30 June 2018: 15%).

A direct wholly owned subsidiary of the Company, Boyaa On-line Game Development (Shenzhen) Co., Ltd. (“**Boyaa PRC**”), had successfully renewed its HNTE qualification in 2016 and as a result, Boyaa PRC enjoys a preferential tax rate of 15% from 1 January 2016 to 31 December 2019. Therefore, the actual income tax rate for Boyaa PRC was 15% for the three and six months ended 30 June 2019 (for the three and six months ended 30 June 2018: 15%).

According to a policy 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 175% of the research and development expenses so incurred in a period as tax deductible expenses in determining its tax assessable profits for that period (“**Super Deduction**”). Boyaa Shenzhen and Boyaa PRC has claimed such Super Deduction in ascertaining its tax assessable profits for the three and six months ended 30 June 2019 and 2018.

(d) **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 authorities, the relevant withholding tax rate will be reduced from 10% to 5%.

As at 30 June 2019, 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 approximately RMB1,210,560,000 (31 December 2018: approximately RMB1,189,895,000). 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 management’s estimation of overseas funding requirements.

(e) **Tax reconciliation**

The tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of consolidated entities in the respective jurisdictions as follows:

	Six months ended 30 June	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Profit before income tax	72,611	174,660
Add/(less): Share of loss/(profit) of associates	160	(1,448)
	<u>72,771</u>	<u>173,212</u>
Tax calculated at a tax rate of 25%	18,192	43,303
Tax effects of:		
– Tax concession on assessable profits of Boyaa Shenzhen and Boyaa PRC	(2,330)	(9,562)
– Different tax rates available to different subsidiaries of the Group other than PRC	(4,103)	(4,998)
– Expenses not deductible for tax purposes	2,549	934
– Income not subject to tax	(2,189)	(4,912)
– Super Deduction	(3,053)	(2,746)
– Under-provision/(over-provision) in prior periods	431	(1,137)
Income tax expenses	<u>9,497</u>	<u>20,882</u>

## 12. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares held for the RSU Scheme and repurchased shares.

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Profit attributable to owners of the Company	23,035	71,756	63,114	153,778
Weighted average number of ordinary shares in issue (thousand shares)	<u>662,612</u>	<u>672,162</u>	<u>662,589</u>	<u>678,573</u>
Basic earnings per share (expressed in RMB cents per share)	<u>3.48</u>	<u>10.68</u>	<u>9.53</u>	<u>22.66</u>

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the three and six months ended 30 June 2019 and 2018, the Group had two categories of dilutive potential ordinary shares, namely share options and RSUs. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options and RSUs. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and RSUs.

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Profit used to determine diluted earnings per share	<u>23,035</u>	<u>71,756</u>	<u>63,114</u>	<u>153,778</u>
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> )	<b>662,612</b>	672,162	<b>662,589</b>	678,573
Adjustment for RSUs ( <i>thousand shares</i> )	<b>6,720</b>	7,968	<b>6,939</b>	12,289
Adjustment for share options ( <i>thousand shares</i> )	<u>–</u>	<u>72</u>	<u>10</u>	<u>87</u>
Weighted average number of ordinary shares for calculating diluted earnings per share ( <i>thousand shares</i> )	<u><b>669,332</b></u>	<u>680,202</u>	<u><b>669,538</b></u>	<u>690,949</u>
Diluted earnings per share ( <i>expressed in RMB cents per share</i> )	<u><b>3.44</b></u>	<u>10.55</u>	<u><b>9.43</b></u>	<u>22.26</u>

### 13. DIVIDENDS

The Board of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2019*

	<b>For the six months ended 30 June</b>		Year-on-
	<b>2019</b>	2018	Year Change*
	<i><b>RMB'000</b></i>	<i>RMB'000</i>	%
	<b>(unaudited)</b>	(unaudited)	
<b>Revenue</b>	<b>160,462</b>	284,235	(43.5)
Cost of revenue	<u>(51,292)</u>	<u>(90,251)</u>	(43.2)
<b>Gross profit</b>	<b>109,170</b>	193,984	(43.7)
Selling and marketing expenses	<b>(8,622)</b>	(21,105)	(59.1)
Administrative expenses	<b>(53,476)</b>	(71,571)	(25.3)
Other gains – net	<u>14,628</u>	<u>62,878</u>	(76.7)
<b>Operating profit</b>	<b>61,700</b>	164,186	(62.4)
Finance income – net	<b>11,071</b>	9,026	22.7
Share of (loss)/profit of associates	<u>(160)</u>	<u>1,448</u>	(111.0)
<b>Profit before income tax</b>	<b>72,611</b>	174,660	(58.4)
Income tax expenses	<u>(9,497)</u>	<u>(20,882)</u>	(54.5)
<b>Profit for the period</b>	<u><b>63,114</b></u>	<u>153,778</u>	(59.0)
<b>Non-IFRS adjustment (unaudited)</b>			
Share-based compensation expenses included in cost of revenue	<b>105</b>	428	(75.5)
Share-based compensation expenses included in selling and marketing expenses	<b>113</b>	568	(80.1)
Share-based compensation expenses included in administrative expenses	<u>213</u>	<u>1,082</u>	(80.3)
<b>Non-IFRS adjusted net profit (unaudited)</b>	<u><b>63,545</b></u>	<u>155,856</u>	(59.2)

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



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

FOR THE THREE MONTHS ENDED 30 JUNE 2019

	For the three months ended			Year-on- Year Change*	Quarter- on -Quarter Change **
	30 June 2019 RMB'000 (unaudited)	31 March 2019 RMB'000 (unaudited)	30 June 2018 RMB'000 (unaudited)		
<b>Revenue</b>	<b>80,258</b>	80,204	124,365	35.5	0.1
Cost of revenue	<u>(26,305)</u>	<u>(24,987)</u>	<u>(35,771)</u>	(26.5)	5.3
<b>Gross profit</b>	<b>53,953</b>	55,217	88,594	(39.1)	(2.3)
Selling and marketing expenses	<u>(4,275)</u>	<u>(4,347)</u>	<u>(8,431)</u>	(49.3)	(1.7)
Administrative expenses	<u>(27,750)</u>	<u>(25,726)</u>	<u>(33,160)</u>	(16.3)	7.9
Other gains – net	<u>572</u>	<u>14,056</u>	<u>27,562</u>	(97.9)	(95.9)
<b>Operating profit</b>	<b>22,500</b>	39,200	74,565	(69.8)	(42.6)
Finance income – net	<u>2,745</u>	<u>8,326</u>	<u>4,243</u>	(35.3)	(67.0)
Share of profit/(loss) of associates	<u>19</u>	<u>(179)</u>	<u>1,242</u>	(98.5)	(110.6)
<b>Profit before income tax</b>	<b>25,264</b>	47,347	80,050	(68.4)	(46.6)
Income tax expenses	<u>(2,229)</u>	<u>(7,268)</u>	<u>(8,294)</u>	(73.1)	(69.3)
<b>Profit for the period</b>	<b><u>23,035</u></b>	<b><u>40,079</u></b>	<b><u>71,756</u></b>	(67.9)	(42.5)
<b>Non-IFRS adjustment (unaudited)</b>					
Share-based compensation expense included in cost of revenue	<u>37</u>	<u>68</u>	<u>184</u>	(79.9)	(45.6)
Share-based compensation expense included in selling and marketing expenses	<u>38</u>	<u>75</u>	<u>236</u>	(83.9)	(49.3)
Share-based compensation expense included in administrative expenses	<u>71</u>	<u>142</u>	<u>450</u>	(84.2)	(50.0)
<b>Non-IFRS adjusted net profit (unaudited)</b>	<b><u>23,181</u></b>	<b><u>40,364</u></b>	<b><u>72,626</u></b>	(68.1)	(42.6)

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

\*\* Quarter-on-Quarter Change % represents a comparison between the quarter ended 30 June 2019 and the immediately preceding quarter.

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2019, the Company repurchased 1,127,000 shares of the Company on The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) at an aggregate consideration of HKD1,896,880.00 pursuant to the share repurchase mandates approved by the shareholders of the Company at the annual general meetings held on 6 June 2018 and 6 June 2019. Details of the repurchases are summarised as follows:

Date of repurchase	Price per share		Number of Ordinary Shares of USD0.00005 each	Total consideration HKD
	Highest HKD	Lowest HKD		
8 April 2019	1.92	1.90	651,000	1,247,050.00
9 April 2019	1.92	1.92	1,000	1,920.00
19 June 2019	1.37	1.33	445,000	605,910.00
20 June 2019	1.40	1.40	30,000	42,000.00
<b>Total:</b>			<u>1,127,000</u>	<u>1,896,880.00</u>

All the repurchased shares of the Company have been cancelled on 16 May 2019 and 27 August 2019 and the issued share capital of the Company has been reduced by the nominal value of the repurchased shares. The premium paid on repurchase was charged against the share premium of the Company. The repurchases were effected by the Board with a view to benefiting the shareholders of the Company as a whole by enhancing the earnings per share of the Company.

Except as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the six months ended 30 June 2019.

### INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2019.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

For the six months ended 30 June 2019, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules.

The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive directors (being Mr. Dai Zhikang, who has also been appointed as the chairman of the Company and Ms. Tao Ying, who has also been appointed as the acting chief executive officer), and three independent non-executive directors (being Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Sun Zihua). The Board considers it has a strong independence element and consist of individuals with diverse skills and requisite experience in its composition.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors’ securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code throughout the six months ended 30 June 2019.

## **CHANGE IN BOARD COMPOSITION AND CHANGE IN DIRECTORS’ BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES**

Mr. You Caizhen retired as an independent non-executive director, as well as a member of each of the audit committee of the Company (the “**Audit Committee**”), the remuneration committee of the Company (the “**Remuneration Committee**”) and the nomination committee of the Company (the “**Nomination Committee**”) upon the expiry of the term of his appointment letter with the Company on 13 July 2019.

Mr. Sun Zihua has been appointed as an independent non-executive director of the Company, as well as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 14 July 2019.

Save as disclosed above, there is no other change in the composition of the Board or change in the directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2018 annual report of the Company.

#### **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with the Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Sun Zihua. Mr. Cheung Ngai Lam is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2019. There is no disagreement between the Board and the Audit Committee regarding accounting treatment adopted by the Company.

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

There was no other important event affecting the Group which has taken place since 30 June 2019 and up to the date of this announcement.

#### **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.boyya.com.hk>) respectively. The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and of the Company in due course.

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

Hong Kong, 28 August 2019

*At the date of this announcement, the executive directors are Mr. DAI Zhikang and Ms. TAO Ying; the independent non-executive directors are Mr. CHEUNG Ngai Lam, Mr. CHOI Hon Keung Simon and Mr. SUN Zihua.*