

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

The board of directors (the “**Board**”) of Boyaa Interactive International Limited (the “**Company**” or “**we**” or “**our**” or “**us**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**our**” or “**us**”) for the three months ended 31 March 2023 (the “**Reporting Period**”) (the “**First Quarterly Results**”). The First 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 Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

## FINANCIAL HIGHLIGHTS

	For the three months ended 31 March		Year-on-Year Change*	For the year ended
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited) (restated) ( <i>Note</i> )		31 December 2022 <i>RMB'000</i> (audited)
Revenue	<b>95,229</b>	91,524	4.0	375,266
– Web-based games	<b>29,057</b>	29,288	(0.8)	125,161
– Mobile games	<b>66,172</b>	62,236	6.3	250,105
Gross profit	<b>63,307</b>	60,216	5.1	245,845
Profit attributable to owners of the Company	<b>28,657</b>	13,178	117.5	64,200
Non-IFRS adjusted net profit (unaudited)***	<b>29,515</b>	13,419	119.9	67,125

*Note:*

Certain items in the unaudited condensed consolidated financial statements for the three months ended 31 March 2022 had been restated due to the latest development of the Case (as defined and disclosed in Note 20 to the section headed “Notes to the Condensed Consolidated Financial Statements” in this announcement). For details, please refer to Note 4 to the section headed “Notes to the Consolidated Financial Statements” in 2022 Annual Report of the Company published on 28 April 2023 and Note 5(b) and Note 20 to the section headed “Notes to the Condensed Consolidated Financial Statements” in this announcement.

## REVENUE BY GAMES

	For the three months ended 31 March		Year-on-Year Change* %
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)	
Texas Hold'em Series	58,928	56,791	3.8
Other Card and Board*****	36,301	34,733	4.5
<b>Total</b>	<b>95,229</b>	<b>91,524</b>	<b>4.0</b>

## REVENUE BY LANGUAGE VERSIONS OF GAMES

	For the three months ended 31 March		Year-on-Year Change* %
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)	
Simplified Chinese	5,158	6,282	(17.9)
Other languages	90,071	85,242	5.7
<b>Total</b>	<b>95,229</b>	<b>91,524</b>	<b>4.0</b>

## OPERATIONAL HIGHLIGHTS

	For the three months ended			Year-on- Year Change* %	Quarter-on- Quarter Change** %
	31 March 2023 (unaudited)	31 December 2022 (unaudited)	31 March 2022 (unaudited)		
Paying Players (in thousands)	238	216	267	(10.9)	10.2
• Web-based games	4	5	7	(42.9)	(20.0)
• Mobile games	234	211	260	(10.0)	10.9
Daily Active Users (“DAUs”) (in thousands)****	1,266	1,183	1,369	(7.5)	7.0
• Web-based games	107	93	100	7.0	15.1
• Mobile games	1,159	1,090	1,269	(8.7)	6.3
Monthly Active Users (“MAUs”) (in thousands)****	4,758	4,040	4,385	8.5	17.8
• Web-based games	444	330	350	26.9	34.5
• Mobile games	4,314	3,710	4,035	6.9	16.3

	<b>For the three months ended</b>			<b>Year-on-</b>	<b>Quarter-on-</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>Year</b>	<b>Quarter</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>Change*</b>	<b>Change**</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>%</b>	<b>%</b>
Average Revenue Per Paying User (“ARPPU”) for Texas Hold’em Series (in RMB)					
• Web-based games	<b>3,228.6</b>	2,744.3	1,627.1	98.4	17.6
• Mobile games	<b>211.9</b>	196.8	176.3	20.2	7.7
ARPPU for Other Card and Board (in RMB)					
• Web-based games	<b>0.3</b>	0.3	0.3	–	–
• Mobile games	<b>64.7</b>	68.4	55.7	16.2	(5.4)
* <i>Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.</i>					
** <i>Quarter-on-Quarter Change % represents a comparison between the quarter ended 31 March 2023 and the immediately preceding quarter.</i>					
*** <i>Non-IFRS adjusted net profit was derived from the net profit for the period excluding share-based compensation expenses.</i>					
**** <i>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.</i>					
***** <i>The categories of “Fight the landlord” and “Others” set out in the summary in the previous quarterly results announcements are combined and referred to as “Other Card and Board” above.</i>					

## **BUSINESS OVERVIEW AND OUTLOOK**

In terms of financial performance, we recorded revenue of approximately RMB95.2 million in the first quarter of 2023, representing a year-on-year increase of approximately 4.0% compared to the first quarter of 2022 and representing a quarter-on-quarter increase of approximately 1.0% compared to the fourth quarter of 2022. The increase in revenue was primarily due to the Group's holding of certain online operational activities and continuous optimization of its gaming products and gameplay during the Reporting Period so that the Group's revenue has maintained a steady increase.

In the first quarter of 2023, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB29.5 million, representing a year-on-year increase of approximately 119.9% as compared to the same period in 2022, mainly due to (i) the increase in revenue recorded for the three months ended 31 March 2023 as compared to the same period in 2022; (ii) the reduction in the decrease in the fair value of the financial assets such as equity investment partnerships for the three months ended 31 March 2023 as compared to the same period in 2022, and the impairment of frozen sum was recorded for the three months ended 31 March 2022 (for details, please refer to Note 4 under the section headed "Notes to the Consolidated Financial Statements" of 2022 Annual Report of the Company published on 28 April 2023 and Note 5(b) and Note 20 under the section headed "Notes to the Condensed Consolidated Financial Statements" in this announcement), while there was no impairment of frozen sum recorded in 2023; and (iii) the increase in interest income for the three months ended 31 March 2023 as compared to the same period in 2022. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as equity investment partnerships and the impairment of frozen sum recorded in the first quarter of 2022, the unaudited non-IFRS adjusted net profit for the three months ended 31 March 2023 represented a year-on-year increase of approximately 36.1%, which was mainly attributable to the increase in revenue and interest income as compared to the same period of 2022. The unaudited non-IFRS adjusted net profit of the Group in the first quarter of 2023 represented a quarter-on-quarter increase of approximately 3.1% as compared to the fourth quarter of 2022, which was mainly due to (i) the increase in revenue for the three months ended 31 March 2023 as compared to the the fourth quarter of 2022; and (ii) a quarter-on-quarter decrease in employee compensation and benefits expenses. While the impact of non-operating one-off factors such as the decrease in fair value of financial assets such as the equity investment partnerships slightly increased in the first quarter of 2023 as compared to the fourth quarter of 2022 and the adjustment to the impairment of frozen sum recorded in the fourth quarter of 2022, the quarter-on-quarter increase in the unaudited non-IFRS adjusted net profit in the first quarter of 2023 was offset. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as equity investment partnerships and the adjustment to the impairment of frozen sum recorded in the fourth quarter of 2022, the unaudited non-IFRS adjusted net profit in the first quarter of 2023 represented a quarter-on-quarter increase of approximately 30.9%, which was mainly due to a quarter-on-quarter increase in revenue and a quarter-on-quarter decrease in employee compensation and benefits expenses.

In terms of the operating data performance, we recorded a stable increase in the number of paying players and users in the first quarter of 2023 as compared to the fourth quarter of 2022, of which the number of paying players increased by approximately 10.2% from approximately 0.22 million in the fourth quarter of 2022 to approximately 0.24 million in the first quarter of 2023. The number of DAUs increased by approximately 7.0% from approximately 1.2 million in the fourth quarter of 2022 to approximately 1.3 million in the first quarter of 2023. The number of MAUs increased by approximately 17.8% from approximately 4.0 million in the fourth quarter of 2022 to approximately 4.8 million in the first quarter of 2023, and the ARPPU grew in both Texas Hold'em mobile and web-based games.

The Company will continue to intensify in-depth market research, enrich and innovate the gameplay, and explore the domestic and overseas operational models for card and board games on an ongoing basis, while striving to improve the players' gaming experience, further refine our products and diversify our operation to improve the game quality in an all-round way and make every effort to build our brand for online and offline competition series. On top of consolidating our existing market, more efforts will be made to further expand our overseas market as well as other card and board games business. The Company will strictly comply with various laws and regulations of the People's Republic of China (the "PRC") and develop high-quality intellectual and competitive games and competition products. We will continue the journey to forge a century-old brand for card and board games.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

Our revenue for the three months ended 31 March 2023 amounted to approximately RMB95.2 million, representing an increase of approximately 4.0% from approximately RMB91.5 million recorded in the same period in 2022. The year-on-year increase was primarily due to the Group's holding of certain online operational activities during the Reporting Period, and continuous optimization of its gaming products and gameplay. For the three months ended 31 March 2023, revenue generated from our mobile games and web-based games accounted for approximately 69.5% and 30.5% of our total revenue, respectively, as compared with approximately 68.0% and 32.0%, respectively, for the three months ended 31 March 2022.

### **Cost of revenue**

Our cost of revenue for the three months ended 31 March 2023 amounted to approximately RMB31.9 million, representing a year-on-year increase of approximately 2.0% from approximately RMB31.3 million recorded for the same period in 2022. The year-on-year increase was primarily due to the increase in commission charges which was in line with the increase in revenue.

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

As a result of the foregoing, our gross profit for the three months ended 31 March 2023 amounted to approximately RMB63.3 million, representing a year-on-year increase of 5.1% from approximately RMB60.2 million recorded for the same period in 2022.

For the three months ended 31 March 2023 and the same period in 2022, our gross profit margin were approximately 66.5% and 65.8%, respectively.

### **Selling and marketing expenses**

For the three months ended 31 March 2023, our selling and marketing expenses amounted to approximately RMB10.3 million, representing a year-on-year increase of 15.5% from approximately RMB8.9 million recorded for the same period in 2022. The year-on-year increase was mainly attributable to the increase in advertising and promotional activities expenses.

## **Administrative expenses**

For the three months ended 31 March 2023, our administrative expenses amounted to approximately RMB23.3 million, representing a year-on-year increase of 3.3% from approximately RMB22.6 million recorded for the same period in 2022. The year-on-year increase was mainly attributable to the slight increase in employee compensation and benefits expenses.

## **Other losses, net**

For the three months ended 31 March 2023, we recorded other losses, net of approximately RMB6.7 million, compared to other losses, net of approximately RMB15.3 million recorded for the same period in 2022. The reduction in other losses, net for the three months ended 31 March 2023 as compared to the same period in 2022 was primarily due to the reduction in loss in fair value on investment at fair value through profit or loss and the impairment of frozen sum recorded in the first quarter of 2022, while no impairment of frozen sum was recorded in 2023. The other losses, net primarily consisted of fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, government subsidies and impairment of frozen sum.

## **Finance income, net**

For the three months ended 31 March 2023, our net finance income was approximately RMB11.0 million compared to approximately RMB5.4 million recorded for the same period in 2022. The change was primarily due to the increase in interest income compared to the same period in 2022.

## **Share of result of associates**

We held investments in six associates, namely Shenzhen Fanhou Technology Co., Ltd.\* (深圳市飯後科技有限公司), Shenzhen HuifuWorld Network Technology Co., Ltd.\* (深圳市匯富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.\* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.\* (深圳市極思維智能科技有限公司), Shanghai Allin Network Technology Co., Ltd.\* (上海傲英網絡科技有限公司) and its subsidiaries and Hainan Chunlei Interactive Technology Co., Ltd.\* (海南春雷互動科技有限公司) as at 31 March 2023 (31 December 2022: six associates), all of which were online game or internet technology companies. We recorded a share of losses of associates of approximately RMB0.4 million for the three months ended 31 March 2023, compared to a share of losses of associates of approximately RMB0.2 million recorded for the same period in 2022.

\* For identification purpose only



## **Income tax expense**

For the three months ended 31 March 2023, our income tax expense was approximately RMB5.0 million, whereas we recorded income tax expense of approximately RMB5.4 million for the same period in 2022, representing a year-on-year decrease of approximately 7.4%.

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

As a result of the foregoing, we recorded a profit attributable to owners of the Company of approximately RMB28.7 million for the three months ended 31 March 2023, representing an increase of 117.5% from approximately RMB13.2 million for the same period in 2022.

## **Non-International Financial Reporting Standards (“Non-IFRS”) Measure – adjusted net profit**

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

Our unaudited non-IFRS adjusted net profit for the three months ended 31 March 2023 was approximately RMB29.5 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.9 million included in administrative expenses, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 31 March 2022 of approximately RMB13.4 million which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.2 million included in administrative expenses.

## **Cash and cash equivalents**

As at 31 March 2023, we had cash and cash equivalents of approximately RMB140.2 million (31 December 2022: approximately RMB294.0 million), which primarily consisted of cash at bank and in hand and short-term bank deposits, which were mainly denominated in Renminbi (as to 25.8%), USD (as to 58.4%) and other currencies (as to 15.8%). We currently do not hedge transactions undertaken in foreign currencies. Due to our persistent efforts in managing exposure to foreign currency risks, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

## **Equity investments 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 31 March 2023, the fair value of our listed and unlisted investments classified as equity investments at fair values through other comprehensive income amounted to approximately RMB19.8 million (31 December 2022: approximately RMB18.1 million). These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities, which are mainly represented by our equity investments in Xiaomi Corporation (Hong Kong Stock Exchange: 1810) and Qudian Inc. (New York Stock Exchange: QD).

We consider that, none of the other listed and unlisted investments classified as equity investments at fair value through other comprehensive income in our investment portfolio is a significant investment as none of such investments have a carrying amount that accounts for more than 5.0% of our total assets as at 31 March 2023.

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

As at 31 March 2023, we also recorded investments at fair value through profit or loss of approximately RMB170.9 million (31 December 2022: approximately RMB185.3 million), which consisted of non-quoted investments in asset management plans, equity investment partnerships and wealth management products. As at 31 March 2023, the fair values of the investments in asset management plans were determined by an independent professional valuer engaged by the Company using discount cash flows model; the fair values of the investments in equity investment partnerships were determined by an independent professional valuer engaged by the Company using market approach and discount cash flows model; and the fair values of investments in wealth management products, which have no initial terms, were determined based on the estimated rate of return of investments. For the three months ended 31 March 2023, we recorded fair value losses on investments at fair value through profit or loss of approximately RMB13.7 million (fair value losses for the three months ended 31 March 2022: approximately RMB16.1 million).

The investments in wealth management products under investments at fair value through profit or loss were made in line with our treasury and investment policies, after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Group has in the past selected wealth management products that were principal guaranteed and relatively low risk products. Prior to making an investment, the Group had also ensured that there remains sufficient working capital for the Group's business needs even after the investments in wealth management products. During the three months ended 31 March 2023, the Group did not enter into any investment which constituted a notifiable transaction or a connected transaction of the Group under the Listing Rules. As agreed with the financial institutions, the underlying investment portfolio of the wealth management products of the Group were primarily represented by fixed income type assets (including but not limited to, national bonds, provincial government bonds, People's Bank of China notes, government bonds, financial bonds, bank deposits, currency market funds and bonds type funds) and fixed income derivative products (including but not limited to, bond borrowing, credit risks instruments, credit default swaps and credit enhancement instruments), 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., Limited\* (深圳市東方博雅科技有限公司), established a limited partnership namely Jiaying Boyaa ChunLei Equity Investments Limited Partnership Enterprise\* (嘉興博雅春雷股權投資合夥企業(有限合夥)) (“**Jiaying 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 three months ended 31 March 2023, the Group’s accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaying Boyaa. The fair value of the investment in Jiaying Boyaa as at 31 March 2023 was approximately RMB7.3 million and accounted for less than 5.0% of our total assets. Jiaying Boyaa was 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 Jiaying Boyaa on an on-going basis.

We consider that, save as disclosed above, no other single investment that was designated as investments at fair value through profit or loss in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 31 March 2023.

### **Borrowings**

During the three months ended 31 March 2023, we did not have any short-term or long-term bank borrowings and we had no outstanding, utilised or unutilised banking facilities.

### **Capital expenditures**

For the three months ended 31 March 2023, our total capital expenditures amounted to approximately RMB9.4 million (for the three months ended 31 March 2022: approximately RMB0.7 million). The capital expenditures mainly included purchasing buildings, equipment and leasehold improvements, which was funded by using our cash flows generated from our operations.

\* *For identification purpose only*

**Commitment**

As at 31 March 2023, the Group did not have any significant commitments.

**Contingent liabilities and guarantees**

As at 31 March 2023, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us.

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

As at 31 March 2023, none of the Group's assets was pledged or charged.

## FINANCIAL INFORMATION

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

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	<i>Notes</i>	Three months ended	
		2023	2022
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
			<b>(restated)</b>
<b>Revenue</b>	4	<b>95,229</b>	91,524
Cost of revenue		<u><b>(31,922)</b></u>	<u>(31,308)</u>
<b>Gross profit</b>		<b>63,307</b>	60,216
Other losses, net	5	<b>(6,662)</b>	(15,314)
Selling and marketing expenses		<b>(10,322)</b>	(8,935)
Administrative expenses		<u><b>(23,338)</b></u>	<u>(22,589)</u>
<b>Operating profit</b>		<b>22,985</b>	13,378
Finance income	6	<b>11,199</b>	5,421
Finance costs	7	<b>(177)</b>	(37)
Share of losses of associates		<u><b>(372)</b></u>	<u>(207)</u>
<b>Profit before income tax</b>		<b>33,635</b>	18,555
Income tax expense	8	<u><b>(4,978)</b></u>	<u>(5,377)</u>
<b>Profit for the period attributable to owners of the Company</b>	9	<u><b>28,657</b></u>	<u>13,178</u>

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

*FOR THE THREE MONTHS ENDED 31 MARCH 2023*

		<b>Three months ended</b>	
		<b>31 March</b>	
	<i>Notes</i>	<b>2023</b>	2022
		<b>RMB'000</b>	RMB'000
		<b>(unaudited)</b>	(unaudited) (restated)
<b>Other comprehensive income/(expenses):</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in fair value of equity investments at fair value through other comprehensive income		<b>1,752</b>	(7,971)
Exchange differences on translation		<b>(409)</b>	(529)
 <i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u><b>(16,343)</b></u>	<u>(4,312)</u>
 <b>Other comprehensive expenses for the period, net of tax</b>		 <u><b>(15,000)</b></u>	 <u>(12,812)</u>
 <b>Total comprehensive income for the period attributable to owners of the Company</b>		 <u><b>13,657</b></u>	 <u>366</u>
 <b>Earnings per share (RMB cents)</b>	 <i>11</i>		
– Basic		<u><b>4.36</b></u>	<u>2.01</u>
– Diluted		<u><b>4.29</b></u>	<u>2.00</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2023**

		<b>31 March</b>	31 December
		<b>2023</b>	2022
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>12</i>	<b>27,964</b>	20,825
Right-of-use assets	<i>12</i>	<b>15,209</b>	16,339
Investments in associates		<b>7,533</b>	7,905
Equity investments at fair value through other comprehensive income	<i>13</i>	<b>19,826</b>	18,074
Investments at fair value through profit or loss	<i>14</i>	<b>117,793</b>	134,966
Prepayments, deposits and other receivables		<b>11,969</b>	15,779
Deferred tax assets		<b>475</b>	672
Term deposits		<b>60,000</b>	74,664
		<b>260,769</b>	289,224
<b>Current assets</b>			
Trade receivables	<i>15</i>	<b>29,449</b>	23,831
Prepayments, deposits and other receivables		<b>51,756</b>	46,478
Investments at fair value through profit or loss	<i>14</i>	<b>53,125</b>	50,367
Term deposits		<b>1,263,768</b>	1,082,734
Bank and cash balances		<b>140,209</b>	293,956
		<b>1,538,307</b>	1,497,366
<b>Total assets</b>		<b>1,799,076</b>	<b>1,786,590</b>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AT 31 MARCH 2023**

	<i>Notes</i>	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<i>17</i>	232	232
Reserves		<u>1,471,567</u>	<u>1,457,052</u>
<b>Total equity</b>		<u>1,471,799</u>	<u>1,457,284</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		10,003	12,378
Deferred tax liabilities		<u>951</u>	<u>1,012</u>
		<u>10,954</u>	<u>13,390</u>
<b>Current liabilities</b>			
Trade payables	<i>16</i>	1,031	1,078
Accruals and other payables		70,712	76,814
Contract liabilities		13,756	8,775
Lease liabilities		5,501	4,150
Current tax liabilities		<u>225,323</u>	<u>225,099</u>
		<u>316,323</u>	<u>315,916</u>
<b>Total liabilities</b>		<u>327,277</u>	<u>329,306</u>
<b>Total equity and liabilities</b>		<u>1,799,076</u>	<u>1,786,590</u>
<b>Net current assets</b>		<u>1,221,984</u>	<u>1,181,450</u>
<b>Total assets less current liabilities</b>		<u>1,482,753</u>	<u>1,470,674</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023**

(Unaudited)

	Attributable to owners of the Company										
	Shares capital RMB'000	Share premium RMB'000	Repurchased shares RMB'000	Share held for RSU scheme RMB'000	Capital reserve RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Share-based payments reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2022	232	373,099	-	(14)	2,000	(13,431)	33,990	79,955	(259,647)	1,801,786	2,017,970
Effect of prior year adjustments	-	-	-	-	-	-	-	-	-	(678,016)	(678,016)
At 1 January 2022, as restated	232	373,099	-	(14)	2,000	(13,431)	33,990	79,955	(259,647)	1,123,770	1,339,954
Total comprehensive (expenses)/ income for the period	-	-	-	-	-	(4,841)	-	-	(7,971)	13,178	366
Share-based payments - value of employee services	-	-	-	-	-	-	-	241	-	-	241
Changes in equity for the period	-	-	-	-	-	(4,841)	-	241	(7,971)	13,178	607
At 31 March 2022, as restated	232	373,099	-	(14)	2,000	(18,272)	33,990	80,196	(267,618)	1,136,948	1,340,561
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 (expenses)/ income for the period	-	-	-	-	-	(16,752)	-	-	1,752	28,657	13,657
Cancellation of ordinary shares	-	(112)	112	-	-	-	-	-	-	-	-
Share-based payments - value of employee services	-	-	-	-	-	-	-	858	-	-	858
Changes in equity for the period	-	(112)	112	-	-	(16,752)	-	858	1,752	28,657	14,515
At 31 March 2023	232	373,031	-	(14)	2,000	33,320	33,990	83,694	(271,081)	1,216,627	1,471,799

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023**

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operating activities	<b>17,651</b>	22,584
Income tax paid	<b>(505)</b>	(2,127)
Lease interests paid	<b>(177)</b>	(19)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>16,969</b>	20,438
<b>Cash flows from investing activities</b>		
Placement of term deposits with original maturities over three months	<b>(512,233)</b>	(370,969)
Proceeds from maturity of term deposits with original maturities over three months	<b>343,993</b>	392,065
Interest received	<b>8,007</b>	3,784
Dividends from investments at fair value through profit or loss	<b>751</b>	4,107
Proceeds from settlements of investments at fair value through profit or loss	<b>12</b>	10,972
Purchases of property, plant and equipment	<b>(10,706)</b>	(674)
Proceeds from disposals of property, plant and equipment	<b>17</b>	–
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	<b>(170,159)</b>	39,285
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	<b>(1,011)</b>	(1,063)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(1,011)</b>	(1,063)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(154,201)</b>	58,660
Effect of foreign exchange rate changes	<b>454</b>	(1,132)
Cash and cash equivalents at beginning of the period	<b>293,956</b>	248,307
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>140,209</b>	305,835
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	<b>140,209</b>	305,835
	<hr/>	<hr/>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

### 1. GENERAL INFORMATION

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

### 2. BASIS OF PREPARATION

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

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

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

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

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

#### 4. REVENUE AND SEGMENT INFORMATION

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Web-based games	<b>29,057</b>	29,288
Mobile games	<b>66,172</b>	62,236
	<b>95,229</b>	91,524

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

##### *Timing of revenue recognition*

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
At a point of time	<b>95,229</b>	91,524

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

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

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Simplified Chinese	<b>5,158</b>	6,282
Other languages	<b>90,071</b>	85,242
	<b>95,229</b>	91,524

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (for the three months ended 31 March 2022: nil).

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

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Mainland China	74,044	78,980
Other locations	48,631	56,532
	<u>122,675</u>	<u>135,512</u>

## 5. OTHER LOSSES, NET

	<b>Three months ended 31 March</b>	
	<b>2023 RMB'000 (unaudited)</b>	2022 RMB'000 (unaudited) (restated)
Dividends from investments at fair value through profit or loss	751	1,252
Loss on disposals of property, plant and equipment	(24)	(3)
Government subsidies and tax rebates ( <i>Note a</i> )	209	287
Net foreign exchange gain	6,092	2,306
Fair value changes on investments at fair value through profit or loss	(13,676)	(16,149)
Others ( <i>Note b</i> )	(14)	(3,007)
	<u>(6,662)</u>	<u>(15,314)</u>

*Notes:*

- (a) Government subsidies represented various industry-specific subsidies granted by the government authorities to subsidise the research and development costs incurred by the Group during the course of its business.
- (b) Other losses of RMB3,007,000 for the three months ended 31 March 2022 was the remaining balance of the Enforcement Sum (as defined in note 20). For details, please refer to the note 20.

## 6. FINANCE INCOME

	Three months ended 31 March	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest revenue	10,884	5,197
Interest revenue on non-current loans to employees	315	224
	<u>11,199</u>	<u>5,421</u>

## 7. FINANCE COSTS

	Three months ended 31 March	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Lease interests	177	37

## 8. INCOME TAX EXPENSE

	Three months ended 31 March	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax		
– PRC Enterprise Income Tax (“EIT”) and other jurisdictions	4,856	4,986
Deferred tax	122	391
	<u>4,978</u>	<u>5,377</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 three months ended 31 March 2023 and 2022, based on the existing legislation, interpretations and practices in respect thereof.

Boyaa On-line Game Development (Shenzhen) Co., Limited has successfully renewed its “High and New Technology Enterprise” (“**HNTE**”) qualification under EIT Law during the year ended 31 December 2022 and as a result, Boyaa On-line Game Development (Shenzhen) Co., Limited enjoys 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 three months ended 31 March 2022: 15%) for the three months ended 31 March 2023.

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

According to policies promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 200% (for the three months ended 31 March 2022: 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**”). 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 three months ended 31 March 2023 (for the three months ended 31 March 2022: Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited).

(b) **PRC withholding tax (“WHT”)**

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

As at 31 March 2023, the retained earnings of the Group’s PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were RMB178,800,000 (31 December 2022: RMB189,733,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their foreign investor in the foreseeable future based on the management’s estimation of overseas funding requirements.



(c) **Hong Kong Profits Tax**

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to Hong Kong dollars (“**HK\$**”) 2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the three months ended 31 March 2023 and 2022.

(d) **Singapore Profits Tax**

Singapore Profits Tax has been provided at the rate of 17% on assessable profits for the three months ended 31 March 2023 and 2022.

**9. PROFIT FOR THE PERIOD**

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

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Depreciation	<b>3,013</b>	4,273
Research and development expenditure		
– included in staff costs	<b>17,958</b>	16,677
– included in depreciation	<b>74</b>	57
– included in other administrative expenses	<b>299</b>	275
	<b>18,331</b>	17,009
Reversal of loss allowance for trade receivables	<b>(36)</b>	(698)
Staff costs including directors’ emoluments		
– Wages, salaries and bonuses	<b>17,839</b>	16,908
– Retirement benefit scheme contributions	<b>2,422</b>	2,254
– Share-based payments expenses	<b>858</b>	241
	<b>21,119</b>	19,403

## 10. DIVIDENDS

The board of the directors of the Company (the “**Board**”) has resolved not to declare an interim dividend for the three months ended 31 March 2023 (for the three months ended 31 March 2022: nil).

## 11. EARNINGS PER SHARE

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

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited) (restated)
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share	<u>28,657</u>	<u>13,178</u>
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	657,666	656,704
Effect of dilutive potential ordinary shares arising from RSUs	<u>10,017</u>	<u>1,959</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>667,683</u>	<u>658,663</u>

## 12. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2023, the Group acquired property, plant and equipment of approximately RMB9,372,000 (for the three months ended 31 March 2022: RMB674,000).

Property, plant and equipment with a carrying amount of approximately RMB41,000 (for the three months ended 31 March 2022: RMB3,000) were disposed by the Group during the three months ended 31 March 2023.

During the three months ended 31 March 2023, the additions to right-of-use assets were nil (for the three months ended 31 March 2022: 19,717,000).

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

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Equity securities, at fair value		
– Listed in Hong Kong - Xiaomi Corporation	<b>18,006</b>	16,614
– Listed in USA - Qudian Inc.	<b>1,815</b>	1,460
– Unlisted equity securities	<b>5</b>	–
	<hr/>	<hr/>
Total equity investments at fair value through other comprehensive income, analysed as non-current assets	<b>19,826</b>	18,074
	<hr/>	<hr/>

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

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
<b>Included in non-current assets</b>		
Non-quoted investments in:		
– asset management plans	<b>53,000</b>	64,550
– equity investment partnerships	<b>64,793</b>	70,416
	<hr/>	<hr/>
	<b>117,793</b>	134,966
	<hr/>	<hr/>
<b>Included in current assets</b>		
Non-quoted investments in:		
– asset management plan	<b>2,200</b>	–
– wealth management products ( <i>Note</i> )	<b>50,925</b>	50,367
	<hr/>	<hr/>
	<b>53,125</b>	50,367
	<hr/>	<hr/>
	<b>170,918</b>	185,333
	<hr/>	<hr/>

*Note:*

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

## 15. TRADE RECEIVABLES

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Trade receivables	29,695	24,095
Provision for loss allowance	(246)	(264)
	<hr/>	<hr/>
Carrying amount	<b>29,449</b>	<b>23,831</b>

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

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
0 to 30 days	14,476	19,671
31 to 60 days	13,700	3,002
61 to 90 days	1,190	793
91 to 180 days	46	127
181 to 365 days	20	17
Over 365 days	17	221
	<hr/>	<hr/>
	<b>29,449</b>	<b>23,831</b>

## 16. TRADE PAYABLES

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

	<b>31 March 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
0 to 30 days	763	787
31 to 90 days	2	–
91 to 180 days	–	–
181 to 365 days	1	2
Over 365 days	265	289
	<hr/>	<hr/>
	<b>1,031</b>	<b>1,078</b>

## 17. SHARE CAPITAL

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

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

*Note:*

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

## 18. SHARE-BASED PAYMENTS

### (a) Share options

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

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

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

	<b>Number of share options For the three months ended 31 March</b>	
	<b>2023 (unaudited)</b>	2022 (unaudited)
Outstanding at the beginning of the period	5,222,429	5,722,429
Lapsed during the period	—	—
Outstanding at the end of the period	<u>5,222,429</u>	<u>5,722,429</u>
Exercisable at the end of the period	<u>5,222,429</u>	<u>5,722,429</u>

No options were exercised during the three months ended 31 March 2023 and 2022.

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 31 March 2023 and 2022 are as follows:

Expiry date	<b>Exercise price</b>		<b>Number of share options For the three months ended 31 March</b>	
	Original currency	Equivalent to HK\$	<b>2023 (unaudited)</b>	2022 (unaudited)
6 September 2025	HK\$3.108	3.108	<u>5,222,429</u>	<u>5,722,429</u>

**(b) Restricted Share Unit (“RSU”)**

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

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

On 27 August 2021, the Group granted 5,650,000 RSUs under the New RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company's ordinary shares on the grant date, which was 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 New RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company's ordinary shares on the grant date, which was HKD0.465 per share. The expiry date of the above newly granted RSUs is 14 April 2030.

Movements in the number of RSUs outstanding:

	<b>Number of RSUs</b>	
	<b>2023</b>	2022
	<b>(unaudited)</b>	(unaudited)
At 1 January	<b>23,488,089</b>	9,722,089
Lapsed	–	(300,000)
Vested and transferred	–	–
	<hr/>	<hr/>
At 31 March	<b>23,488,089</b>	9,422,089
	<hr/>	<hr/>
Vested but not transferred at 31 March	<b>5,200,589</b>	4,072,089
	<hr/>	<hr/>

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

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

## 19. RELATED PARTY TRANSACTIONS

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

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

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

## 20. MATERIAL EVENTS

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

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

Upon advice of the PRC Legal Advisers, the Company filed another application (the “**Application**”) to the relevant PRC court on 21 August 2019 seeking to utilise the Relevant Idle Cash Reserves for wealth management. On 27 August 2019, the Company received a reply (the “**Reply**”) from the relevant PRC court that the Relevant Idle Cash Reserves were frozen due to a prosecution (the “**Case**”) made by the relevant PRC judicial authority against its individual current or former employees (the “**Employees**”) for their alleged illegal activities conducted through one of the Company’s onshore online gaming platforms (the “**Alleged Crime**”). Therefore, the Application was rejected. As at the date of this announcement, none of the Employees remains an employee of the Company. As advised by the PRC Legal Advisers, if the relevant PRC judicial authority finds that the Employees are guilty of the Alleged Crime and some or all of the Relevant Idle Cash Reserves contain income generated as a result of such conduct, such income may be confiscated.

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



The Company was discussing with its PRC Legal Advisers as to the next step forward in relation to the Judgment, including the possibility to take appropriate legal actions as to the Judgment Amount to protect the interests of the Company and its shareholders. The Company was informed, on 3 September 2021, that the PRC court of second instance (the “**Appeal Court**”) had made a decision on the Appeal Hearing to quash the Judgment and remanded the case to the Trial Court for a retrial (the “**Retrial**”) since it was of the view that certain facts under the Judgment was unclear. As advised by the PRC Legal Advisers, the Retrial was heard on 1 December 2021 and 2 December 2021. The Company was informed, on 23 March 2022, the Intermediate People’s Court of Chengde City, Hebei Province delivered the judgment of the Retrial (the “**Retrial Judgment**”). The Trial court had upheld that the Employees was guilty of the Alleged Crime. However, the Trial court had held that the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests which had been frozen shall be paid to the state treasury (the “**Relevant Frozen Sum**”) which superseded the amount of RMB942,654,382.75 as original ordered by the Trial court to be paid to the state treasury. As advised by the PRC Legal Adviser, some Employees had applied for appeal against the Retrial Judgment up to 29 March 2022 and the rehearing of Retrial was heard by the court of second instance on 28 July 2022. On 5 December 2022, as informed by the PRC Legal Advisers, the High People’s Court of Hebei Province (the “**Court of Second Instance**”) had delivered the ruling of the rehearing of the Retrial (the “**Second Instance Ruling**”), which held that the Employees are guilty of the Alleged Crime and had used the frozen account of the Company to transfer funds for relevant illegal activities, therefore the Relevant Frozen Sum, representing all funds in the frozen account of the Company in the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests therefrom, shall be confiscated and paid to the state treasury. On 8 December 2022, it had come to the attention of the Company that an aggregate of approximately RMB683,222,975.72 had been withdrawn from the frozen bank accounts by the Trial Court (the “**Enforcement**”) where all available funds, wealth management products and relevant interests were held (the “**Enforcement Sum**”).

As advised by the PRC Legal Advisers, if the Employees file a petition against the Second Instance Ruling to the Court of Second Instance, the Court of Second Instance can order a filing and a retrial. If the Court of Second Instance refuses to file the Case, the Employees can file a petition to the Supreme People’s Court of the People’s Republic of China. If the petition is accepted by the retrial judicial authorities and proceeds to retrial, it is possible that the retrial of the Case will revise the rulings of the Retrial Judgment. According to the applicable laws and regulations of the PRC, the Enforcement Sum will not be returned to the Company until a ruling from the retrial quashing the Retrial Judgment in respect of the confiscation of the Relevant Frozen Sum is given.

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

The Company is not a party to the Case. As at the date of this announcement, none of the Company, its directors and its senior management had been subject to any prosecution or investigation by the relevant PRC judicial authorities in relation to the Alleged Crime.

In light of the fact that (i) the Company, its directors and senior management had not been subject to any prosecution or investigation by the relevant PRC judicial authority in relation to the Alleged Crime as at the date of this announcement; (ii) as advised by the PRC Legal Advisers, the Company had obtained all material licences, permits and approvals required for its operation and the fact that the Employees were found guilty will not have impact on the validity of these licences, permits and approvals; (iii) the Enforcement Sum only formed part of the idle cash reserve of the Company which was used for the purpose of idle fund management, and is the Company's general practice; (iv) the Company has sufficient cash reserves available in the other bank accounts for its day-to-day operations; and (v) the Company does not have any loan borrowing as at the date of this announcement, the Board is of the view that the Enforcement would not have any material adverse impact on the business, operation and financial conditions of the Group.

The Independent Investigation Committee had held meetings in January, March, May, November 2020, March and May, August, September, November 2021, March, May, July, August, December 2022, January, March and May 2023 to discuss various matters concerning the Case and the Incident. The senior management of the Company has been maintaining close contact with the Independent Investigation Committee to ensure that any updates of the Case and the Incident can be provided to the Independent Investigation Committee on a timely basis. The Independent Investigation Committee is in the course of preparing the report with details of their findings and their view on the Case and the Incident. After discussing with the Company and its legal advisors, the Independent Investigation Committee is of the view that it will be more appropriate for them to issue the report after they are informed of the final results of the Incident. As at the date of this announcement, the Independent Investigation Committee was of the view that there were no material findings after conducting the independent investigation which have to bring to the attention of the shareholders and potential investors of the Company.

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

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

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

These condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 25 May 2023.

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

*FOR THE THREE MONTHS ENDED 31 MARCH 2023*

	For the three months ended			Year-on-Year Change*	Quarter-on-Quarter Change**
	31 March 2023	31 December 2022	31 March 2022		
	RMB'000	RMB'000	RMB'000	%	%
	(unaudited)	(unaudited)	(unaudited) (restated)		
<b>Revenue</b>	<b>95,229</b>	94,332	91,524	4.0	1.0
Cost of revenue	<u>(31,922)</u>	<u>(33,401)</u>	<u>(31,308)</u>	2.0	(4.4)
<b>Gross profit</b>	<b>63,307</b>	60,931	60,216	5.1	3.9
Other losses, net	<b>(6,662)</b>	(1,052)	(15,314)	(56.5)	533.3
Selling and marketing expenses	<b>(10,322)</b>	(10,100)	(8,935)	15.5	2.2
Administrative expenses	<u>(23,338)</u>	<u>(28,798)</u>	<u>(22,589)</u>	3.3	(19.0)
<b>Operating profit</b>	<b>22,985</b>	20,981	13,378	71.8	9.6
Finance income, net	<b>11,022</b>	9,468	5,384	104.7	16.4
Share of losses of associates	<u>(372)</u>	<u>(356)</u>	<u>(207)</u>	79.7	4.5
<b>Profit before income tax</b>	<b>33,635</b>	30,093	18,555	81.3	11.8
Income tax expenses	<u>(4,978)</u>	<u>(2,334)</u>	<u>(5,377)</u>	(7.4)	113.3
<b>Profit for the period</b>	<b><u>28,657</u></b>	<b><u>27,759</u></b>	<b><u>13,178</u></b>	117.5	3.2
<b>Non-IFRS Adjustment (unaudited)</b>					
Share-based compensation expense included in administrative expenses	<u>858</u>	<u>877</u>	<u>241</u>	256.0	(2.2)
<b>Non-IFRS adjusted net profit (unaudited)</b>	<b><u>29,515</u></b>	<b><u>28,636</u></b>	<b><u>13,419</u></b>	119.9	3.1

\* *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 31 March 2023 and the immediately preceding quarter.*

**The Board wishes to remind investors and shareholders 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, 25 May 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Dai Zhikang and Ms. Tao Ying; the independent non-executive directors of the Company are Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Kong Fanwei.*