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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE PROPERTY**

**THE ACQUISITION**

The Board announces that, on 4 September 2024, it has come to the Company's knowledge that the Hantang Jiyuan China (an indirect wholly-owned subsidiary of the Company) had won and completed the bid for the acquisition of the Property, including, amongst others, an office building known as Svotek Technology R&D Center\* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities, through the Judicial Auction Process at a total Consideration of RMB56,271,992.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% and all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

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The Judicial Auction Process has been completed and the Consideration (i.e. RMB56,271,992) had been transferred by Hantang Jiyuan China to the designated bank account of the People's Court of Hongqi District, Xinxiang. Hantang Jiyuan China will follow the relevant procedures to obtain the court ruling documents and proceed with the transfer of registration of the Property and relevant handover procedures.

### Information of the Property

The Property was owned by Xinxiang Jiarong Industrial Park Management Co., Ltd.\* (新鄉市嘉榮園區管理有限公司, previously known as Xinxiang Svotek Optics Technology Co., Ltd.\* (新鄉市索泰克光電有限公司)) ("**Xinxiang Jiarong**"), and comprises the Svotek Technology R&D Center\* (索泰克技術研發中心) located at the southeast corner of the intersection of Daoqing Road and Xin'er Street, Xinxiang, Henan Province, the PRC (中國河南省新鄉市道清路與新二街交叉口東南角), a factory building located at the southeast corner of the intersection of Daoqing Road and Xin'er Street and above-ground buildings and ancillary facilities erected thereon with a total gross floor area of 25,813.97 sq.m. and corresponding site area of 10,332.85 sq.m. with land use rights, above-ground buildings and ancillary facilities (paved surfaces, wall fences, temporary buildings and sheds, etc.) as industrial land/non-residential building uses.

The Property was put on the Judicial Auction Process with leases. Based on the public information currently available to the Company, the Property had a total of approximately 101 tenants. To the best knowledge of the Directors after making all reasonable enquiries, the total rental income generated from the Property amounts to approximately RMB3.0 million to RMB4.0 million per annum.

After completion of the Acquisition, the Group will use part of the office premises of the Property to set up an operation base and a customer service center of the Group's online games business and the remainder of the Property will assume the leases.

### **Consideration and payment terms**

The Consideration, being RMB56,271,922, was settled by the idle funds of the Group. The Consideration was determined based on the bid price set by the People's Court of Hongqi District, Xinxiang during the Judicial Auction Process which was in turn determined with reference to, among others, a valuation prepared by an independent valuer of the PRC who was appointed by the court. According to the judicial valuation report (司法鑒定估價報告), the estimated total market value of the Property amounted to approximately RMB100.5 million.

The Consideration had been settled in the following manner:

- (i) Prior to the bidding, Hantang Jiyuan China registered for the bidding through the Auction Platform and the amount of the Consideration deposited in the account of Hantang Jiyuan China was automatically frozen by the Auction Platform for the purpose of the bidding;
- (ii) upon completion of the bidding process, the frozen amount of Consideration was automatically transferred to the account designated by the court.

In determining whether the Consideration is fair and reasonable, the Group had conducted research in respect of the value of the Property and had taken into account the current market conditions, the location of the Property, the prices for sale of similar properties in the surrounding area and the development potential of the Property. Information in relation to these factors, including the prices for sale of similar properties in the surrounding area, was obtained through publicly available source such as websites of property agencies. After considering the information available, the Board is of the view that the Consideration is fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

After completion of the Acquisition, the Group will use part of the office premises of the Property to set up an operation base and a customer service center of the Group's online gaming business and the remainder of the Property will assume the leases.

As at 30 June 2024, the net current assets of the Group amounted to approximately RMB1,528 million and the term deposits and cash and cash equivalents of the Group amounted to a total of approximately RMB314 million. The Consideration of the Acquisition only accounted for approximately 3.7% of the net current assets of the Group and approximately 17.9% of the term deposits and cash and cash equivalents of the Group. The Group recorded net cash generated from operating activities in the first half of 2024 of approximately RMB98.2 million. The Acquisition has no material impact on the financial conditions and daily business operations of the Group.

Based on the information currently available to the Company, it is expected that the acquisition of the Property will generate rental income and provide substantial annualized return on investments. The Directors are of the view that the use of idle funds for the acquisition of the Property is desirable for the value preservation of assets of the Group.

To the best knowledge of the Directors after making all reasonable enquiries, and after taking into account other factors such as the current market conditions, the location of the Property, the leasing prices of similar properties in the surrounding area, the Board is of the view that the acquisition of the Property with its idle funds will contribute to the value preservation and appreciation of the Company's assets. Information in relation to certain aforementioned factors, including the leasing prices of similar properties in the surrounding area, was obtained through publicly available source such as websites of property agencies.

The Board is also of the view that as the labour costs and daily operating costs are relatively lower in the location of the Property, the operations of the Company's business in such location can reduce operating costs, while the rental income generated from the Property will diversify the income of the Company.

Taking into account that the Acquisition and the subsequent use of the Property is favourable to the Company's long term business perspectives, the value preservation and appreciation of the Group's assets and income diversification of the Group, the Board considers that the Acquisition is in the interests of the Company and its Shareholders as a whole. In addition, the Board is of the view that the terms regarding the Acquisition are fair and reasonable.

## **INFORMATION ON THE GROUP**

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

## **INFORMATION OF HANTANG JIYUAN CHINA**

Hantang Jiyuan China is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company which is principally engaged in the development of online card and board games as well as providing online games technical consulting services, etc..

## **INFORMATION OF THE PEOPLE'S COURT OF HONGQI DISTRICT, XINXIANG, THE AUCTION PLATFORM AND XINXIANG JIARONG**

The People's Court of Hongqi District, Xinxiang is a governmental authority of the PRC, which has, among other things, authority to arrange auction of properties that are subject to pledge and bankruptcy properties, being assets that are owned by companies that are put into liquidation. The Auction Platform is an agent appointed by the People's Court of Hongqi District, Xinxiang for conducting the Judicial Auction Process.

Xinxiang Jiarong is a company established in the PRC with limited liability and, to the best knowledge of the Directors after making all reasonable enquiries, is principally engaged in the production and sales of strong laser film products. The ultimate beneficial owner of Xinxiang Jiarong is Mr. Zhao Haiyang (趙海洋), an independent third party.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the People's Court of Hongqi District, Xinxiang, the Auction Platform, Xinxiang Jiarong and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% and all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the bid and acquisition of the Property through the Judicial Auction Process
“Auction Platform”	淘寶網司法拍賣網絡平台 (Taobao Judicial Auction Internet Platform*)
“Board”	the board of Directors of the Company
“Company”	Boyaa Interactive International Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of the Acquisition, being RMB56,271,992

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	has the meaning ascribed thereto under the Listing Rules
“Judicial Auction Process”	the judicial auction process arranged by the People’s Court of Hongqi District, Xinxiang
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“People’s Court of Hongqi District, Xinxiang”	The People’s Court of Hongqi District, Xinxiang, Henan Province, the PRC
“PRC”	The People’s Republic of China
“Property”	the property which comprises the Svotek Technology R&D Center* (索泰克技術研發中心) located at the southeast corner of the intersection of Daoqing Road and Xin’er Street, Xinxiang, Henan Province, the PRC (中國河南省新鄉市道清路與新二街交叉口東南角), a factory building located at the southeast corner of the intersection of Daoqing Road and Xin’er Street and above-ground buildings and ancillary facilities erected thereon with a total gross floor area of 25,813.97 sq.m. and corresponding site area of 10,332.85 sq.m.with land use rights, above-ground buildings and ancillary facilities (paved surfaces, wall fences, temporary buildings and sheds, etc.) (“ <b>an office building known as Svotek Technology R&amp;D Center* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities</b> ”)

“Hantang Jiyuan China”	Hantang Jiyuan Technology (Henan) Co., Limited* (漢唐紀元科技(河南)有限公司), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre, unit of area

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

Hong Kong, 4 September 2024

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

\* *For identification purposes only*