

boyaa

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



2024
Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Dai Zhikang (*Chairman*)

Ms. Tao Ying (*Acting Chief Executive Officer*)

Independent Non-executive Directors

Mr. Cheung Ngai Lam

Mr. Choi Hon Keung Simon

Mr. Kong Fanwei (*retired on 19 April 2024*)

Mr. Ma Jingchun (*appointed on 19 April 2024*)

AUDIT COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)

Mr. Choi Hon Keung Simon

Mr. Kong Fanwei (*retired on 19 April 2024*)

Mr. Ma Jingchun (*appointed on 19 April 2024*)

NOMINATION COMMITTEE

Mr. Choi Hon Keung Simon (*Chairman*)

Ms. Tao Ying

Mr. Kong Fanwei (*retired on 19 April 2024*)

Mr. Ma Jingchun (*appointed on 19 April 2024*)

REMUNERATION COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)

Mr. Choi Hon Keung Simon

Mr. Kong Fanwei (*retired on 19 April 2024*)

Mr. Ma Jingchun (*appointed on 19 April 2024*)

JOINT COMPANY SECRETARIES

Ms. Tao Ying

Mr. Poon Ping Yeung

AUTHORISED REPRESENTATIVES

Ms. Tao Ying

Mr. Poon Ping Yeung

AUDITOR

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

23/F, Tower 2

Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Hong Kong

COMPANY'S WEBSITE

www.boyaa.com.hk

STOCK CODE

0434



Corporate Information

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Grand Cayman KY1-1104
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall, Cricket Square
Grand Cayman KY1-1102
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL BANK

China Construction Bank, Shenzhen Branch
Industrial Bank, Shenzhen Branch
Industrial Bank, Hong Kong Branch



Business Overview and Outlook

In terms of financial performance, we recorded revenue of approximately RMB213.4 million in the first half of 2024, representing a year-on-year increase of approximately 9.8% compared to the first half of 2023, primarily due to (i) the increase in the Group's revenue generated from online games as a result of the Group's holding of certain online operational activities and continuous optimization of its gaming products and gameplay; and (ii) value-added gain of digital assets generated from the cryptocurrencies held by the Group. In the second quarter of 2024, we recorded revenue of approximately RMB104.8 million, representing a year-on-year increase of approximately 5.8% compared to the second quarter of 2023, primarily due to value-added gain of digital assets from the cryptocurrencies held by the Group. In the second quarter of 2024, the Group recorded a quarter-on-quarter decrease in revenue of approximately 3.4% as compared to the first quarter of 2024, primarily due to the cyclical impact of operational and promotional activities, which resulted in a quarter-on-quarter decline in revenue from online games in the quarter, contributing to an overall lower revenue performance for the period. However, we experienced a quarter-on-quarter increase in value-added gain of digital assets through cryptocurrencies held by us.

In the first half of 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB288.2 million, representing a year-on-year increase of approximately 405.5% as compared to the same period in 2023, mainly due to (i) the increase in the Group's revenue recorded for the six months ended 30 June 2024 as compared to the same period in 2023; (ii) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the six months ended 30 June 2024; and (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the six months ended 30 June 2024 as compared to the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for six months ended 30 June 2024 represented a year-on-year increase of approximately 6.1%, which was mainly due to the increase in revenue as compared to the same period in 2023. In the second quarter of 2024, we recorded an unaudited non-IFRS adjusted loss of approximately RMB64.0 million, and in the same period of 2023, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB27.5 million. The change of position from the unaudited non-IFRS adjusted net profit for the second quarter of 2023 to the unaudited non-IFRS adjusted net loss for the same period in 2024 was mainly due to a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 31 March 2024, whereas there was no effect of changes in the fair value of digital assets for the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 30 June 2024 represented a year-on-year increase of approximately 5.2%, which was mainly due to the increase in revenue as compared to the same period in 2023 and the decrease in commissions charges and advertising expenses as compared to the same period in 2023 as a result of the reasonable control of costs and expenses. In the first quarter of 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB352.5 million. The change of position from the unaudited non-IFRS adjusted net profit for the first quarter of 2024 to the unaudited non-IFRS adjusted net loss for the second quarter of 2024 was mainly due to (i) the slight decrease in revenue for the three months ended 30 June 2024 as compared to the three months ended 31 March 2024; (ii) a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 31 March 2024; and (iii) a slight increase in the decrease in the fair value of financial assets such as the equity investment partnerships for the three months ended 30 June 2024 as compared to the decrease for the three months ended 31 March 2024. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 30 June 2024 would have a quarter-on-quarter decrease of approximately 12.0%, mainly due to a slight quarter-on-quarter decrease in revenue and a decrease in interest income as a result of a reduction in bank deposits due to the purchase of digital assets.



Business Overview and Outlook

In terms of the operating data performance, we recorded a decrease in the number of paying players and users in the second quarter of 2024 as compared to the first quarter of 2024, of which the number of paying players decreased by 6.3% from approximately 0.22 million in the first quarter of 2024 to approximately 0.21 million in the second quarter of 2024. The number of Daily Active Users (“**DAUs**”) decreased by 2.4% from approximately 1.15 million in the first quarter of 2024 to approximately 1.12 million in the second quarter of 2024. The number of Monthly Active users (“**MAUs**”) decreased by 1.9% from approximately 4.2 million in the first quarter of 2024 to approximately 4.1 million in the second quarter of 2024. However, the Average Revenue Per Paying Users (“**ARPPU**”) growth in mobile versions of other card and board games.

We stay true to the mission and uphold the concept of “growing in love” on charity work, continuing our fulfilment of social responsibility to make contributions to society. During the second quarter of 2024, we participated in the welfare activity “Caring for Mountainous Areas and Donating Books to Help Rural Students” organized by the Guangdong Provincial Education Foundation, by donating funds to establish libraries in rural schools. We also participated in the love donation activity for schools in Xinjiang Region organized by the China Audio-video and Digital Publishing Association, by donating school supplies to schools in the second quarter of 2024.

The Company will maintain its focus on establishing itself as a pure and leading Web3 listed company. This entails ramping up R&D efforts for Web3 gaming products, enriching contents and rules of gaming products, and enhancing gaming features and infrastructure (including Web3-related infrastructure). The aim is to elevate user experience, while exploring innovative operational models for gaming products, especially Web3 gaming products. Concurrently, we will prioritize product refinement and operational diversification to craft high-quality card and board gaming products, competition products, and industry-leading Web3 gaming products. On the basis of consolidating our existing market share, we will extend our reach into international markets and will vigorously promote the Group’s business development and deployment in the Web3 field, in order to realize the Group’s strategic plan for Web3 business development.

The Company will strictly comply with various laws and regulations in various jurisdictions that it has operations and be committed to developing high-quality card and board gaming products and industry-leading Web3 gaming products. We will continue the journey to forge a century-old brand for Boyaa online card and board games.



Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

Second Quarter of 2024 Compared to Second Quarter of 2023

Revenue

Our revenue for the three months ended 30 June 2024 amounted to approximately RMB104.8 million, representing a year-on-year increase of approximately 5.8% from approximately RMB99.1 million recorded for the same period in 2023. The year-on-year increase was primarily due to the Group recorded digital assets value-added gain generated from the cryptocurrency held by the Group. For the three months ended 30 June 2024, revenue generated from our mobile games, web-based games and value-added gain from digital assets accounted for approximately 65.7%, 27.8% and 6.5% of our total revenue, respectively, as compared with approximately 69.6%, 30.4% and nil, respectively, for the three months ended 30 June 2023.

For the three months ended 30 June 2024, our Group had generated revenue from added value from our digital assets. During the year ended 31 December 2023 and the six months ended 30 June 2024, our Group had acquired certain cryptocurrencies pursuant to the two acquisition mandates (the “**Acquisition Mandates**”) granted by our shareholders at the extraordinary general meeting held on 22 December 2023 and the annual general meeting held on 19 April 2024, respectively, each of which authorised the purchase of cryptocurrencies in an aggregate amount of not exceeding US\$100 million. (For details, please refer to the circulars of the Company dated 5 December 2023 and 28 March 2024, respectively). The purchase and holding of cryptocurrencies is expected to be the pivotal basis of and move for our Group’s expansion and operation of Web3 games and pathing of its layout in the field of Web3 to achieve its continuous development. While our Group develops and operates Web3 games, the cryptocurrencies are mainly stored in our Group’s accounts held at licensed platforms and the cryptocurrency wallet of our Group. Our Group would receive interests and rewards mainly by storing cryptocurrencies at the accounts of relevant licensed platforms and storing Ether (ETH) at the cryptocurrency wallet of our Group as part of Ethereum network validation (a validation mechanism for the security and stability of Ethereum network). Such interests and rewards are recorded as digital assets value-added gain.

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



Management Discussion and Analysis

Cost of revenue

Our cost of revenue for the three months ended 30 June 2024 amounted to approximately RMB30.3 million, representing a year-on-year decrease of approximately 7.3% from approximately RMB32.7 million recorded for the same period in 2023. The year-on-year decrease was primarily due to the decrease in commission charges by platforms and third party payment vendors as a result of our optimisation of payment collection channels.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit for the three months ended 30 June 2024 amounted to approximately RMB74.5 million, representing a year-on-year increase of approximately 12.3% from approximately RMB66.4 million recorded for the same period in 2023.

Our gross profit margin were approximately 71.1% and 67.0%, respectively, for the three months ended 30 June 2024 and the same period in 2023.

Selling and marketing expenses

Our selling and marketing expenses for the three months ended 30 June 2024 amounted to approximately RMB10.7 million, representing a year-on-year decrease of approximately 18.8% from approximately RMB13.2 million recorded for the same period in 2023. The year-on-year decrease was mainly attributable to the decrease in the expenses incurred for advertising and promotional activities.

Administrative expenses

Our administrative expenses for the three months ended 30 June 2024 amounted to approximately RMB27.0 million, representing a year-on-year increase of approximately 15.4% from approximately RMB23.4 million recorded for the same period in 2023. The year-on-year increase was mainly attributable to the increase in employee compensation and welfare expenses.

Other losses, net

For the three months ended 30 June 2024, we recorded other losses, net of approximately RMB121.8 million, compared to other losses, net of approximately RMB14.4 million recorded for the same period in 2023. The significant increase in other losses, net for the three months ended 30 June 2024 as compared to the same period in 2023 was primarily due to a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 31 March 2024, whereas there was no effect of changes in fair value of digital assets for the same period in 2023. The other losses, net primarily consisted of fair value changes on digital assets, fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, and government subsidies.



Management Discussion and Analysis

Finance income, net

Our net finance income for the three months ended 30 June 2024 was approximately RMB3.2 million, compared to approximately RMB14.3 million recorded for the same period in 2023. The change was primarily due to the decrease in deposits as a result of the purchase of cryptocurrencies, which led to the decrease in interest income compared to the same period in 2023, while value-added gains of digital assets were recorded through purchased cryptocurrencies.

Share of result of associates

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

Income tax expenses

Our income tax credit for the three months ended 30 June 2024 was approximately RMB14.3 million, whereas we recorded income tax expenses of approximately RMB2.4 million for the same period in 2023. The change from income tax expenses to income tax credit was mainly due to the significant decrease in the fair value of digital assets, which led to the clawback of the income tax expenses.

(Loss)/Profit attributable to owners of the Company

As a result of the foregoing, we recorded loss attributable to owners of the Company for the three months ended 30 June 2024 of approximately RMB67.4 million, whereas we recorded profit attributable to owners of the Company of approximately RMB26.9 million for the same period in 2023. The change of position from profit attributable to owners of the Company for the three months ended 30 June 2023 to loss attributable to owners of the Company for the three months ended 30 June 2024 was mainly due to a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 31 March 2024, whereas there was no effect of changes in fair value of digital assets for the same period in 2023.

* For identification purpose only



Management Discussion and Analysis

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

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

Our unaudited non-IFRS adjusted net loss for the three months ended 30 June 2024 was approximately RMB64.0 million, which was derived from our unaudited loss for the same period excluding share-based compensation expenses of approximately RMB3.4 million included in administrative expenses, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 30 June 2023 of approximately RMB27.5 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.6 million included in administrative expenses.

Excluding the impact of non-operating one-off factors such as changes in the fair value of digital assets and financial assets including equity investment partnerships, our unaudited non-IFRS adjusted net profit for the three months ended 30 June 2024 increased by approximately 5.2% as compared to the same period in 2023, which was mainly due to the increase in revenue as compared to the same period in 2023 and the decrease in commission expenses and advertising expenses as a result of our reasonable cost control.

First Half of 2024 Compared to First Half of 2023

Revenue

Our revenue for the six months ended 30 June 2024 amounted to approximately RMB213.4 million, representing a year-on-year increase of approximately 9.8% from approximately RMB194.3 million recorded for the same period in 2023. The year-on-year increase was primarily due to (i) the Group’s holding of certain online operational activities during the Reporting Period, and continuous optimization of its gaming products and gameplay which led to the increase of the Group’s revenue generated from online games; and (ii) the value-added gain of digital assets generated from the cryptocurrency held by the Group. For the six months ended 30 June 2024, revenue generated from our mobile games, web-based games and value-added gain from digital assets accounted for approximately 67.5%, 28.7% and 3.8% of our total revenue, respectively, as compared with approximately 69.6%, 30.4% and nil, respectively, for the six months ended 30 June 2023.



Management Discussion and Analysis

Cost of revenue

Our cost of revenue for the six months ended 30 June 2024 amounted to approximately RMB61.7 million, representing a year-on-year decrease of approximately 4.5% from approximately RMB64.6 million recorded for the same period in 2023. The year-on-year decrease was primarily due to the decrease in commission charges by platforms and third party payment vendors as a result of our optimisation of payment collection channels.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit for the six months ended 30 June 2024 amounted to approximately RMB151.7 million, representing a year-on-year increase of approximately 16.9% from approximately RMB129.7 million recorded for the same period in 2023.

Our gross profit margin were approximately 71.1% and 66.7%, respectively, for the six months ended 30 June 2024 and the same period in 2023.

Selling and marketing expenses

Our selling and marketing expenses for the six months ended 30 June 2024 amounted to approximately RMB18.1 million, representing a year-on-year decrease of approximately 23.3% from approximately RMB23.6 million recorded for the same period in 2023. The year-on-year decrease was mainly attributable to the decrease in the expenses incurred for advertising and promotional activities.

Administrative expenses

Our administrative expenses for the six months ended 30 June 2024 amounted to approximately RMB54.0 million, representing a year-on-year increase of approximately 15.5% from approximately RMB46.8 million recorded for the same period in 2023. The year-on-year increase was mainly attributable to the increase in employee compensation and welfare expenses.

Other gains/(losses), net

For the six months ended 30 June 2024, we recorded other gains, net of approximately RMB240.7 million, whereas we recorded the other losses, net of approximately RMB21.1 million for the same period in 2023. The change of position from other losses, net for the six months ended 30 June 2023 to the other gains, net for the six months ended 30 June 2024, was primarily due to the increase in fair value of digital assets held by the Group over the purchase cost for the six months ended 30 June 2024, whereas there was no such effect for the same period in 2023. The other gains/(losses), net primarily consisted of fair value changes on digital assets, fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, and government subsidies.



Management Discussion and Analysis

Finance income, net

Our net finance income for the six months ended 30 June 2024 was approximately RMB11.9 million, compared to approximately RMB25.3 million recorded for the same period in 2023. The change was primarily due to the decrease in deposits as a result of the purchase of cryptocurrencies, which led to the decrease in interest income compared to the same period in 2023, while value-added gain of digital assets was recorded through purchased cryptocurrencies.

Share of results of associates

We held investments in five associates, namely Shenzhen Fanhou Technology Co., Ltd.* (深圳市飯後科技有限公司), Shenzhen HuiFuWorld Network Technology Co., Ltd.* (深圳市匯富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.* (深圳市極思維智能科技有限公司) and Shanghai Allin Network Technology Co., Ltd.* (上海傲英網絡科技有限公司) and its subsidiaries as at 30 June 2024 (31 December 2023: five associates), all of which were online game or internet technology companies. We recorded a share of gain of associates of approximately RMB0.1 million for the six months ended 30 June 2024, whereas we recorded the share of loss of associates of approximately RMB0.6 million for the same period in 2023.

Income tax expenses

Our income tax expenses for the six months ended 30 June 2024 was approximately RMB47.9 million, whereas we recorded income tax expenses of approximately RMB7.4 million for the same period in 2023. The year-on-year change was mainly due to the increase in the fair value of digital assets, which led to the increase in income tax expenses as compared to the same period in 2023.

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 2024 amounted to approximately RMB284.4 million, representing an increase of 411.7% from approximately RMB55.6 million for the same period in 2023, which is mainly due to the increase in fair value of the Group's digital assets over the purchase cost for the six months ended 30 June 2024, while there was no such effect for the same period in 2023.

Non-IFRS Measure – Adjusted net profit

Our unaudited non-IFRS adjusted net profit for the six months ended 30 June 2024 amounted to approximately RMB288.2 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB3.9 million included in administrative expenses, as compared to our unaudited non-IFRS adjusted net profit for the six months ended 30 June 2023 of approximately RMB57.0 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB1.4 million included in administrative expenses.

* For identification purpose only



Management Discussion and Analysis

Excluding the impact of non-operating one-off factors such as changes in the fair value of digital assets and financial assets including equity investment partnerships, our unaudited non-IFRS adjusted net profit for the six months ended 30 June 2024 increased by approximately 6.1% as compared to the same period in 2023, which was mainly due to the increase in revenue.

Liquidity and capital resources

For the six months ended 30 June 2024, we generated sufficient cash through our operating activities to satisfy our capital needs for our business operations. We intend to provide financial support to 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 2024, the Group's gearing ratio (total liabilities divided by total assets) was 17.0% (31 December 2023: 17.1%).

Digital assets

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

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

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

As at 30 June 2024, the fair value of digital assets amounted to approximately RMB1,688.4 million (31 December 2023: approximately RMB78.6 million), which mainly consisted of BTC, ETH and USDT. The fair value measurement of digital assets were determined based on their quoted prices in open market. For the six months ended 30 June 2024, we recorded fair value gain on digital assets of approximately RMB245.7 million (fair value gain for the six months ended 30 June 2023: nil).



Management Discussion and Analysis

As at 30 June 2024, the Group held approximately 2,079 units of BTC with an average cost of approximately US\$51,299 per unit and approximately 15,279 units of ETH with an average cost of approximately US\$2,756 per unit.

As at 22 August 2024, the Group held approximately 2,410 units of BTC with an average cost of approximately US\$51,856 per unit and approximately 15,343 units of ETH with an average cost of approximately US\$2,756 per unit.

During the Reporting Period and up to the date of this report, other than BTC, ETH and USDT, the Group also held ATOM and BNB. Cosmos is a blockchain public chain network with development potential. ATOM, as the core governance token of the Cosmos public chain network, was purchased by the Company with the aim of laying out the Web3 business ecosystem in Cosmos public chain network, strengthening the Company's competitiveness in the Web3 field and laying a solid foundation for future technological innovation and market expansion. BNB is the cryptocurrency that supports the entire BNB Chain ecosystem, which can be used as a transaction fee on the Binance cryptocurrency exchange and to participate in the activities of the Binance cryptocurrency exchange. It is one of the most popular utility tokens in the world. As at 22 August 2024, the Group had purchased ATOM and BNB with a total amount of approximately US\$2.58 million.

The aforementioned data in relation to the relevant fair value of the digital assets for the six months ended 30 June 2024 is recorded based on the market price of the relevant cryptocurrencies as at 30 June 2024. The price of cryptocurrencies may show real time fluctuations, and the impact of the fair value of digital assets on the profit attributable to owners of the Company may vary accordingly.

Term deposits

As at 30 June 2024, we had term deposits of approximately RMB252.2 million (31 December 2023: approximately RMB732.4 million), which were mainly denominated in Renminbi ("RMB"). The original maturities of the term deposits are over 3 months and less than 3 years. The effective interest rate for the term deposits of the Group for the six months ended 30 June 2024 was approximately 2.6%.

Cash and cash equivalents

As at 30 June 2024, we had cash and cash equivalents of approximately RMB61.6 million (31 December 2023: approximately RMB744.3 million), which primarily consisted of cash at banks and in hand and short-term bank deposits, which were mainly denominated in RMB (as to approximately 62.3%), USD (as to approximately 27.1%) and other currencies (as to approximately 10.6%). The decrease in cash and cash equivalents from 31 December 2023 to 30 June 2024 was as a result of the acquisition of cryptocurrencies during the six months ended 30 June 2024. We currently do not hedge transactions undertaken in foreign currencies or use any financial instruments for hedging purposes. Due to our persistent efforts in managing exposure to foreign currency risks 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.



Management Discussion and Analysis

Equity investment at fair value through other comprehensive income

We accounted for equity investments at fair values through other comprehensive income at their respective fair values. As at 30 June 2024, the fair value of our listed and unlisted investments classified as equity investments at fair value through other comprehensive income amounted to approximately RMB0.01 million (31 December 2023: approximately RMB10.5 million). These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities, which was represented by our equity investment in an unlisted equity securities as at 30 June 2024.

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

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

Investments at fair value through profit or loss

As at 30 June 2024, we also recorded investments at fair value through profit or loss amounted to approximately RMB104.3 million (31 December 2023: approximately RMB208.5 million), which consisted of non-quoted investments in asset management plans, equity investment partnerships and wealth management products. As at 30 June 2024, the fair values of the investments in asset management plans were determined by discount cash flows model; the fair values of the investments in equity investment partnerships were determined by market approach and discount cash flows model; and the fair values of investments in wealth management products were determined based on the estimated rate of return of investments. For the six months ended 30 June 2024, we recorded fair value losses on investments at fair value through profit or loss of approximately RMB14.9 million (fair value losses for the six months ended 30 June 2023: approximately RMB24.0 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 Company has in the past selected wealth management products that are principal guaranteed and relatively low risk products. The Company has dedicated investment department and investment project management team to conduct, oversee and manage its investment activities. The Company has established specialized investment management policies and risk management systems to safeguard and improve its investment practices and control the investment risks. Prior to making an investment, the Company had also ensured that there remains sufficient working capital for the Company's business needs even after the investments in wealth management products. During the six months ended 30 June 2024, save the Acquisition Mandates of cryptocurrencies disclosed in the paragraph headed "Digital assets" above, each of the investments made by the Company does not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules. As agreed with the financial institutions, the underlying investment of the wealth management products of the Group were represented by structured deposits 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.



Management Discussion and Analysis

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) (“**Boyaa Shenzhen**”), established a limited partnership namely Jiaxing Boyaa ChunLei Equity Investments Limited Partnership Enterprise (“**Jiaxing Boyaa**”) with Shanghai Tailai Tianji Asset Management Co., Limited (上海泰來天濟資產管理有限公司). During the six months ended 30 June 2024, the Group’s accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaxing Boyaa. The fair value of the investment in Jiaxing Boyaa as at 30 June 2024 was approximately RMB3.1 million and accounted for less than 5.0% of our total assets. Jiaxing Boyaa is established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. We will continue to closely monitor the performance of Jiaxing Boyaa on an on-going basis and will take necessary actions at the appropriate time to protect the interests of the Company and its shareholders.

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

Borrowings

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

Capital expenditure

For the six months ended 30 June 2024, our capital expenditure amounted to approximately RMB0.5 million (for the six months ended 30 June 2023: approximately RMB9.8 million). The capital expenditure mainly included purchasing equipment, which was funded by using our cash flows generated from our operations.

Commitment

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

Contingent liabilities and guarantees

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

Material acquisitions and disposals

For the six months ended 30 June 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant investments and future plans for major investments

For the six months ended 30 June 2024, the Group’s investment in Jiaxing Boyaa amounted to RMB300.0 million. Jiaxing Boyaa mainly carries out equity investments and venture capital investments. As at 30 June 2024, the fair value of the investment in Jiaxing Boyaa was approximately RMB3.1 million and represented less than 5.0% of our total assets.

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



Management Discussion and Analysis

Pledge/charge of the Group's assets

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

Employees and staff costs

As at 30 June 2024, we had a total of 204 full-time employees, who are based in or out of China. In particular, 159 employees are responsible for our game development and operation, 34 for game support and 11 for administration and senior management.

We organise and launch various training programs on a regular basis for our employees to enhance their knowledge and skills of online game development and operation, improve time management and internal communications and strengthen team bonds. 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 2024, the total staff costs of the Group (including salaries, bonuses, social insurances, housing provident funds and share incentive schemes) amounted to approximately RMB49.3 million, representing approximately 36.8% 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**"), the pre-IPO share option scheme adopted by the Company in January 2011 and amended in September 2013 (the "**Pre-IPO Share Option Scheme**") and the share option scheme adopted by the shareholders of the Company at the annual general meeting of the Company on 19 April 2024 (the "**2024 Share Option Scheme**") as well as the RSU schemes adopted by the Company in September 2013 (the "**2013 RSU Scheme**"), July 2021 (the "**2021 RSU Scheme**") and March 2024 (the "**2024 RSU Scheme**", together with the 2013 RSU Scheme and 2021 RSU Scheme, the "**RSU Schemes**"), there were a total of 4,872,429 share options and 12,816,000 shares underlying the RSUs outstanding and/or granted to a total of 28 senior management members and employees of the Group as at 30 June 2024. As at 30 June 2024, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme (the "**Share Option Schemes**") had expired and the 2013 RSU Scheme and the 2021 RSU Scheme (the "**Terminated RSU Schemes**") had been terminated by the Company on 3 March 2021 and 28 March 2024, respectively. After the expiration of the Share Option Schemes and the termination of Terminated RSU Schemes, no further options or RSUs will be granted under the relevant schemes but the provisions of the Share Option Schemes and the Terminated RSU Schemes shall remain in full force and effect to the extent necessary to give effect to the exercise of any options or RSUs granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Schemes and the Terminated RSU Schemes, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Schemes and the Terminated RSU Schemes. There were also 35,894,660 shares underlying the RSUs allowed to be granted under the 2024 RSU Scheme which were held by Core Administration RSU Limited as nominee for the benefit of eligible participants pursuant to the 2024 RSU Scheme. Further details of the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, the 2024 Share Option Scheme and the RSU Schemes will be set out in the section headed "Share Option Schemes and Restricted Share Unit Schemes" in the Other Information section in this 2024 interim report of the Company.



Other Information

CONTRACTUAL ARRANGEMENTS

Reasons for Contractual Arrangements

Reference is made to the section headed “History, Reorganization and Corporate Structure – Contractual Arrangements” in the prospectus of the Company dated 31 October 2013 (the “**Prospectus**”) and the section headed “Connected Transactions – Contractual Arrangements” in the Directors’ Report of the Company’s 2023 Annual Report.

The Group is primarily engaged in the development and operation of online card and board games business and is considered to be engaged in the provision of value-added telecommunications services as a result of the operations of the websites of the Group. The Group conducts online games business through a PRC operating entity, Boyaa Shenzhen. Operations of online games business are considered as providing value-added telecommunications services and internet content services (including online publishing services and internet cultural business (except music)). According to provisions on the Administration of Foreign-funded Telecommunications Enterprises (which has taken effect on 1 May 2022)⁽¹⁾ issued by the State Council on 11 December 2001 and amended on 10 September 2008, 6 February 2016 and 29 March 2022, and the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2021) published by the National Development and Reform Commission and the Ministry of Commerce on 27 December 2021, foreign investors are not allowed to hold more than 50% of the equity interest in a company providing value-added telecommunications services (except for e-commerce, domestic multi-party communication, store and forward, and call center), and they are prohibited from providing internet content services (including but not limited to online publishing services, internet cultural business (except music), etc.). Commercial operators providing relevant services must obtain licenses for the provision of value-added telecommunications services and internet content services required for the operation of online games business (the “**Necessary Licenses**”) from the appropriate competent authorities. Boyaa Shenzhen has obtained the Necessary Licenses for the operations of the Group. Therefore, in order for the Group to be able to carry on its online games business in China in compliance with the applicable PRC laws and regulations, the Group entered into the Contractual Arrangements (the “**Contractual Arrangements**”) with Boyaa Shenzhen through an indirect wholly-owned subsidiary, Boyaa On-line Game Development (Shenzhen) Co., Limited (“**Boyaa PRC**”), pursuant to which the Group will be able to assert management control over the operations of, and enjoy all economic benefits of, Boyaa Shenzhen. In addition, the Group will be able to consolidate Boyaa Shenzhen’s financial results in the results of the Company under IFRS as if it was a wholly-owned subsidiary of the Company. There are no new Contractual Arrangements entered into, renewed or reproduced between the Group and Boyaa Shenzhen during the six months ended 30 June 2024. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the six months ended 30 June 2024. During the six months ended 30 June 2024, none of the agreements underlying the Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of the Contractual Arrangements has been removed.

Boyaa Shenzhen is significant to the Group as it holds certain Necessary Licenses and permits that are essential to the operation of the business of the Group, including Value-Added Telecommunications Business License and Online Publishing Services License, etc. In addition, Boyaa Shenzhen also holds certain intellectual property rights, including software copyrights, trademarks, patents and domain names. The revenue and the total asset value of Boyaa Shenzhen subject to the Contractual Arrangements amounted to approximately RMB81.5 million for the six months ended 30 June 2024 and approximately RMB364.9 million as at 30 June 2024, respectively.

Note:

- (1) The amended Administration of Foreign-funded Telecommunications Enterprises has deleted the “Qualification Requirement” regarding a foreign investor. That is to say, the requirements which previously required that a foreign investor must have a good track record and experience in providing valued-added telecommunication services are no longer applicable.



Other Information

Risks associated with the Contractual Arrangements and the actions taken by the Company to mitigate the risks

Risks associated with the Contractual Arrangements

- i. If the PRC government finds that the agreements that establish the structure for operating the Group's online game businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of the Group's interest in its variable interest entity ("**VIE**"), i.e. Boyaa Shenzhen.

Mitigation actions taken by the Company

Pursuant to each of the agreements underlying the Contractual Arrangements, at any time after the date of such agreements, in the event of any promulgation or change of any law, regulation or rule of China or any interpretation or applicable change on such laws, regulations or rules leading to any provision in any of the agreements underlying the Contractual Arrangements is held to be or becomes illegal, invalid or unenforceable in any respect under the law of the applicable jurisdiction:

- (a) so far as it is illegal, invalid and unenforceable, it shall be given no effect and shall be deemed not to be included in the relevant agreement and shall not affect or impair the legality, validity or enforceability in that jurisdiction of the other provisions of the agreement, or of that or any provisions of the relevant agreement in any other jurisdictions; and
- (b) the parties shall use all reasonable endeavors to replace it with a valid and enforceable substitute provision or provisions but differing from the replaced provision as little as possible and the effect of which is as close to the intended effect of the illegal, invalid or unenforceable provision.

In addition, pursuant to the agreements underlying the Contractual Arrangements, the parties agreed and will ensure that they will unwind the Contractual Arrangements as soon as the law allows the business to be operated without them.



Other Information

Risks associated with the Contractual Arrangements

- ii. The Group relies on the Contractual Arrangements to control and obtain the economic benefits from Boyaa Shenzhen which may not be as effective in providing operational control as direct ownership.

- iii. The shareholders of Boyaa Shenzhen may have conflicts of interest with the Group, which may materially and adversely affect the Group's business.

Mitigation actions taken by the Company

Each of Mr. Zhang Wei (the controlling shareholder of the Company) and Mr. Dai Zhikang (the Chairman of the Board and executive director), being the registered shareholders of Boyaa Shenzhen, has executed a power of attorney pursuant to the terms of the Business Operating Agreement. Pursuant to the power of attorney, each of the shareholders of Boyaa Shenzhen agrees to authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen. These include the rights to (i) attend shareholders' meetings; (ii) exercise voting rights in shareholders' meetings to appoint directors, supervisors and senior management; (iii) decide on any acquisition or disposal of the equity interest of Mr. Zhang Wei and Mr. Dai Zhikang in Boyaa Shenzhen or the winding-up or dissolution of Boyaa Shenzhen; (iv) file documents with relevant governmental authorities or regulatory bodies; (v) to instruct directors and senior management of Boyaa Shenzhen to act in accordance with all instructions of Boyaa PRC or its designated person; and (vi) exercise such other shareholders' rights as stipulated under applicable PRC laws, rules and regulations and the articles of Boyaa Shenzhen.

Pursuant to the Exclusive Option Agreement, the Company has the option to (i) purchase or to designate a third party to purchase the equity interests of the existing shareholders of Boyaa Shenzhen when and to the extent permitted by law; and (ii) acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of Boyaa Shenzhen at the net book value of such assets or such minimum purchase price permitted under PRC laws and regulations. Each of Boyaa Shenzhen's shareholders has executed a power of attorney to authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen.



Other Information

Risks associated with the Contractual Arrangements

- iv. The Group may lose the ability to use and enjoy assets held by the VIE that are important to the operation of its business if the VIE declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

Mitigation actions taken by the Company

In addition, to ensure that Mr. Zhang Wei, Mr. Dai Zhikang and Boyaa Shenzhen will comply with the Contractual Arrangements, the Company has further introduced the following measures:

- i. the three independent non-executive directors will review the effectiveness on implementation of the procedures and controls and compliance of the Contractual Arrangements;
- ii. each of Mr. Zhang Wei and Mr. Dai Zhikang shall abstain from voting on any resolutions of Boyaa Shenzhen in which he may have conflicts of interest, and all resolutions shall be passed unanimously or by the affirmative vote of a simple majority of the board of Boyaa Shenzhen (as the case may be), and if any resolution could not be passed by the board of Boyaa Shenzhen unanimously or by a simple majority of votes (as the case may be), such resolution would be considered as disapproved; and
- iii. the Group has implemented corporate governance measures to manage any conflicts of interest between the Group and the directors.

Pursuant to the Business Operating Agreement, in the event that Boyaa PRC or its designee decided to voluntary wind-up or dissolve Boyaa Shenzhen, each of Mr. Zhang Wei and Mr. Dai Zhikang undertakes that he will ensure and procure the execution of all related documents and completion of all relevant procedures required for completing the liquidation and winding-up process and that Boyaa PRC shall be transferred, at nil consideration, all remaining assets of Boyaa Shenzhen upon liquidation.

In addition, under the Business Operating Agreement and the Equity Pledge Agreement, Mr. Zhang Wei and Mr. Dai Zhikang warrant to Boyaa PRC that appropriate arrangements have been made to protect Boyaa PRC's interests in the event of his death, bankruptcy or divorce to avoid any practical difficulties in enforcing the agreements underlying the Contractual Arrangements.



Other Information

Risks associated with the Contractual Arrangements

- v. The Contractual Arrangements between Boyaa PRC and Boyaa Shenzhen may subject the Group to increased income tax due to the different income tax rates applicable to Boyaa PRC and Boyaa Shenzhen, which may adversely affect the Group's results of operations.

- vi. The Contractual Arrangements between Boyaa PRC and Boyaa Shenzhen may be subject to scrutiny by the PRC tax authorities and any finding that the Group or Boyaa Shenzhen owe additional taxes could substantially reduce the Group's consolidated net income and the value of the investment of investors.

Mitigation actions taken by the Company

Boyaa PRC has successfully renewed its "High and New Technology Enterprise" ("HANTE") qualification under PRC Enterprise Income Tax Law during the year ended 31 December 2022 and as a result, Boyaa PRC enjoy a preferential tax rate of 15% from 1 January 2022 to 31 December 2024. Therefore, the applicable tax rate for Boyaa PRC was 15% (2023: 15%) for the six month ended 30 June 2024.

Boyaa Shenzhen temporarily has not renewed its HANTE qualification in the six months ended 30 June 2024. Therefore, the applicable tax rate for Boyaa Shenzhen was 25% (2023: 25%) for the six month ended 30 June 2024. However, no provision for income tax has been provided as Boyaa Shenzhen has no assessable profit during this period, and therefore during the Reporting Period, it did not lead to an increase in the Group's income tax and it did not adversely affect the Group's results of operations.

For details, please see Note 9 to the condensed consolidated financial statements of this report.

The Group will work closely with its tax advisors to ensure that all tax filings are made promptly and any questions raised by PRC tax authorities are addressed in a timely and satisfactory manner.



Other Information

Risks associated with the Contractual Arrangements

- vii. On 15 March 2019, the Foreign Investment Law of the People’s Republic of China (the “**Foreign Investment Law 2019**”) was adopted by the Second Session of the Thirteenth National People’s Congress and had taken effect on 1 January 2020. Under the Foreign Investment Law 2019 and relevant provisions of its implementation regulations, substantial uncertainties exist in connection with the legality and validity of the Contractual Arrangements to hold interests in PRC businesses that are subject to foreign ownership restrictions and the Company may have to incur compliance costs in the future.

Mitigation actions taken by the Company

Under the Foreign Investment Law 2019, the existing enterprises established under the former Foreign Investment Law may maintain their existing organizational structure within five years from the effective date of the Foreign Investment Law 2019. Meanwhile, Foreign Investment Law 2019 does not explicitly stipulate the Contractual Arrangements as foreign investment. Therefore, the PRC legal advisor of the Company believes that the Foreign Investment Law 2019 does not mention the concepts including “actual control” and “control through contractual arrangements”, nor does it specify regulations on control through contractual arrangements. In addition, the Foreign Investment Law 2019 and its implementation regulations do not specify the relevant business rules, but instead stipulate that “foreign investors invest through laws, administrative regulations or other methods prescribed by the State Council”. In addition, the Foreign Investment Law 2019 and its implementation regulations do not specify on what actions should be taken by existing companies with VIE structures and whether these companies are controlled by Chinese entities and/or citizens. Therefore, according to our PRC legal advisor, our contractual arrangements will not be affected by the “Foreign Investment Law 2019” and its implementation regulations. Nevertheless, it is still possible for China’s future laws, administrative regulations or State Council regulations to stipulate contractual arrangements as a way of foreign investment. It is still uncertain whether our contractual arrangements will be recognized as foreign investment, whether it will be considered as a violation of foreign investment access and how it will be defined are still uncertain. In any event, the Company will closely monitor any update of the Foreign Investment Law 2019 and consult its PRC legal advisor to resolve specific problems or issues that may arise from the Contractual Arrangements, so as to ensure that the Company always complies with all relevant laws and regulations in the PRC.

For details of the risks associated with the Contractual Arrangements, please refer to the section headed “Risk Factors – Risks relating to our corporate structure” in the Prospectus.



Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

(a) Interests in the Company

Name of Director/ Chief Executive	Name of company	Capacity/ Nature of interest	Number of shares/ underlying shares held ⁽¹⁾	Approximate percentage of shareholding ⁽⁴⁾
Mr. Dai Zhikang ⁽²⁾	The Company	Founder of a discretionary trust	36,500,000 (L)	5.14%
Ms. Tao Ying ⁽³⁾	The Company	Beneficial owner	335,000 (L)	0.05%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Visioncode Holdings Limited, a company wholly-owned by a trust named the Visioncode Trust (the "Dai Family Trust"), directly holds the entire issued share capital of Comsenz Holdings Limited. Mr. Dai Zhikang is the director of Comsenz Holdings Limited. The Dai Family Trust is a discretionary trust established by Mr. Dai Zhikang (as the settlor) and the discretionary beneficiaries of which include Mr. Dai Zhikang and his children. Accordingly, Mr. Dai Zhikang is deemed to be interested in the 36,500,000 shares held by Comsenz Holdings Limited under the SFO.
- (3) Ms. Tao Ying is interested in 250,000 shares and 85,000 underlying shares in respect of the options granted by the Company under the Post-IPO Share Option Scheme.
- (4) As at 30 June 2024, the Company had 709,576,301 issued shares.

(b) Interests in associated corporations of the Company

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

Save as disclosed above, as at 30 June 2024, none of the directors nor the chief executives of the Company held any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.



Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, the following persons (other than the directors or the chief executive of the Company) have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Name of company	Nature of interest	Number of Shares or securities held ⁽¹⁾	Approximate percentage of interest ⁽⁶⁾
Mr. Zhang Wei ⁽²⁾	The Company	Founder of a discretionary trust	246,237,474 (L)	34.70%
Cantrust (Far East) Limited ⁽³⁾	The Company	Trustee of a trust	282,737,474 (L)	39.85%
Rustem Limited ⁽³⁾	The Company	Nominee for another person	282,737,474 (L)	39.85%
Chunlei Investment ⁽²⁾	The Company	Interest in a controlled corporation	246,237,474 (L)	34.70%
Boyaa Global Limited ⁽³⁾	The Company	Beneficial owner	176,572,474 (L)	24.88%
Emily Technology Limited ⁽³⁾	The Company	Beneficial owner	69,665,000 (L)	9.82%
Visioncode Holdings Limited ⁽⁴⁾	The Company	Interest in a controlled corporation	36,500,000 (L)	5.14%
The Core Trust Company Limited ⁽⁵⁾⁽⁷⁾	The Company	Trustee of a trust	48,715,385 (L)	6.87%
Core Administration RSU limited ⁽⁵⁾⁽⁷⁾	The Company	Nominee for another person	48,710,660 (L)	6.86%
TCT (BVI) Limited ⁽⁵⁾⁽⁷⁾	The Company	Other	48,715,385 (L)	6.87%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Chunlei Investment Limited ("**Chunlei Investment**"), a company wholly-owned by a trust named the Chunlei Trust (the "**Zhang Family Trust**"), directly holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. The Zhang Family Trust is a discretionary trust established by Mr. Zhang Wei (as the settlor) and the discretionary beneficiaries of which include Mr. Zhang Wei and his children. Accordingly, Mr. Zhang Wei is deemed to be interested in the 176,572,474 shares and 69,665,000 shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively.
- (3) Cantrust (Far East) Limited, the trustee of the Zhang Family Trust, holds the entire issued share capital of Chunlei Investment through Rustem Limited (as nominee for Cantrust (Far East) Limited). Chunlei Investment in turn holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. Accordingly, each of Cantrust (Far East) Limited and Chunlei Investment are deemed to be interested in the shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively.
- (4) Visioncode Holdings Limited, a company wholly-owned by the Dai Family Trust, directly holds the entire issued share capital of Comsenz Holdings Limited. Accordingly, Visioncode Holdings Limited is deemed to be interested in the 36,500,000 shares held by Comsenz Holdings Limited under the SFO.
- (5) After the adoption of 2021 RSU Scheme (terminated on 28 March 2024) and the 2024 RSU Scheme, the RSUs under the two RSU Schemes were held by Core Administration RSU Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary, TCT (BVI) Limited). As at 30 June 2024, Core Administration RSU Limited held 48,710,660 shares underlying the RSUs. In addition, the share options under the Pre-IPO Share Option Scheme were held by The Core Admin Boyaa Option Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary TCT (BVI) Limited). As at 30 June 2024, The Core Admin Boyaa Option Limited held 4,725 shares underlying the share options.
- (6) As at 30 June 2024, the Company had 709,576,301 issued shares.
- (7) Pursuant to Section 336 of the SFO, the shareholders are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless several criteria have been fulfilled, therefore a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Stock Exchange.

Save as disclosed above, as at 30 June 2024, no persons (other than the directors or the chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.



Other Information

SHARE OPTION SCHEMES AND RESTRICTED SHARE UNIT SCHEMES

Post-IPO Share Option Scheme

On 23 October 2013, the Post-IPO Share Option Scheme of the Company was approved and adopted by the shareholders of the Company. The purpose of the Post-IPO Share Option Scheme is to incentivize and reward the employees (whether full time or part-time) or directors of members of the Group or associated companies of the Company (the “**Eligible Persons**”) for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. Pursuant to the Post-IPO Share Option Scheme, the board of directors of the Company (the “**Board**”) (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Post-IPO Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of shares of the Company as the Board may determine to an Eligible Person.

The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years from 12 November 2013, being the date on which the trading of shares of the Company on the Stock Exchange commenced (the “**Listing Date**”). Accordingly, as at 30 June 2024, the Post-IPO Share Option Scheme had expired. After the expiration of the Post-IPO Share Option Scheme, no further options will be granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Post-IPO Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. As all options granted under the Post-IPO Share Option Scheme are exercisable over an ten-year period from the date of grant. Therefore, given that the last batch of options under the Post-IPO Share Option Scheme was granted on 7 September 2015, as at 30 June 2024, the remaining life of the Post-IPO Share Option Scheme in respect of outstanding options was approximately one year and three months.

Further details of the principal terms of the Post-IPO Share Option Scheme are set out in the Prospectus and the Company’s 2023 Annual Report. During the six months ended 30 June 2024, no option granted under the Post-IPO Share Option Scheme has been lapsed, no option has been granted or agreed to be granted nor has any option been cancelled under the Post-IPO Share Option Scheme. Details of the movements in options during the six months ended 30 June 2024 under the Post-IPO Share Option Scheme are set out in the section headed “Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 30 June 2024” below.

As at 1 January and 30 June 2024, no options were available for grant pursuant to the Post-IPO Share Option Scheme, respectively.



Other Information

Pre-IPO Share Option Scheme

On 7 January 2011, the Pre-IPO Share Option Scheme of the Company was approved and adopted by the Board, which was subsequently amended on 17 September 2013. The purpose of the Pre-IPO Share Option Scheme is to enable our Company to grant pre-IPO options to employees, officers and directors of or consultant to any member of the Group (the “**Eligible Participants**”) as recognition and acknowledgement of the contributions that such Eligible Participants have made or may make to the Group or any affiliates.

No further options can be granted under the Pre-IPO Share Option Scheme after the Listing Date. As at 30 June 2024, no options granted under the Pre-IPO Share Option Scheme remained outstanding, therefore, the Pre-IPO Share Option Scheme had expired.

Further details of the principal terms of the Pre-IPO Share Option Scheme are set out in the Prospectus and the Company’s 2023 Annual Report.

As at 1 January and 30 June 2024, no options were available for grant pursuant to the Pre-IPO Share Option Scheme.

2024 Share Option Scheme

On 19 April 2024, the shareholders of the Company approved and adopted the 2024 Share Option Scheme at the annual general meeting with the objective to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The 2024 Share Option Scheme shall be valid and effective for a period of ten (10) years from the granting of approval of the listing of, and permission to deal in, any shares to be issued and allotted pursuant to the exercise of the options under the 2024 Share Option Scheme by the Listing Committee of the Stock Exchange.

No option was granted pursuant to the 2024 Share Option Scheme during the six months ended 30 June 2024. As at 1 January 2024 and 30 June 2024, there are nil and 70,957,630 options available for grant under the scheme mandate limit of the 2024 Share Option Scheme.

Further details of the principal terms of the 2024 Share Option Scheme are set out in the circular of the Company dated 28 March 2024.



Other Information

Restricted Share Unit Schemes

The 2013 RSU Scheme of the Company adopted on 17 September 2013 with a term of eight years from the date of adoption was terminated with effect from 3 March 2021. The Company adopted the 2021 RSU Scheme on 19 July 2021 in place and under substantially the same terms as the 2013 RSU Scheme and terminated the 2021 RSU Scheme on 28 March 2024. Nonetheless, the rights and obligations of the grantees and the Company with respect to the RSUs that have been granted or earmarked pursuant to the 2013 RSU Scheme and the 2021 RSU Scheme on or before the termination dates as provided (or will be provided) in the relevant grant letters shall survive termination of the 2013 RSU Scheme and the 2021 RSU Scheme and remain in full force and effect except otherwise provided for in such grant letters. Further details of the principal terms of the 2013 RSU Scheme and 2021 RSU Scheme are set out in the Prospectus and the Company's 2023 Annual Report, respectively.

On 28 March 2024, the Board approved and adopted the 2024 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 2024 RSU Scheme shall be valid and effective for a period of eight years commencing on 28 March 2024. The 2024 RSU Scheme will use the issued existing shares held or to be held by its trustee, Core Trust Company Limited, from time to time only, therefore it constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Further details of the principal terms of the 2024 RSU Scheme are set out in the Company's announcement dated 28 March 2024.

As at 1 January 2024, all RSUs granted under the 2013 RSU Scheme had vested. During the six months ended 30 June 2024, under the 2021 RSU Scheme, no RSU has been granted to the employees of the Group, 3,652,084 RSUs granted had vested, 404,166 RSUs granted had lapsed and no RSU has been canceled.

During the six months ended 30 June 2024, under the 2024 RSU Scheme, 1,900,000 RSUs were granted and had vested immediately, no RSU has lapsed and no RSU has been canceled. Details of the movements in the RSUs under the RSU Schemes are set out in the section headed "Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 30 June 2024" below.

As at 1 January 2024 and 30 June 2024, (1) no RSU was available for grant under the 2013 RSU Scheme; (2) there were 37,390,494 and nil shares underlying the RSUs allowed to be granted under the 2021 RSU Scheme which were held by Core Administration RSU Limited as nominee for the benefit of eligible participants pursuant to the 2021 RSU Scheme, respectively; and (3) there were nil and 35,894,660 shares underlying the RSUs allowed to be granted under the 2024 RSU Scheme which were held by Core Administration RSU Limited as nominee for the benefit of eligible persons pursuant to the 2024 RSU Scheme, respectively.

During the six months ended 30 June 2024, no RSU had been granted under the 2013 RSU Scheme or the 2021 RSU Scheme, and no option had been granted under any share option schemes of the Company, the calculation pursuant to Rule 17.07(3) of the Listing Rules is nil.

Pursuant to Rules 17.12(2) and 17.05A of the Listing Rules, the Core Trust Company Limited, being the trustee of the restricted share unit schemes of the Company, has abstained from voting at the annual general meeting held on 19 April 2024 in respect of 48,184,079 unvested shares it held and will abstain from voting in respect of unvested shares it holds on matters that require shareholders' approval under the Listing Rules in the future.



Other Information

Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 30 June 2024

Name of option holder/ Grantees of RSU	Number of shares represented by options or RSUs at 1 January 2024 (Unexercised)	Nature	Date of grant	Granted during the period	Exercise/ purchase price	Weighted average closing price of shares immediately before the dates on which the options or RSUs were exercised	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of shares represented by options or RSUs at 30 June 2024 (Unexercised)
Ms. Tao Ying (<i>Executive Director and acting chief executive officer of the Company</i>)	85,000	Post-IPO Share Option Scheme	7 September 2015	-	HK\$3.108	-	-	-	-	85,000
	50,000	RSUs granted under 2013 RSU Scheme ⁽¹⁾	12 March 2015	-	-	-	50,000 ⁽³⁾	-	-	0
	-	RSUs granted under 2024 RSU Scheme ⁽⁴⁾	19 June 2024 ⁽⁴⁾	200,000	-	-	-	-	-	200,000
Sub-total	135,000			200,000			50,000	-	-	285,000
Employees and previous employees of the Group in aggregate	4,787,429	Post-IPO Share Option Scheme	7 September 2015		HK\$3.108	-	-	-	-	4,787,429
Employees and previous employees of the Group in aggregate	60,909	RSUs granted under 2013 RSU Scheme ⁽¹⁾	1 February 2011	-	-	-	60,909	-	-	0
	22,202		2 March 2012	-	-	-	22,202	-	-	0
	5,908		1 July 2012	-	-	-	5,908	-	-	0
	3,653,582		4 March 2013	-	-	-	3,653,582	-	-	0
Employees and previous employees of the Group in aggregate	145,488		12 March 2015	-	-	-	145,488	-	-	0
	3,550,000	RSUs granted under 2021 RSU Scheme	27 August 2021 ⁽²⁾	-	-	-	755,834	-	104,166	2,690,000
	12,100,000		15 April 2022 ⁽³⁾	-	-	-	3,574,000	-	300,000	8,226,000
Employees of the Group in aggregate	-	RSUs granted under 2024 RSU Scheme ⁽⁴⁾	19 June 2024 ⁽⁴⁾	1,700,000	-	-	-	-	-	1,700,000
Sub-total	24,325,518			1,700,000			8,217,923	-	404,166	17,403,429
Total	4,872,429	Post-IPO Share Option Scheme	7 September 2015		HK\$3.108	-	-	-	-	4,872,429
Total	60,909	RSUs granted under 2013 RSU Scheme ⁽¹⁾	1 February 2011	-	-	-	60,909	-	-	0
	22,202		2 March 2012	-	-	-	22,202	-	-	0
	5,908		1 July 2012	-	-	-	5,908	-	-	0
	3,653,582		4 March 2013	-	-	-	3,653,582	-	-	0
	195,488		12 March 2015	-	-	-	195,488	-	-	0
	3,550,000	RSUs granted under 2021 RSU Scheme ⁽²⁾	27 August 2021 ⁽²⁾	-	-	-	755,834	-	104,166	2,690,000
	12,100,000		15 April 2022 ⁽³⁾	-	-	-	3,574,000	-	300,000	8,226,000
	-	RSUs granted under 2024 RSU Scheme ⁽⁴⁾	19 June 2024 ⁽⁴⁾	1,900,000	-	-	-	-	-	1,900,000
Total	24,460,518			1,900,000			8,267,923	-	404,166	17,688,429



Other Information

Notes:

- (1) As at 1 January 2024 and 30 June 2024, no RSU granted under the 2013 RSU Scheme was unvested.
- (2) As at 1 January 2024, 1,775,000 RSUs granted to employees and previous employees of the Group in aggregate on 27 August 2021 have not been vested. During the six months ended 30 June 2024, 527,084 RSUs granted on 27 August 2021 have been vested with no purchase price and the weighted average closing price of the shares immediately before the dates on which the RSUs were vested being HK\$0.76 per share. During the six months ended 30 June 2024, 104,166 RSUs granted on 27 August 2021 had lapsed and no RSUs granted on 27 August 2021 had been canceled. As at 30 June 2024, 1,143,750 RSUs granted on 27 August 2021 have not been vested.
- (3) As at 1 January 2024, 9,075,000 RSUs granted to employees and previous employees of the Group in aggregate on 15 April 2022 have not been vested. During the six months ended 30 June 2024, 3,125,000 RSUs granted on 15 April 2022 have been vested with no purchase price and the weighted average closing price of the shares immediately before the dates on which the RSUs were vested being HK\$2.28 per share. During the six months ended 30 June 2024, 300,000 RSUs granted on 15 April 2022 had lapsed and no RSUs granted on 15 April 2022 had been canceled. As at 30 June 2024, 5,650,000 RSUs granted on 15 April 2022 have not been vested.
- (4) All the 1,900,000 RSUs granted to Ms. Tao Ying and other employees of the Group in aggregate on 19 June 2024 had been vested immediately with no purchase price and the closing price of the shares immediately before the date on which the RSUs were granted and the weighted average closing price of the shares immediately before the date on which the RSUs were vested being HK\$1.96 per share. During the six months ended 30 June 2024, none of the RSUs granted on 19 June 2024 had lapsed or had been canceled. As at 30 June 2024, all RSUs granted on 19 June 2024 had been vested. The fair value of the above newly granted RSUs equals to the closing price of the Company's ordinary shares on the grant date, which was HKD1.89 per share. For details, please refer to Note 20 of the Notes to the Condensed Consolidated Financial Statements of this report.
- (5) Ms. Tao Ying had directed and procured the trustee of the 2013 RSU Scheme to transfer the 50,000 shares to herself in accordance with the terms of the 2013 RSU Scheme during the six months ended 30 June 2024 and remained to be interested in such shares as at 30 June 2024 and up to the date of this report.



Other Information

Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 30 June 2024

(a) *Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Post-IPO Share Option Scheme*

Each holder of the options granted under the Post-IPO Share Option Scheme as referred to in the table above is required to pay an amount of HKD1.00 for the grant of each of the option under the Post-IPO Share Option Scheme.

Subject to the satisfactory performance of the option holders, the options granted to each of the option holders shall be vested in accordance with the vesting schedule as follows:

- (i) as to 25% of the options granted, on the date ending 12 months after the date of grant;
- (ii) as to 25% of the options granted, on the date ending 24 months after the date of grant; and
- (iii) as to the remaining 50% of the options granted, on a monthly basis starting from the 25th month after the date of grant in 24 monthly equal lots.

Each option granted under the Post-IPO Share Option Scheme has a ten-year exercise period commencing from the date of grant.

(b) *Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Pre-IPO Share Option Scheme*

The holders of the options granted under the Pre-IPO Share Option Scheme as referred to in the table above are not required to pay for the grant of any option under the Pre-IPO Share Option Scheme.

Subject to the satisfactory performance of the option holders, the options granted to each of the option holders shall be vested in accordance with vesting schedule as follows:

- (i) as to 25% of the aggregate number of shares underlying the option, on the date ending 12 months after the date of grant of such option;
- (ii) as to 12.5% of the aggregate number of shares underlying the option, on the date ending 18 months after the date of grant of such option;
- (iii) as to 12.5% of the aggregate number of shares underlying the option, on the date ending 24 months after the date of grant of such option; and
- (iv) as to the remaining 50% of the aggregate number of shares underlying the option, on a monthly basis starting from the 25th month after the date of grant of such option in 24 monthly equal lots.

Each option granted under the Pre-IPO Share Option Scheme has an eight-year exercise period.



Other Information

(c) Consideration paid for the grant of RSUs and the vesting period of the RSUs granted under the RSU Schemes

The grantees of the RSUs granted under the RSU Schemes as referred to in the table above are not required to pay for the grant of any RSU under the RSU Schemes.

RSUs that were granted before 4 March 2013 were granted to replace certain options granted under the Pre-IPO Share Option Scheme and have the same vesting period as the options granted under the Pre-IPO Share Option Scheme. See the preceding sub-paragraph "(b) Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Pre-IPO Share Option Scheme" above.

For the RSUs granted on 4 March 2013 under the 2013 RSU Scheme, they shall (unless the Company shall otherwise determine and so notify such grantees in writing) vest as follows:

- (i) 25% of the RSUs on the date ending 12 months after 30 September 2013;
- (ii) 12.5% of the RSUs on the date ending 18 months after 30 September 2013;
- (iii) 12.5% of the RSUs ending 24 months after 30 September 2013; and
- (iv) as to the remaining 50% of the RSUs, on a monthly basis starting from the 25th month after 30 September 2013 in 24 monthly equal lots.

For the RSUs granted on 12 March 2015 under the 2013 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th month after the date of grant in 12 monthly equal lots.

For the RSUs granted on 27 August 2021 under the 2021 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 calendar months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 calendar months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 calendar months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 calendar months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th calendar month after the date of grant in 12 monthly equal lots.

The expiry date of the RSUs granted on 27 August 2021 is 26 August 2029.



Other Information

For the RSUs granted on 15 April 2022 under the 2021 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 calendar months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 calendar months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 calendar months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 calendar months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th calendar month after the date of grant in 12 monthly equal lots.

The expiry date of the RSUs granted on 15 April 2022 is 14 April 2030.

All of the above granted RSUs shall also be subject to the Company and the relevant grantee meeting or satisfying the annual and half-yearly performance target or review immediately preceding such vesting.

All the RSUs granted on 19 June 2024 under the 2024 RSU Scheme had been vested immediately after the grant. The expiry date of the RSUs granted on 19 June 2024 is 18 June 2032.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sales of treasury shares (the “**Treasury Shares**”) within the meaning under the Listing Rules). As at 30 June 2024, the Company did not hold any Treasury Shares.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2024.

According to the dividend policy approved by the Board on 1 March 2024, the Company will distribute to shareholders at least 20% per annum of the net operating profit for the year in the next five years and pay dividends of at least 5% from the value-added gains from the purchase of crypto assets per annum.

RIGHTS TO ACQUIRE THE COMPANY’S SECURITIES AND EQUITY-LINKED AGREEMENTS

Save as disclosed under the section “SHARE OPTION SCHEMES AND RESTRICTED SHARE UNIT SCHEMES” of this interim report, at no time during the six months ended 30 June 2024 was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2024, the Company has at all times complied with the applicable code provisions of the Corporate Governance Code (the “**Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules.

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

The Board currently comprises two executive directors (being Mr. Dai Zhikang, an executive director and the chairman of the Board and Ms. Tao Ying, an executive director and the acting chief executive officer of the Company), and three independent non-executive directors. Therefore, the Board has a strong element of independence in its composition.



Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All directors have confirmed, following a specific enquiry made by the Company, that they have at all times complied with the Model Code throughout the six months ended 30 June 2024.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Ma Jingchun, our independent non-executive Director, has been the assistant to general manager of Business Division III at the Shenzhen Branch of Guangdong Nanyue Bank Co., Ltd. (廣東南粵銀行股份有限公司) since May 2024, where he is mainly responsible for the development of large and medium-sized enterprises clients in Shenzhen and the management of related financial business, and ceased to be the provincial analyst of finance related business at Far East Horizon Limited (the shares of which are listed on the Stock Exchange (stock code: 03360)) and its subsidiaries in April 2024.

Silk Road Logistics Holdings Limited (HK) (HKEx Stock Code: 988), where Mr. Cheung Ngai Lam, our independent non-executive Director, has served as an executive director since June 2021, was delisted from the Stock Exchange on 23 April 2024.

Mr. Choi Hon Keung, Simon, our independent non-executive Director, resigned as a non-executive director and ceased to act as chairman of audit committee of Nocturne Acquisition Corporation (NASDAQ Stock Code: MBTCU, delisted on 25 April 2024) with effect from 26 April 2024.

Save as disclosed above, there is no change in the directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication date of the 2023 Annual Report of the Company.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rule and the Code. As at the date of this report, the Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Ma Jingchun. Mr. Cheung Ngai Lam is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements and the interim report of the Group for the six months ended 30 June 2024. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE REPORTING PERIOD

On 4 September 2024, it has come to the Company's knowledge that Hantang Jiyuan Technology (Henan) Co., Limited* (漢唐紀元科技(河南)有限公司) (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 located at the southeast corner of the intersection of Daoqing Road and Xin'er Street, Xinxiang, Henan Province, the PRC, through the judicial auction process at a total Consideration of RMB56,271,992. For details, please refer to the announcement of the Company dated 4 September 2024.

Save as disclosed above, there was no other important event affecting the Group which has taken place since 30 June 2024 and up to the date of this report.

* For identification purpose only



Independent Review Report



TO THE BOARD OF DIRECTORS OF BOYAA INTERACTIVE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 58 which comprises the condensed consolidated statement of financial position of the Boyaa Interactive International Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Yeung Hong Chun

Practising Certificate Number P07374

Hong Kong, 22 August 2024



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Three Months and Six Months Ended 30 June 2024

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	5	104,845	99,056	213,367	194,285
Cost of revenue		(30,304)	(32,689)	(61,714)	(64,611)
Gross profit		74,541	66,367	151,653	129,674
Other (losses)/gains, net	6	(121,819)	(14,434)	240,730	(21,096)
Selling and marketing expenses		(10,741)	(13,233)	(18,064)	(23,555)
Administrative expenses		(27,034)	(23,424)	(54,003)	(46,762)
Operating (losses)/profit		(85,053)	15,276	320,316	38,261
Finance income	7	3,502	14,433	12,453	25,632
Finance costs	8	(331)	(168)	(541)	(345)
Share of gains/(losses) of associates		187	(172)	67	(544)
(Loss)/profit before income tax		(81,695)	29,369	332,295	63,004
Income tax credit/(expense)	9	14,283	(2,446)	(47,916)	(7,424)
(Loss)/profit for the period attributable to owners of the Company	10	(67,412)	26,923	284,379	55,580
Other comprehensive (expenses)/income:					
<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		1,391	162	953	1,914
Exchange differences on translation		243	15,330	174	14,921
<i>Item that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		1,557	33,345	(7,497)	17,002
Other comprehensive (loss)/income for the period, net of tax		3,191	48,837	(6,370)	33,837
Total comprehensive (loss)/income for the period attributable to owners of the Company		(64,221)	75,760	278,009	89,417
(Loss)/earnings per share (RMB cents)	12				
– Basic		(10.14)	4.07	42.89	8.43
– Diluted		(10.04)	4.02	42.35	8.30



Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	23,215	24,279
Right-of-use assets	13	23,614	11,817
Intangible assets		1,217	1,654
Investments in associates		3,652	3,585
Equity investments at fair value through other comprehensive income	14	5	10,466
Investments at fair value through profit or loss	15	73,405	76,890
Prepayments, deposits and other receivables		15,264	13,886
Deferred tax assets		528	544
Term deposits		250,000	231
		390,900	143,352
Current assets			
Digital assets	16	1,688,439	78,598
Trade receivables	17	28,313	29,369
Prepayments, deposits and other receivables		35,224	69,332
Investments at fair value through profit or loss	15	30,870	131,611
Term deposits		2,238	732,150
Bank and cash balances		61,589	744,260
		1,846,673	1,785,320
Total assets		2,237,573	1,928,672



Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	19	232	232
Reserves		1,856,430	1,598,557
Total equity		1,856,662	1,598,789
Liabilities			
Non-current liabilities			
Lease liabilities		17,172	8,809
Deferred tax liabilities		45,138	896
		62,310	9,705
Current liabilities			
Trade payables	18	828	724
Accruals and other payables		65,646	72,858
Contract liabilities		10,594	10,970
Lease liabilities		7,316	3,569
Current tax liabilities		234,217	232,057
		318,601	320,178
Total liabilities		380,911	329,883
Total equity and liabilities		2,237,573	1,928,672
Net current assets		1,528,072	1,465,142
Total assets less current liabilities		1,918,972	1,608,494



Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2024

(Unaudited)
Attributable to owners of the Company

	Share capital	Share premium	Repurchased shares	Shares held for RSU scheme	Capital reserve	Foreign currency translation reserve	Statutory reserve	Share-based payments reserve	Other reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	232	373,143	(112)	(14)	2,000	50,072	33,990	82,836	(272,833)	1,187,970	1,457,284
Total comprehensive income for the period	-	-	-	-	-	31,923	-	-	1,914	55,580	89,417
Cancellation of ordinary shares	-	(112)	112	-	-	-	-	-	-	-	-
Share-based payments – value of employee services	-	-	-	-	-	-	-	1,437	-	-	1,437
Changes in equity for the period	-	(112)	112	-	-	31,923	-	1,437	1,914	55,580	90,854
At 30 June 2023	232	373,031	-	(14)	2,000	81,995	33,990	84,273	(270,919)	1,243,550	1,548,138
At 1 January 2024	232	373,031	-	(14)	2,000	63,854	33,990	84,597	(264,050)	1,305,149	1,598,789
Total comprehensive (loss)/income for the period	-	-	-	-	-	(7,323)	-	-	953	284,379	278,009
Share-based payments – exercise and lapse of share options and RSUs	-	7,697	-	-	-	-	-	(7,697)	-	-	-
– value of employee services	-	-	-	-	-	-	-	3,866	-	-	3,866
Dividends	-	(24,002)	-	-	-	-	-	-	-	-	(24,002)
Changes in equity for the period	-	(16,305)	-	-	-	(7,323)	-	(3,831)	953	284,379	257,873
At 30 June 2024	232	356,726	-	(14)	2,000	56,531	33,990	80,766	(263,097)	1,589,528	1,856,662



Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cash flows from operating activities		
Cash generated from operating activities	104,607	51,648
Income tax paid	(5,827)	(2,601)
Lease interests paid	(541)	(345)
Net cash generated from operating activities	98,239	48,702
Cash flows from investing activities		
Placement of term deposits with original maturities over three months	(400,715)	(937,907)
Proceeds from maturity of term deposits with original maturities over three months	878,028	762,901
Interest received	12,453	25,632
Dividends from investments at fair value through profit or loss	15,200	751
Purchases of investments at fair value through profit or loss	(13,306)	–
Proceeds from settlements of investments at fair value through profit or loss	101,513	12
Proceeds from disposal of equity investment through other comprehensive income	11,414	–
Purchases of digital assets	(1,351,936)	–
Purchases of property, plant and equipment	(542)	(9,803)
Proceeds from disposals of property, plant and equipment	432	22
Net cash used in investing activities	(747,459)	(158,392)
Cash flows from financing activities		
Repayment of lease liabilities	(3,326)	(2,160)
Dividends	(24,002)	–
Net cash used in financing activities	(27,328)	(2,160)
Net decrease in cash and cash equivalents	(676,548)	(111,850)
Effect of foreign exchange rate changes	(6,123)	12,286
Cash and cash equivalents at beginning of the period	744,260	293,956
Cash and cash equivalents at end of the period	61,589	194,392
Analysis of cash and cash equivalents		
Bank and cash balances	61,589	194,392



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

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

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

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

4. SEGMENT INFORMATION

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

The Group has two reportable segments as follows:

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

Web3 related business – engaged in crypto-currencies related investments

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

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

	Mobile gaming related business RMB'000 (unaudited)	Web3 related business RMB'000 (unaudited)	Total RMB'000 (unaudited)
<i>For the period ended 30 June 2024</i>			
Segment revenue			
Revenue from external customers	205,176	8,191	213,367
Segment gain	94,030	253,841	347,871
Reconciliation:			
Unallocated losses			(15,035)
Finance cost			(541)
Profit before income tax			332,295



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

4. SEGMENT INFORMATION (CONTINUED)

	Mobile gaming related business RMB'000 (unaudited)	Web3 related business RMB'000 (unaudited)	Total RMB'000 (unaudited)
<i>For the period ended 30 June 2023</i>			
Segment revenue			
Revenue from external customers	194,285	–	194,285
Segment gain	87,338	–	87,338
Reconciliation:			
Unallocated losses			(23,989)
Finance cost			(345)
Profit before income tax			63,004

	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
<i>For the year ended 30 June 2024</i>			
Segment assets	549,134	1,688,439	2,237,573
Segment liabilities	380,911	–	380,911



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

4. SEGMENT INFORMATION (CONTINUED)

	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
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For the year ended 31 December 2023

Segment assets	1,850,074	78,598	1,928,672
Segment liabilities	329,883	–	329,883

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Mainland China	41,700	35,255
Other locations	25,262	20,197
	66,962	55,452



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

5. REVENUE

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue from contracts with customers				
Web-based games	29,184	30,100	61,223	59,157
Mobile games	68,919	68,956	143,953	135,128
	98,103	99,056	205,176	194,285
Revenue from other sources:				
Digital assets value-added gain	6,742	–	8,191	–
	104,845	99,056	213,367	194,285

Disaggregation of revenue from contracts with customers:

Timing of revenue recognition

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
At a point of time	98,103	99,056	205,176	194,285

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

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Simplified Chinese	4,080	4,751	8,625	9,909
Other languages	94,023	94,305	196,551	184,376
	98,103	99,056	205,176	194,285

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

6. OTHER (LOSSES)/GAINS, NET

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Dividends from investments at fair value through profit or loss	19	–	15,200	751
Loss on disposals of property, plant and equipment	–	–	–	(24)
Government subsidies and tax rebates (Note a)	643	3	758	212
Net foreign exchange (losses)/gains	(2,766)	(3,776)	(5,793)	2,316
Fair value changes on digital assets	(107,006)	–	245,650	–
Fair value changes on investments at fair value through profit or loss	(12,659)	(10,313)	(15,035)	(23,989)
Others	(50)	(348)	(50)	(362)
	(121,819)	(14,434)	240,730	(21,096)

Note:

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

7. FINANCE INCOME

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest revenue	2,992	14,305	11,818	25,189
Interest revenue on non-current loans to employees	510	128	635	443
	3,502	14,433	12,453	25,632



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

8. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Lease interests	331	168	541	345

9. INCOME TAX (CREDIT)/EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Current tax				
– PRC Enterprise Income Tax (“EIT”) and other jurisdictions	748	2,319	3,450	7,175
Deferred tax	(15,031)	127	44,466	249
	(14,283)	2,446	47,916	7,424

(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 six months ended 30 June 2024 and 2023, based on the existing legislation, interpretations and practices in respect thereof.

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

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

9. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

(a) EIT (Continued)

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 six months ended 30 June 2023: 200%) of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year (“**Super Deduction**”). Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Intelligent Innovation Technology Co., Limited (for the six months ended 30 June 2023: Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited) had claimed such Super Deduction in ascertaining its tax assessable profits for the six months ended 30 June 2024.

(b) PRC withholding tax (“WHT”)

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

As at 30 June 2024, the retained earnings of the Group’s PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were RMB323,207,000 (31 December 2023: RMB243,841,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their foreign investor in the foreseeable future based on the management’s estimation of overseas funding requirements.

(c) Hong Kong Profits Tax

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

(d) Singapore Profits Tax

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

10. (LOSS)/PROFIT FOR THE PERIOD

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

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Amortisation of intangible assets – included in administrative expenses	274	–	437	–
	274	–	437	–
Depreciation	2,511	3,166	4,569	6,179
Research and development expenditure – included in staff costs	16,235	13,588	31,892	31,546
– included in depreciation	112	79	224	153
– included in other administrative expenses	863	431	1,495	730
	17,210	14,098	33,611	32,429
(Reversal of loss allowance)/loss allowance provision for trade receivables	(22)	373	(43)	337
Staff costs including directors' emoluments – Wages, salaries and bonuses	20,114	22,682	35,671	40,521
– Retirement benefit scheme contributions	4,638	1,878	9,641	4,300
– Share-based payments expenses	3,430	579	3,866	1,437
	28,182	25,139	49,178	46,258

11. DIVIDENDS

The board did not declare interim dividend for the six months ended 30 June 2024.

A final dividend in respect of the year ended 31 December 2023 of HK\$0.0372 per share (equivalent to RMB0.0338 per share) was proposed pursuant to a resolution passed by the Board on 28 March 2024 and approved by the shareholders at the annual general meeting held on 19 April 2024. Such dividend, amounted to HK\$26,396,000 (equivalent to approximately RMB24,002,000), was paid in 31 May 2024.



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

12. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
(Loss)/earnings				
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	(67,412)	26,923	284,379	55,580
Number of shares ('000)				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	664,573	660,733	662,974	659,208
Effect of dilutive potential ordinary shares arising from restricted share units ("RSUs")	7,139	8,957	8,572	10,234
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	671,712	669,690	671,546	669,442

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

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of RMB542,000 (for the six months ended 30 June 2023: RMB 9,803,000).

Property, plant and equipment with a carrying amount of approximately RMB432,000 (for the six months ended 30 June 2023: approximately RMB182,000) were disposed by the Group during the six months ended 30 June 2024.

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

14. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

15. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Included in non-current assets		
Non-quoted investments in:		
– asset management plans	8,350	16,700
– equity investment partnerships	65,055	60,190
	73,405	76,890
Included in current assets		
Non-quoted investments in:		
– wealth management products (Note)	30,870	131,611
	30,870	131,611
	104,275	208,501

Note:

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

16. DIGITAL ASSETS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Crypto-currencies and stable coins	1,688,439	78,598

17. TRADE RECEIVABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade receivables	28,479	29,578
Provision for loss allowance	(166)	(209)
Carrying amount	28,313	29,369

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 30 days	25,903	25,677
31 to 60 days	1,948	2,975
61 to 90 days	285	448
91 to 180 days	96	142
181 to 365 days	80	126
Over 365 days	1	1
	28,313	29,369



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

18. TRADE PAYABLES

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 30 days	799	659
31 to 90 days	–	1
91 to 180 days	1	64
181 to 365 days	28	–
	828	724

19. SHARE CAPITAL

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

	Number of ordinary shares	Nominal value of ordinary shares USD'000	Equivalent nominal value of ordinary shares RMB'000
Issued and fully paid:			
At 1 January 2023 (audited)	709,876,301	36	232
Cancellation of ordinary shares (Note)	(300,000)	–	–
At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	709,576,301	36	232

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 year ended 31 December 2023.



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

20. SHARE-BASED PAYMENTS

(a) Share options

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

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

As at 30 June 2024, both the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were expired. After the expiration of such share option schemes, no further options will be granted but the provisions of such share option schemes shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under such share option schemes, or otherwise to the extent as may be required in accordance with the provisions of such share option schemes.

On 19 April 2024, the shareholders of the Company approved and adopted a new share option scheme (the “**2024 Share Option Scheme**”) at the annual general meeting with the objective to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The contractual life of all options under the 2024 Share Option Scheme is ten years from the grant date.

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

	Number of share options	
	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Outstanding at the beginning of the period	4,872,429	5,222,429
Lapsed during the period	–	–
Outstanding at the end of the period	4,872,429	5,222,429
Exercisable at the end of the period	4,872,429	5,222,429

No options were exercised during the six months ended 30 June 2024 and 2023.



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

20. SHARE-BASED PAYMENTS (CONTINUED)

(a) Share options (Continued)

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

Expiry date	Exercise price		Number of share options	
	Original currency	Equivalent to HK\$	At 30 June	
			2024 (unaudited)	2023 (unaudited)
6 September 2025	HK\$3.108	3.108	4,872,429	5,222,429

(b) Restricted Share Unit ("RSU")

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

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



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

20. SHARE-BASED PAYMENTS (CONTINUED)

(b) Restricted Share Unit ("RSU") (Continued)

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

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

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

Movements in the number of RSUs outstanding:

	Number of RSUs	
	2024 (unaudited)	2023 (unaudited)
At 1 January	19,588,089	23,488,089
Granted	1,900,000	–
Lapsed	(404,166)	–
Vested and transferred	(8,267,923)	–
At 30 June	12,816,000	23,488,089
Vested but not transferred at 30 June	6,022,249	3,625,000

The related weighted-average share price at the time when the RSUs were vested and transferred was HK\$1.02 (for the six months ended 30 June 2023: nil) per share.



Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2024

20. SHARE-BASED PAYMENTS (CONTINUED)

(c) Shares held for RSU schemes

The shares held for RSU schemes were regarded as treasury shares and had been presented as a deduction against shareholders' equity. During the period, 8,267,923 (for the six months ended 30 June 2023: nil) of RSUs were vested and transferred (note (b) above), and as a result, 48,842,906 ordinary shares (31 December 2023: 57,110,829 ordinary shares) of the Company underlying the RSUs were held by Core Administration RSU Limited as at 30 June 2024.

21. RELATED PARTY TRANSACTIONS

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Amount due from a director included in other receivables	830	840
Amount due from a related party included in other receivables	2,003	2,003

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

22. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 22 August 2024.



Reconciliation from Unaudited Net Profit to Unaudited Non-IFRS Adjusted Net Profit

For The Six Months Ended 30 June 2024

	For the six months ended 30 June		Year-on- Year Change* %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	
Revenue	213,367	194,285	9.8
Cost of revenue	(61,714)	(64,611)	(4.5)
Gross profit	151,653	129,674	16.9
Other gains/(losses), net	240,730	(21,096)	–
Selling and marketing expenses	(18,064)	(23,555)	(23.3)
Administrative expenses	(54,003)	(46,762)	15.5
Operating profit	320,316	38,261	737.2
Finance income, net	11,912	25,287	(52.9)
Share of gains/(losses) of associates	67	(544)	–
Profit before income tax	332,295	63,004	427.4
Income tax expenses	(47,916)	(7,424)	545.4
Profit for the period	284,379	55,580	411.7
Non-IFRS adjustment			
Share-based compensation expenses included in cost of revenue	–	–	–
Share-based compensation expenses included in selling and marketing expenses	–	–	–
Share-based compensation expenses included in administrative expenses	3,866	1,437	169.0
Non-IFRS adjusted net profit(unaudited)	288,245	57,017	405.5

* 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 2024

	For the three months ended			Year-on-Year Change*	Quarter-on-Quarter Change**
	30 June 2024 RMB'000 (unaudited)	31 March 2024 RMB'000 (unaudited)	30 June 2023 RMB'000 (unaudited)		
Revenue	104,845	108,522	99,056	5.8	(3.4)
Cost of revenue	(30,304)	(31,410)	(32,689)	(7.3)	(3.5)
Gross profit	74,541	77,112	66,367	12.3	(3.3)
Other (losses)/gains, net	(121,819)	362,549	(14,434)	744.0	–
Selling and marketing expenses	(10,741)	(7,323)	(13,233)	(18.8)	46.7
Administrative expenses	(27,034)	(26,969)	(23,424)	15.4	0.2
Operating (loss)/profit	(85,053)	405,369	15,276	–	–
Finance income, net	3,171	8,741	14,265	(77.8)	(63.7)
Share of gains/(losses) of associates	187	(120)	(172)	–	–
(Loss)/profit before income tax	(81,695)	413,990	29,369	–	–
Income tax credit/(expenses)	14,283	(62,199)	(2,446)	–	–
(Loss)/profit for the period	(67,412)	351,791	26,923	–	–
Non-IFRS Adjustment (unaudited)					
Share-based compensation expense included in cost of revenue	–	–	–	–	–
Share-based compensation expense included in selling and marketing expenses	–	–	–	–	–
Share-based compensation expense included in administrative expenses	3,430	436	579	492.4	686.7
Non-IFRS adjusted net (loss)/profit (unaudited)	(63,982)	352,227	27,502	–	–

* 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 2024 and the immediately preceding quarter.