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Boyaa Interactive International Limited

博雅互動國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0434)

UPDATE ON EMPLOYEE'S CASE

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 1 September 2019 in relation to, inter alia, the Incident and the Case, dated 4 September 2019 in relation to the establishment of the Independent Investigation Committee, dated 13 December 2019 in relation to the commencement of the Trial, dated 3 January 2020 in relation to the judgment of the Trial Court, which held the Employees guilty, dated 6 January 2020 in relation to the appeal application by one of the Employees, dated 9 November 2020 in relation to the Appeal Hearing, dated 3 September 2021 in relation to the decision on the Appeal Hearing to quash the Judgment and remanded for the Retrial, dated 30 November 2021 in relation to the commencement of the Retrial, dated 24 March 2022 in relation to the Retrial Judgment, dated 29 March 2022 in relation to the appeal made against the Retrial Judgment, dated 28 July 2022 in relation to the rehearing of the Retrial, and dated 5 December 2022 in relation to the Second Instance Ruling (the “**Announcements**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors of the Company of the development of the Case. On 8 December 2022, it has come to the attention of the Company that an aggregate of approximately RMB683,222,975.72 had been withdrawn from the frozen bank accounts by the Trial Court (the “**Enforcement**”) where all available funds, wealth management products and relevant interests were held (the “**Enforcement Sum**”).

As disclosed in the announcement of the Company dated 5 December 2022, as advised by the PRC Legal Advisers, if the Employees file a petition against the Second Instance Ruling to the Court of Second Instance, the Court of Second Instance can order a filing and a retrial. If the Court of Second Instance refuses to file the Case, the Employees can file a petition to the Supreme People's Court of the People's Republic of China. If the petition is accepted by the retrial judicial authorities and proceeds to retrial, it is possible that the retrial of the Case will revise the rulings of the Retrial Judgment. As advised by the PRC Legal Advisers, according to the applicable laws and regulations of the PRC, the Enforcement Sum will not be returned to the Company until a ruling from the retrial quashing the Retrial Judgment in respect of the confiscation of the Relevant Frozen Sum is given. The PRC Legal Advisers had notified the Company that, to the best of their knowledge after making reasonable enquiries, as at the date of this announcement, some of the Employees had decided to initiate the procedures for a petition and will proceed until the conclusion of retrial procedures.

The Company is discussing with its PRC Legal Advisers as to the next step forward in relation to the Second Instance Ruling and the Enforcement, including the possibility to take appropriate legal actions as to the Enforcement Sum to protect the interests of the Company and the Shareholders.

The Board is of the view that the Enforcement will not have material adverse impact on the business, operation and financial conditions of the Group, in light of the following:

- (i) the Company, its directors and senior management had not been subject to any prosecution or investigation by the relevant PRC judicial authorities in relation to the Alleged Crime as at the date of this announcement;
- (ii) as advised by the PRC Legal Advisers, the Group had obtained all material licences, permits and approvals required for its operation and the fact that the Employees were found guilty will not have impact on the validity of these licences, permits and approvals;
- (iii) the Enforcement Sum only forms part of the idle cash reserve of the Company which is used for the purpose of Idle Fund Management, and is the Company's general practice;
- (iv) the sum of current assets recorded by the Company as at 30 September 2022 and the Enforcement Sum amounted to approximately RMB2,178 million, the Enforcement Sum accounted for approximately 31.4% of the aforesaid sum;
- (v) the Company is of the view that it has sufficient cash reserves available in the Other Bank Accounts for its day-to-day operation; and
- (vi) the Company does not have any loan borrowing as at the date of this announcement.

The Company will keep the Shareholders and potential investors of the Company informed of any material development in connection with the Second Instance Ruling and the Enforcement as and when appropriate pursuant to the requirements under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 December 2022

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