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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)

FURTHER UPDATE ON EMPLOYEES' 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).

Reference is made to the announcement of the Company dated 1 September 2019 in relation to, inter alia, the Incident and the Case, the announcement of the Company dated 4 September 2019 in relation to the establishment of the Independent Investigation Committee and the announcement of the Company dated 13 December 2019 in relation to the commencement of the Trial (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 below.

On 27 December 2019, the Intermediate People’s Court of Chengde City, Hebei Province (the “**Trial Court**”) delivered the judgment in relation to the Case (the “**Judgment**”). The Trial Court held that the Employees are guilty of the Alleged Crime and ordered an amount of RMB942,654,382.75 to be paid to the state treasury (the “**Judgment Sum**”).

The Company is not a party to the Case. As at the date of this announcement, none of the Company, its directors and its senior management had been subject to any prosecution or investigation by the relevant PRC judicial authorities in relation to the Alleged Crime. In addition, the Company had not received any notification from any relevant PRC judicial authority in relation to the Judgment Sum and so far as the Company is aware, the Other Bank Accounts had not been frozen by the relevant PRC judicial authorities.

The Company is discussing with its PRC Legal Advisers as to the next step forward in relation to the Judgment, including the possibility to take appropriate legal actions as to the Judgment Sum to protect the interests of the Company and the Shareholders. As advised by the PRC Legal Adviser, if the Employees appeal against the Judgment, the Judgment will not be enforceable and the Trial Court will not order the Judgment Sum to be paid until the judgment from the appeal hearing has been handed down.

In light of the fact that (i) the Company, its directors and senior management had not been subject to any prosecution by the relevant PRC judicial authority in relation to the Alleged Crime as at the date of this announcement; (ii) the Relevant Idle Cash Reserves of the Company are only used for the purpose of Idle Fund Management, which is the Company's general practice; (iii) the Company has sufficient cash reserves available in the Other Bank Accounts for its day-to-day operations; (iv) the Company does not have any loan borrowing as at the date of this announcement; (v) as at 30 September 2019, the Company recorded current assets in the sum of approximately RMB1.72 billion, the Judgment Sum accounted for approximately 54.9% of the then Company's current assets, the Board is of the view that the Judgment would not have any material adverse impact on the business, operation and financial conditions of the Group.

The Company will keep the Shareholders and potential investors informed of any material development in connection with the Judgment and the Judgment Sum 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, 3 January 2020

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. SUN Zihua.