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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 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, the announcement of the Company dated 13 December 2019 in relation to the commencement of the Trial, the announcement of the Company dated 3 January 2020 in relation to the judgment of the Trial Court, which held the Employees guilty, the announcement of the Company dated 6 January 2020 in relation to the appeal application by one of the Employees, the announcement of the Company dated 9 November 2020 in relation to the Appeal Hearing, the announcement of the Company dated 3 September 2021 in relation to the decision on the Appeal Hearing to quash the Judgment and remanded for the Retrial and the announcement of the Company dated 30 November 2021 in relation to the commencement of the Retrial (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 23 March 2022, as informed by the PRC Legal Advisers, the Intermediate People’s Court of Chengde City, Hebei Province (the “**Trial Court**”) delivered the judgment of the Retrial (the “**Retrial Judgment**”). The Trial Court upheld that the Employees are guilty of the Alleged Crime. However, the Trial Court had held that the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests which had been frozen shall be paid to the state treasury (the “**Relevant Frozen Sum**”) which superseded the Judgment Sum of RMB942,654,382.75 as originally ordered by the Trial Court to be paid to the state treasury. As at 31 December 2021, the Relevant Frozen Sum incurred amounted to approximately RMB678.0 million.

The Company is not a party of 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 is not aware that Other Bank Accounts had been frozen by the relevant PRC judicial authorities due to the Case.

The Company is discussing with its PRC Legal Advisers as to the next step forward in relation to the Retrial Judgment, including the possibility to take appropriate legal actions as to the Relevant Frozen Sum order by the Trial Court to protect the interests of the Company and the Shareholders. As advised by the PRC Legal Adviser, if the Employees appeal against the Retrial Judgment, the Retrial Judgment will not be enforceable and the Trial Court will not order the Relevant Frozen Sum to be paid until a judgment from the court has finally 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 Frozen Sum only form 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; (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 31 December 2021, the Company recorded current assets and the Relevant Frozen Sum in the sum of approximately RMB2,098.0 million, the Relevant Frozen Sum accounted for approximately 32.3% of the then Company’s relevant funds, the Board is of the view that the Retrial 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 Retrial Judgment and the Relevant Frozen 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, 24 March 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.