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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, the announcement of the Company dated 30 November 2021 in relation to the commencement of the Retrial, the announcement of the Company dated 24 March 2022 in relation to the Retrial Judgment, the announcement of the Company dated 29 March 2022 in relation to the appeal made against the Retrial Judgment and the announcement of the Company dated 28 July 2022 in relation to the rehearing 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.

## **PROGRESS OF THE EMPLOYEE’S CASE**

The Board wishes to inform the Shareholders and potential investors of the Company of the development of the Case.

On 5 December 2022, as informed by the PRC Legal Advisers, the High People’s Court of Hebei Province (the “**Court of Second Instance**”) had delivered the ruling of the rehearing of the Retrial (the “**Second Instance Ruling**”). Pursuant to the Second Instance Ruling, the Court of Second Instance ruled that, among others:

- (a) the appeal shall be dismissed and the Retrial Judgment had been upheld; and
- (b) the Employees are guilty of the Alleged Crime and had used the frozen account of the Company to transfer funds for relevant illegal activities, therefore the Relevant Frozen Sum, representing all funds in the frozen account of the Company in the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests therefrom, shall be confiscated and paid to the state treasury.

As at 30 September 2022, the Relevant Frozen Sum (taking into account the relevant interests) amounted to approximately RMB687 million. As advised by the PRC Legal Advisers, after the Second Instance Ruling was handed down, judicial authorities could enforce the confiscation of the Relevant Frozen Sum. As at the date of this announcement, the Company had not received any notification from judicial authorities in relation to the confiscation of the Relevant Frozen Sum.

## **IMPACT OF THE SECOND INSTANCE RULING ON THE COMPANY**

The Company is not a party of the Case. As at the date of this announcement, none of the Company, its directors or 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. As at the date of this announcement, the Employees were no longer employees of the Group.

The Company is discussing with its PRC Legal Advisers as to the next step forward in relation to the Second Instance Ruling, including the possibility to take appropriate legal actions as to the Relevant Frozen Sum to be confiscated by the court to protect the interests of the Company and the Shareholders. 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, the retrial court can suspend the confiscation of the Relevant Frozen Sum. Notwithstanding that the retrial court may not suspend the confiscation of the Relevant Frozen Sum, it is possible that the retrial of the Case will revise the rulings of the Retrial Judgment. 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 Board is of the view that the Second Instance Ruling will not have any 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 Relevant Frozen 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) as at 30 September 2022, the Company recorded current assets and the Relevant Frozen Sum in the sum of approximately RMB2,182 million, the Relevant Frozen Sum accounted for approximately 31.5% 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 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, 5 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.*