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## **BAIOO Family Interactive Limited** **百 奧 家 庭 互 動 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2100)**

### **VOLUNTARY ANNOUNCEMENT**

### **SUBSCRIPTION OF EQUITY INTEREST IN BEIJING XINGMEN DONGMAN TECHNOLOGY LIMITED COMPANY\* (北京星門動漫科技有限公司)**

This announcement is made by BAIOO Family Interactive Limited (the “**Company**”) on a voluntary basis.

#### **SUBSCRIPTION AGREEMENT**

The board (the “**Board**”) of the Company is pleased to announce that on 7 July 2015, Guangzhou Baitian Information Technology Ltd.\* (廣州百田信息科技有限公司) (the “**Investor**”), the PRC operating entity in our Group, entered into a subscription agreement (the “**Subscription Agreement**”) with Beijing Xingmen Dongman Technology Limited Company\* (北京星門動漫科技有限公司) (the “**Target Company**”) and its existing shareholders, pursuant to which the Investor conditionally agreed to subscribe for, and the Target Company conditionally agreed to issue to the Investor, certain equity interest in the Target Company at a total subscription price of RMB4 million through capital injection to the Target Company, subject to the terms and conditions set out in the Subscription Agreement (the “**Subscription**”). The consideration for the Subscription will be financed by the Group’s internal resources. On the same date, the Investor entered into a shareholders agreement with the existing shareholders of the Target Company, which sets out the terms governing the respective shareholders of the Target Company in respect of the management of the Target Company after completion of the Subscription. Upon completion of the Subscription, the Company will hold 20% equity interest in the Target Company and become one of the three largest shareholders of the Target Company.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT

The Board believes that the Subscription can generate significant synergies with the Company's current strategy of focusing on enhancing the user experience and expanding its portfolio of mobile products.

As the mobile games market in China continues to be lucrative, the Board believes that Target Company's technical expertise, design capabilities and extensive experience in mobile entertainment will significantly help the Company produce more graphically vibrant and engaging content that will further expand the Company's foothold in the children's online entertainment market. The Board also believes that Target Company's experienced team of animators and graphics designers will support the ongoing graphical improvements being developed and implemented across the Company's virtual worlds. The Subscription will not only support the Company's growth, but will also complement its ongoing push towards expanding its offering of mobile entertainment to children across China. The Board is confident that the Subscription will generate significant value for shareholders moving forward.

Save for the 20% equity interest in the Target Company purchased by the Investor under the Subscription, the Company confirms that, to the best of the Board's knowledge and information, and having made all reasonable enquiries, the Target Company and its existing shareholders are third parties that are independent of the Company and its connected persons as defined by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Given that all of the applicable percentage ratios in respect of the Subscription is less than 5%, the Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules and is exempted from reporting, announcement and shareholder approval requirements under Chapter 14 of the Listing Rules. The Directors believe that the Subscription Agreement was entered into on normal commercial terms and the terms of the Subscription Agreement including the consideration payable for the Subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Completion of the Subscription is expected to take place on or before 7 October 2015 or a later date as may be agreed by the parties to the Subscription Agreement in writing. The Subscription is subject to the fulfilment or waiver of various conditions set out in the Subscription Agreement. As such, the Subscription may or may not be completed.

## **ABOUT THE TARGET COMPANY**

Target Company was incorporated under the laws of the PRC and is a leading mobile game developer and computer-generated imagery (“CGI”) producer based in Beijing, the PRC. It has had one mobile game product launched, one under developing and soon available in the Chinese market. Both of these mobile games have been widely covered by online media and have received critical acclaim. Target Company is also known for its creative CGI animations, including online game trailers and in-game cut-scenes. Since its inception in 2009, it has produced high quality CGI animations for a number of large game developers across China.

On behalf of the Board  
**BAIOO Family Interactive Limited**  
**DAI Jian**  
*Chairman and Executive Director*

Hong Kong, 7 July 2015

*As at the date of this announcement, the executive directors of the Company are Mr. DAI Jian, Mr. WU Lili, Mr. LI Chong, and Mr. WANG Xiaodong; the non-executive director of the Company is Mr. JI Yue; the independent non-executive directors of the Company are Ms. LIU Qianli, Mr. WANG Qing and Mr. MA Xiaofeng.*

*\* Denotes English translation of the name of a Chinese company and is provided for identification purpose only.*