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

**(Stock code: 2100)**

## **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE DISPOSAL OF 31.2% OF THE EQUITY INTERESTS IN THE TARGET COMPANY BY GUANGZHOU BAITIAN**

This announcement is made by the Company on a voluntary basis.

The Company is pleased to announce that on 9 August 2020, the Vendors (including Guangzhou Baitian, an indirectly held subsidiary of the Group by virtue of the Contractual Arrangement) and Linzhi Lichuang Information Technology Co., Ltd.\* (林芝利創信息技術有限公司) (the “**Purchaser**”) entered into the Sale and Purchase Agreement in relation to the disposal of their equity interests in the Target Company. Pursuant to the Sale and Purchase Agreement, among others, Guangzhou Baitian has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire approximately 31.2% of the equity interest of the Target Company at a consideration of RMB124,800,000 (equivalent to approximately HK\$136,032,000). The Group is expected to record a gain (after tax) of approximately RMB60,937,000 (equivalent to approximately HK\$66,421,330) as a result of the Disposal.

Guangzhou Baiman Culture Communications Company Limited, being the Target Company, is principally engaged in the provision of animation creation and production services for anime comics and videos.

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment (or as appropriate waiver) of the certain conditions. If the conditions precedent have not been satisfied (or as the case may be, waived) on or before 45 business days from the date of the Sale and Purchase Agreement (the “**Long Stop Date**”), the Purchaser shall have the option to (i) further extend the Long Stop Date; or (ii) cease and determine the Sale and Purchase Agreement by written notice, and the Purchaser shall not have any obligations and liabilities hereunder.

### **INFORMATION ON THE PURCHASER**

The Purchaser is a company established under the laws of the PRC with limited liability. It is principally engaged in computer software and hardware technology development and sales, economic and management consulting and domestic trade and investment in industrial establishments.

## **INFORMATION ON THE VENDORS**

Guangzhou Baitian is an investment holding company established under the laws of the PRC with limited liability and it is controlled by the Group through the Contractual Arrangements.

The other Vendors comprise eight shareholders of the Target Company. Among the eight shareholders, four of them are individuals, three are limited partnerships established in the PRC, among which two are primarily engaged in investment holding business and one is primarily engaged in animation creation and production services for anime comics and videos, and the remaining one is a company established in the PRC with limited liability which is listed on the Shanghai Stock Exchange and primarily engaged in operation and development of online games.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in the provision of animation creation and production services for anime comics and videos. The principal asset of the Target Company comprises intellectual property for content creation and development of new creative products.

Upon Completion, Guangzhou Baitian will cease to have any equity interest in the Target Company under the Contractual Arrangement and the Target Company will cease to be an associate of the Company.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS**

The Group is one of the leading internet contents developers and operators which principally engaged in the development and publication of mobile and web games platforms in the PRC and overseas market. The Group focuses on the development of its three niche game genres, namely, female-oriented games, “nijigen” (「二次元」) games, and pet collection and raising games.

The Target Company was principally focused on the development of its intellectual property for the provision of animation creation and production services for anime comics and videos, which is different from the Group’s principal business and its business strategies. For the year ended 31 December 2019, the Company had achieved significant increases in revenue and profit after tax which were brought about by the success of the Group in expanding its game titles from webpage platforms to mobile platforms, such as the launches of Shiwuyu (「食物語」) and Aola Star Mobile (「奧拉星手遊」), which had recorded outstanding performances after their respective launches. The Company also further expanded its businesses to overseas such as Hong Kong, Macau, Taiwan, Singapore, Malaysia and Japan in 2020 and continued to introduce new features to its game titles. The Company would like to continue to focus on the above development and further expand its principal business. As such, the Directors are of the view that the Disposal provides the Group with an opportunity to streamline its business model and increase its overall performance and prospects of the Group’s online entertainment business.

## LISTING RULES IMPLICATION

As none of the application percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Company”	BAIOO Family Interactive Limited (百奧家庭互動有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 25 September 2009, with its shares listed on the Main board of The Stock Exchange since 10 April 2014
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Consideration”	RMB124,800,000 (equivalent to approximately HK\$136,032,000), being the consideration payable by the Purchaser to Guangzhou Baitian under the Sale and Purchase Agreement
“Contractual Arrangements”	a series of agreements entered into among Baiduo (Guangzhou) Information Technology Limited* (百多(廣州) 信息科技有限公司) (an indirect wholly-owned subsidiary of the Company), Guangzhou Baitian and its registered shareholders on 4 December 2013 and amended on 20 March 2014
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of approximately 31.2% of the equity interest in the Target Company by Guangzhou Baitian to the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries and its controlled entities in the PRC
“Guangzhou Baitian”	Guangzhou Baitian Information Technology Ltd.* (廣州百田信息科技有限公司), a company established on 2 June 2009 under the laws of the PRC with limited liability, a company indirectly held by the Company by virtue of the Contractual Arrangement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into between the Purchaser and the Vendors on 9 August 2020 in relation to the disposal of the equity interests in the Target Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangzhou Baiman Culture Communications Company Limited* (廣州百漫文化傳播有限公司), a company established on 5 January 2016 under the laws of the PRC with limited liability. As at the date of this announcement, the Target Company was owned as to 81.0% by the Vendors and 19.0% by an Independent Third Party
“Vendors”	the nine shareholders of the Target Company (including Guangzhou Baitian)
“%”	per cent

*For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 = HK\$1.09. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.*

*In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.*

\* *for identification purpose only*

By order of the Board  
**BAIOO Family Interactive Limited**  
**DAI JIAN**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 9 August 2020

*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 independent non-executive directors of the Company are Ms. LIU Qianli, Dr. WANG Qing and Mr. MA Xiaofeng.*