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(Incorporated in the Cayman Islands with limited liabilities)

(Stock code: 2100)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION

BACKGROUND INFORMATION

Reference is made to the announcement of the Company dated 1 February 2021 in relation to the continuing connected transactions of the Company with Tencent Group pursuant to Rule 14A.60(1) of the Listing Rules.

RENEWED AOLA STAR MOBILE COOPERATION AGREEMENT

The Board is pleased to announce that, on 8 March 2021, the Company had agreed to renew the continuing connected transaction under the Aola Star Mobile Cooperation Agreement. The Renewed Aola Star Mobile Cooperation Agreement is for a term of one year commencing from 1 March 2021 and ending on 28 February 2022.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent is indirectly interested in approximately 12% of the total issued share capital of the Company, and it (and its associates) are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transaction under the Renewed Aola Star Mobile Cooperation Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1)(b) under the Listing Rules, if the Company renews an agreement for a fixed period with fixed terms for a continuing connected transaction, the Company will have to comply with the requirements of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is more than 0.1% but less than 5%, the transaction under the Renewed Aola Star Mobile Cooperation Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Details of the Renewed Aola Star Mobile Cooperation Agreement are as follows:

Date:	8 March 2021
Parties:	(1) Guangzhou Tianti; and (2) Tencent Computer
Term:	One year commencing from 1 March 2021 and ending on 28 February 2022.
Subject Matter:	Guangzhou Tianti releases and operates the mobile game “Aola Star Mobile” (「奧拉星手遊」) on Tencent’s mobile game platform.
Pricing Policy:	Tencent Computer shall share with Guangzhou Tianti the revenue received from game players when they recharge their game accounts. The amount received by Guangzhou Tianti will be calculated based on a fixed formula stipulated in the Renewed Aola Star Mobile Cooperation Agreement by deducting a fixed percentage amount for the fees and costs payable by Guangzhou Tianti for Tencent Computer’s operation and provision of the mobile game platforms.

The aggregate service fees paid by Guangzhou Tianti pursuant to the Aola Star Mobile Cooperation Agreement was approximately RMB10,128,905 for the period of 1 March 2020 to 28 February 2021.

The proposed Annual Cap for the period from 1 March 2021 to 28 February 2022 is RMB15,000,000. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Annual Cap was arrived at after arm's length negotiations between the parties. The Annual Cap had been determined principally with reference to:

- (i) the historical transaction amounts for relevant services provided by the Group to other independent parties in the past;
- (ii) the amount paid under the Aola Star Mobile Cooperation Agreement;
- (iii) the distribution requirement of the Company in respect of "Aola Star Mobile" (「奧拉星手遊」);
and
- (iv) the distribution coverage of the game platforms.

The parties (or through their respective affiliated companies) may enter into subsequent agreements to further specify the rights and obligations between them under the Renewed Aola Star Mobile Cooperation Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED AOLA STAR MOBILE COOPERATION AGREEMENT

Tencent Group owns a large amount of top-rated game products and game platforms, and the Group has been dedicated to the development and operation of popular mobile and PC games. It is expected that the Tencent Group and the Group could leverage on each other's competitive advantages in products and platforms to increase the number of game users and hence improve the popularity of mobile games developed by the Group. As a one-stop game publishing solution to game developers, we are able to leverage on the Renewed Aola Star Mobile Cooperation Agreement to release, distribute and/or operate "Aola Star Mobile" (「奧拉星手遊」) on Tencent Group's mobile game platforms.

The Directors (including independent non-executive Directors) of the Company are of the view that the Renewed Aola Star Mobile Cooperation Agreement and the transaction thereunder have been entered into in the ordinary and usual course of business of the Group, are in the interests of the Company and its Shareholders as a whole, are on normal commercial terms or better and are in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable.

None of the Directors had abstained from voting on the resolutions approving the transaction under the Renewed Aola Star Mobile Cooperation Agreement at the Board meeting.

INFORMATION ABOUT THE PARTIES

The Company is principally engaged in the business of developing and publishing mobile and PC games, producing comics and has recently expanded its footprint into artificial intelligence technology. Guangzhou Baitian is a consolidated affiliated entity of the Company and is principally engaged in developing mobile and PC games, as well as operating the virtual worlds of the Group. Guangzhou Tianti is a wholly-owned subsidiary of Guangzhou Baitian and is principally engaged in providing software and information technology services to facilitate Guangzhou Baitian's role and function in certain series of contractual arrangements.

Tencent, through its subsidiaries, principally provides value-added services and online advertising services to users mainly in the PRC. Tencent Computer is a consolidated affiliated entity of Tencent and is principally engaged in the business of provision of value-added services and internet advertisement services in the PRC.

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Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is more than 0.1% but less than 5%, the transaction under the Renewed Aola Star Mobile Cooperation Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“Annual Cap”	the maximum aggregate annual value projected in respect of the services provided and fees due pursuant to the continuing connected transaction under the Renewed Aola Star Mobile Cooperation Agreement;
“Aola Star Mobile Cooperation Agreement”	a Tencent mobile online game cooperation access agreement in relation to the mobile game “Aola Star Mobile” (「奧拉星手遊」) entered into by Tencent Computer and Guangzhou Tianti dated 1 March 2020 and expired on 28 February 2021;
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Board” or “Board of Directors”	the board of directors of the Company;
“Company”	BAIOO Family Interactive Limited (百奧家庭互動有限公司), an exempted company incorporated in 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;
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company, its subsidiaries and its PRC operating companies, the financial results of which have been consolidated and accounted for by the Company as controlled structured entities of the Company by virtue of a series of contractual arrangements;
“Guangzhou Baitian”	Guangzhou Baitian Information Technology Ltd.* (廣州百田信息科技有限公司), a limited liability company incorporated in the PRC and the PRC operating entity of the Company, the financial results of which have been consolidated and account for as a subsidiary of the Company by virtue of a series of contractual arrangements;
“Guangzhou Tianti”	Guangzhou Tianti Network Technology Co., Ltd.* (廣州天梯網絡科技有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Guangzhou Baitian;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement only, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;

“Renewed Aola Star Mobile Cooperation Agreement”	a Tencent mobile online game cooperation access agreement in relation to the mobile game “Aola Star Mobile” (「奧拉星手遊」) entered into by Tencent Computer and Guangzhou Tianti dated 8 March 2021 for a term of one year commencing from 1 March 2021 and ending on 28 February 2022;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Tencent”	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 700);
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a limited liability company established in the PRC and a PRC operating entity of Tencent, the financial results of which have been consolidated and account for by Tencent as a controlled structured entity of Tencent by virtue of a series of contractual arrangements; and
“Tencent Group”	Tencent and its subsidiaries.

* For identification purposes only

By order of the Board
BAIOO Family Interactive Limited
DAI JIAN

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 9 March 2021

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.

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