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

**(Stock code: 2100)**

## **ANNOUNCEMENT REVISION OF THE EXISTING ANNUAL CAP FOR 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.

### **REVISION OF THE EXISTING WECHAT PAY ANNUAL CAP UNDER THE RENEWED WECHAT PAY SERVICE AGREEMENTS**

On 24 February 2021, Guangzhou Baitian had renewed and entered into continuing connected transaction with Tenpay under the Renewed Guangzhou Baitian — WeChat Pay Service Agreement for a term of one year commencing from 24 February 2021 to 23 February 2022.

On 29 June 2021, Guangzhou Tianti had renewed and entered into continuing connected transaction with Tenpay under the Renewed Guangzhou Tianti — WeChat Pay Service Agreement for a term of one year commencing from 29 June 2021 to 28 June 2022.

In compliance with the Listing Rules, the Company has been monitoring the continuing connected transactions contemplated under the Renewed WeChat Pay Service Agreements. The Directors expect that the Existing WeChat Pay Annual Cap will not be sufficient for the business requirements of the Group. The Board is therefore proposing the Revised WeChat Pay Annual Cap.

### **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, transactions between the Group and Tencent Group constitute continuing connected transactions of the Company and are subject to the requirements of 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 continuing connected transactions, the Company will have to comply with the requirements of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

Pursuant to Rule 14A.81 of the Listing Rules, since the Renewed WeChat Pay Service Agreements were entered into between the Group and the same party within a 12-month period, the transactions contemplated under the Renewed WeChat Pay Service Agreements shall be aggregated as if they were one transaction.

In respect of the Existing WeChat Pay Annual Cap under the Renewed WeChat Pay Service Agreements, given that one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Existing WeChat Pay Annual Cap was more than 0.1% but less than 5% and was less than HK\$3,000,000, the transactions contemplated under the Renewed WeChat Pay Service Agreements based on the Existing WeChat Pay Annual Cap constituted de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and were fully exempt from the independent Shareholders' approval, annual review and all disclosure requirements.

Given that one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised WeChat Pay Annual Cap is more than 0.1% but less than 5% and will be more than HK\$3,000,000, the Revised WeChat Pay Annual Cap is subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **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 WECHAT PAY SERVICE AGREEMENTS**

On 24 February 2021, Guangzhou Baitian had renewed and entered into continuing connected transaction with Tenpay under the Renewed Guangzhou Baitian — WeChat Pay Service Agreement for a term of one year commencing from 24 February 2021 to 23 February 2022.

On 29 June 2021, Guangzhou Tianti had renewed and entered into continuing connected transaction with Tenpay under the Renewed Guangzhou Tianti — WeChat Pay Service Agreement for a term of one year commencing from 29 June 2021 to 28 June 2022.

Details of the Renewed WeChat Pay Service Agreements are as follows:

### **A. The Renewed Guangzhou Baitian — WeChat Pay Service Agreement**

Date: 24 February 2021

Parties: (1) Guangzhou Baitian; and  
(2) Tenpay

**Term:** One year commencing from 24 February 2021 to 23 February 2022

**Subject Matter:** Tenpay provides certain payment-related services under WeChat Pay to Guangzhou Baitian, including but not limited to payment channel services for the Group’s customers. In exchange, the Guangzhou Baitian pays a service fee to Tenpay.

**Pricing Policy and Payment Terms:** The service fee payable to Tenpay by its customers for each service provided is denominated in RMB and calculated according to the standard service charges published on the official website (www.tenpay.com) or relevant product pages of Tenpay and as amended by notices and announcements issued by Tenpay from time to time (the “**Published Rates**”). The Published Rates are generally a fixed percentage of the transaction amount settled through Tenpay’s platform by Guangzhou Baitian.

The service fee will be settled either by deducting credits brought forward by Guangzhou Baitian through its merchant account with Tenpay, or making real-time deduction from the payments made by customers to Guangzhou Baitian through Tenpay’s platform.

## **B. The Renewed Guangzhou Tianti — WeChat Pay Service Agreement**

**Date:** 29 June 2021

**Parties:** (1) Guangzhou Tianti; and  
(2) Tenpay

**Term:** One year commencing from 29 June 2021 to 28 June 2022.

**Subject Matter:** Tenpay provides certain payment-related services under WeChat Pay to Guangzhou Tianti, including but not limited to payment channel services for the Group’s customers. In exchange, Guangzhou Tianti pays a service fee to Tenpay.

**Pricing Policy and Payment Terms:** The service fee payable to Tenpay by its customers for each service provided is denominated in RMB and calculated according to the Published Rates. The Published Rates are generally a fixed percentage of the transaction amount settled through Tenpay’s platform by Guangzhou Tianti.

The service fee will be settled either by deducting credits brought forward by Guangzhou Tianti through its merchant account with Tenpay, or making real-time deduction from the payments made by customers to Guangzhou Tianti through Tenpay’s platform.

## **Historical Transaction Figures and the Existing WeChat Pay Annual Cap**

The aggregate amount paid to Tenpay pursuant to the WeChat Pay Service Agreements is set out below:

- (i) approximately RMB2,060,000 for the period of 24 February 2020 to 23 February 2021 pursuant to the Guangzhou Baitian — WeChat Pay Service Agreement; and
- (ii) approximately RMB590,000 for the period of 29 June 2020 to 28 June 2021 pursuant to the Guangzhou Tianti — WeChat Pay Service Agreement.

The Existing WeChat Pay Annual Cap was RMB2,400,000, which had been determined principally with reference to:

- (i) the aggregate amount paid to Tenpay under the WeChat Pay Service Agreements; and
- (ii) the expected temporary adjustment in overall demand for the Group's products and services due to the unfavourable market conditions in the PRC since 2021.

## **REVISION OF THE EXISTING WECHAT PAY ANNUAL CAP UNDER THE RENEWED WECHAT PAY SERVICE AGREEMENTS**

In compliance with the Listing Rules, the Company has been monitoring the continuing connected transactions contemplated under the Renewed WeChat Pay Service Agreements. Since there has been a significant increase in demand from the Group's customers for using the payment channel under WeChat Pay to purchase the Group's products and services, the Directors expect that the Existing WeChat Pay Annual Cap will not be sufficient for the business requirements of the Group. The Directors expect that such increase in demand will continue through the respective remaining term of the Renewed WeChat Pay Service Agreements.

The Board is therefore proposing the Revised WeChat Pay Annual Cap at RMB3,500,000, reflecting the revised projection for the total service fees payable to Tenpay pursuant to the Renewed WeChat Pay Service Agreements. The Revised WeChat Pay Annual Cap had been determined principally with reference to:

- (i) the accumulative actual service fees payable to Tenpay pursuant to the Renewed WeChat Pay Service Agreements at approximately RMB1,450,000 as at 30 November 2021;
- (ii) the anticipated growth in demand for the Group's products and services attributable to recovery of market conditions and potentially favourable policy landscape in the PRC in 2022; and
- (iii) the dominance of WeChat Pay as the principal payment channel adopted by PRC internet users.

If further revisions are proposed to the Revised WeChat Pay Annual Cap, the Company will re-comply with the requirements under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS AND REVISING THE ANNUAL CAP**

Tencent Group is a leading provider of Internet value added services in the PRC, and offers a wide range of high-quality technological products and services. The Company considers that, taking into account the limited choices of online payment channels in the PRC, the leading position of Tencent Group in the PRC online payment service industry and the Company's users' profile where many of its users are existing users of Tencent Group's online payment services, the entries into the Renewed WeChat Pay Service Agreements would enable the Group to provide its users access to payment channels of Tencent Group and thus enhance its users' satisfactions with the Group's products and services.

Taking into account of the significant increase in the demand from the Group's customers for using the payment channel under WeChat Pay for the purchase of the Group's products and services, the Directors expect that the Existing WeChat Pay Annual Cap will not be sufficient for the business requirements of the Group, resulting in the need to increase the annual cap of the continuing connected transactions contemplated under the Renewed WeChat Pay Service Agreements.

The Directors (including independent non-executive Directors) of the Company are of the view that the Renewed WeChat Pay Service Agreements and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms (on arm's length basis or terms no less favourable to the Group than terms available from independent third parties) or better. The Directors (including independent non-executive Directors) are also of the view that the Renewed WeChat Pay Service Agreements and the Revised WeChat Pay Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, none of the Directors has any material interest in the transactions contemplated under the Renewed WeChat Pay Service Agreements. None of the Directors had abstained from voting on the resolutions approving the transactions under the Renewed WeChat Pay Service Agreements and the Revised WeChat Pay Annual Cap at the Board meeting.

## **INFORMATION ABOUT THE PARTIES**

The Company is principally engaged in the business of developing and publishing mobile and PC games. 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 Group 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. Tenpay is a subsidiary of Tencent Computer and is principally engaged in provision of payment related services such as WeChat Pay in the PRC.

## 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, transactions between the Group and Tencent Group constitute continuing connected transactions of the Company and are subject to the requirements of 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 continuing connected transactions, the Company will have to comply with the requirements of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

Pursuant to Rule 14A.81 of the Listing Rules, since the Renewed WeChat Pay Service Agreements were entered into between the Group and the same party within a 12-month period, the transactions contemplated under the Renewed WeChat Pay Service Agreements shall be aggregated as if they were one transaction.

In respect of the Existing WeChat Pay Annual Cap under the Renewed WeChat Pay Service Agreements, given that one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Existing WeChat Pay Annual Cap was more than 0.1% but less than 5% and was less than HK\$3,000,000, the transactions contemplated under the Renewed WeChat Pay Service Agreements based on the Existing WeChat Pay Annual Cap constituted de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and were fully exempt from the independent Shareholders' approval, annual review and all disclosure requirements.

Given that one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised WeChat Pay Annual Cap is more than 0.1% but less than 5% and will be more than HK\$3,000,000, the Revised WeChat Pay Annual Cap is subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

“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;
“Existing WeChat Pay Annual Cap”	the existing annual cap at RMB2,400,000 proposed pursuant to the Renewed WeChat Pay Service Agreements;
“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 Baitian — WeChat Pay Service Agreement”	a WeChat Pay user service agreement entered into by Tenpay and Guangzhou Baitian dated 24 February 2020;
“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;
“Guangzhou Tianti — WeChat Pay Service Agreement”	a WeChat Pay user service agreement entered into by Tenpay and Guangzhou Tianti dated 29 June 2020;
“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 Guangzhou Baitian — WeChat Pay Service Agreement”	a WeChat Pay user service agreement entered into by Tenpay and Guangzhou Baitian dated 24 February 2021, the details of which are set out in this announcement;
“Renewed Guangzhou Tianti — WeChat Pay Service Agreement”	a WeChat Pay user service agreement entered into by Tenpay and Guangzhou Tianti dated 29 June 2021, the details of which are set out in this announcement;

“Renewed WeChat Pay Service Agreements”	collectively refers to (1) Renewed Guangzhou Tianti — WeChat Pay Service Agreement, and (2) Renewed Guangzhou Baitian — WeChat Pay Service Agreement;
“Revised WeChat Pay Annual Cap”	the revised annual value of RMB3,500,000 proposed pursuant to the Renewed WeChat Pay Service Agreements;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of US\$0.0000005 each in the issued share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of ordinary equity share capital of the Company;
“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;
“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;
“Tencent Group”	Tencent and its subsidiaries;
“Tenpay”	Tenpay Payment Technology Co., Ltd.* (財付通支付科技有限公司), a limited liability company established in the PRC and a subsidiary of Tencent Computer;



“WeChat Pay” a payment platform on WeChat APP that provides monetary and fund transfer services for the users; and

“%” per cent.

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

Hong Kong, 15 December 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 this announcement, the English names of the PRC entities marked with “\*” are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

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