

For immediate release



BAIOO Family Interactive Limited ANNOUNCES 2014 INTERIM RESULTS

Total revenues and gross profit up 35% and 24% respectively

Highlights of the First Half of 2014:

- **Total revenues for the six months ended 30 June 2014 were RMB287.8 million, representing a 35.0% increase from RMB213.2 million for the six months ended 30 June 2013**
- **Gross profit for the six months ended 30 June 2014 was RMB208.4 million, representing a 23.8% increase from RMB168.4 million for the six months ended 30 June 2013**
- **Adjusted net profit for the six months ended 30 June 2014 were RMB140.6 million, representing a 20.7% increase from RMB116.5 million for the six months ended 30 June 2014**
- **Adjusted EBITDA for the six months ended 30 June 2014 were RMB160.5 million, representing a 17.8% increase from RMB136.3 million for the six months ended 30 June 2013**
- **Average Quarterly Active Accounts (“QAA”) reached 56.2 million, up 3.1% period-on-period**
- **Average Quarterly Paying Accounts (“QPA”) were 3.3 million, up 17.9% period-on-period**
- **Average Quarterly Average Revenue per Quarterly Paying Accounts (“ARQPA”) was RMB41.9, up 15.1% period-on-period**

HONG KONG, 14 August, 2014 – BAIOO Family Interactive Limited (“BAIOO” or the “Company”; stock code: 2100), China’s largest online entertainment destination designed for children, today released the unaudited consolidated results for the first half of 2014 ended 30 June .

The Company’s revenue for the six months ended 30 June 2014 was RMB287.8 million, representing a 35.0% increase from RMB213.2 million for the six months ended 30 June 2013. Gross profit for the six months ended 30 June 2014 was RMB208.4 million, representing a 23.8% increase from RMB168.4 million for the six months ended 30 June 2013. This was primarily benefited from revenue growth of the Company’s existing major titles such as legend of Aoqi and Aola star, contributing an increase in average quarterly ARQPA.

For the six months ended 30 June 2014, all key operation metrics grew period-on-period. The average QAA for the Company's online virtual worlds including Aobi Island, Aola Star, Dragon Knights, Light of Aoya, Legend of Aoqi, Clashes of Aoqi, were approximately 56.2 million, up by 3.1% period-on-period. The average QPA for the Company's online virtual worlds was approximately 3.3 million, up by 17.9% period-on-period as a result of the increasing popularity of the Company's virtual worlds. The average quarterly ARQPA for the Company's online virtual worlds was approximately RMB41.9, up by 15.1% period-on-period which is attributed to the increase in monetization rate of the Company's virtual worlds as their popularity continued to increase.

In the first quarter of 2014, the Company launched the mobile version of Quanquan. In June 2014, the Company also launched Magic Fighter ahead of planned September release date to capture the summer season.

Mr. Billy Wu, the CEO of BAIOO, said "With the trust of both parents and children, we continue to deliver strong performance. Our existing virtual worlds continued to build momentum and our edutainment ecosystem continued to evolve with the progresses we made with WenTa, an online tutorial platform, as well as other products. I am also very pleased to see another new virtual world being added to our portfolio, which will bring more fun and edutainment experiences to our fans in China."

Outlook

In the fourth quarter of 2014, the Company plans to explore into a new genre of entertainment product targeting the young teenager market characterized by higher user stickiness and revenue per user. With the characters that have a long-lasting appeal to children, the Company is partnering with a production company to produce the first animation movie. The Company signed an agreement in which it provides the intellectual property licenses and the partner picks up all production costs. This unlocks value in the IP at minimal risk.

"We strive for leading the pre-teenage children's entertainment market as well as exploring new products into the lucrative young teenager market aged between 14-16," **Billy** concluded.

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About BAIOO

The Company operates the largest online entertainment destination designed for children as measured by revenue in 2013. Its web portal page, 100bt.com, is a centralized platform for interactive children's content through which users can access all six of its virtual worlds and entertainment, e-learning and other products and services using one registered account. Representing its core brand values of "Dreams, Friendship and Development," BAIOO's virtual worlds and their characters have gained strong awareness among children and parents in China. As the leading provider of interactive online content for children in China, the Company has accumulated an extensive knowledge base and deep understanding of children's behavior and needs with respect to online activity and consumption. Through BAIOO's commitment to create a safe and fun environment with age-appropriate content and its understanding of children's needs, the Company's products and services have gained the trust of parents and regulators.

Leveraging the Company's competitive strengths, BAIOO plans to pursue a variety of growth strategies, including increasing its addressable market, expanding its online product offerings, strengthening its brand, and continuing to execute its mobile strategy. The Company also intends to leverage its strong brand recognition, expertise in the industry and unique product development and operating model to expand into new international markets over time and is committed to maximizing shareholder value over time.

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**For further enquiries, please contact
Christensen Investor Relations:**

Jung Chang

Tel: 852-2117 0861

Mobile: 852-9226 6258

Email: jchang@christensenir.com

Bonita Ho

Tel: 852-2117 0861

Mobile: 852-9709 5915

Email: bho@christensenir.com