

**For immediate release**



**BAIOO Family Interactive Limited  
ANNOUNCES 2016 ANNUAL RESULTS**

**Highlights of the Full Year of 2016:**

- **Total revenue was RMB383.3 million, down 1.0% yoy**
- **Gross profit was RMB212.4 million, down 10.2% yoy**
- **Adjusted net profit was RMB43.6 million, down 65.0% yoy**
- **Average Quarterly Active Accounts (“QAA”), Average Quarterly Paying Accounts (“QPA”), Average Quarterly Average Revenue per Quarterly Paying Accounts (“ARQPA”) were 45.5 million, 2.0 million and RMB41.5 respectively**

HONG KONG, 29 March, 2017 – BAIOO Family Interactive Limited (“BAIOO” or the “Company”; stock code: 2100), one of China’s top online entertainment destination designed for children, today released its unaudited consolidated results for 2016.

The Company’s revenue for the year of 2016 was RMB383.3 million, a decrease of 1.0% year-on-year. Gross profit was RMB212.4 million, a decrease of 10.2% year-on-year. Through maintaining a focus on audience engagement and user retention, BAIOO was able to return to profitability over the course of 2016 compared to a net loss incurred during the first half.

During 2016, the average QAA for the Company’s online virtual worlds fell 7.3% year-on-year to 45.5 million. The average QPA was 2.0 million, a decrease of 13.0% year-on-year. The average quarterly ARQPA for the Company’s online virtual worlds was RMB41.5, a year-on-year increase of 8.9%.

In 2016, BAIOO focused on exploring new streams of revenue, particularly from products for mobile devices, alongside acquiring and developing new IPs for sustainable long term growth. The Company released a number of new products, including a massively multiplayer online role-playing mobile adaptation (“MMORPG”) of Zaowufaze (「造物法则」), one of BAIOO’s most popular comic IPs which was acquired in FY2015. Alongside these new products, the Company’s mobile game products also successfully entered overseas markets, including Hong Kong, Macao, and South East Asia towards the end of 2016 and in 2017. As part of BAIOO’s IP development strategy, the Company will look to leverage the existing and growing fanbase of its IP portfolio to develop a series of other multimedia adaptations, such as online comics, TV cartoon series, and movies.

**Mr. Jeff Dai, Chairman and CEO of BAIOO**, said “I am very pleased that we were able to return to profitability through our efforts in focusing on creating ‘fun’ content to retain and attract more users in 2016. We continued to strengthen and expand our product pipeline throughout 2016 by launching new derivative products from acquired IPs or

successful IPs that we developed ourselves, while leveraging and promoting our newly acquired comic IPs through our new Baiman Culture comic production platform, in order to strengthen and expand the presence of our IPs through new projects and licensing. I am also very pleased to see that after years of development with our deep understanding of children and their families in China, we were able to develop and launch products such as children's picture books, board games, and smart products to tap into the interactive early childhood education market, which we believe has tremendous potential with massive opportunities. With all these strategic initiatives, we look forward to creating more value for our shareholders in the year ahead."

## **Outlook**

In 2017, BAIIO will remain committed to further improving user retention and producing fun and engaging content for children on all its products, while executing its development strategies: strengthening game IPs, developing comic IPs and incubating new early childhood education IPs.

The Company will put resources towards releasing new, diversified products for both mobile devices and PCs with its current IPs, while expanding its IP portfolio through development and acquisitions. The Company will also leverage other channels to increase the exposure and enhance the image of its IPs for its online entertainment business to strengthen its existing IPs. Additionally, the Company will utilize certain well-established IPs to launch a number of new products catering to varied game genres and user types. BAIIO will also develop its comic IPs through the 100bt.com platform and other popular sites, while also exploring the early childhood education market for children aged 3 to 6, which the Company believes has great market potential.

- End -

## **About BAIIO**

BAIOO Family Interactive Limited (HKEx stock code: 2100) is one of China's top children's web game developer. At present, BAIIOO has three main development strategies: adapting high quality game IPs, developing comic IPs and incubating new IPs. At its most basic, having solid IPs allows the Company to create storylines that appeal to humans on an emotional level, and then it will use the IPs to foster positive and healthy values among the next generation of youth to fulfill its vision of "Healthy Content, Responsible Development and Joyful Companion". In addition to games and anime, BAIIOO also plans to further explore other potential fields of edutainment, and in particular, interactive early childhood educational products- such as children's picture books, board games and smart products for 3- to 6-year-olds.

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