

27 April 2022

To the Independent Shareholders

Dear Sir/ Madam,

**NON-EXEMPT CONNECTED TRANSACTION IN RELATION TO
PROPOSED GRANT OF RESTRICTED SHARE UNITS
TO CONNECTED PERSONS**

We refer to the circular of the Company dated 27 April 2022 (the “**Circular**”) to its Shareholders of which this letter forms part. Capitalized terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you in relation to the proposed grant of 5,000,000 RSUs to Mr. Li and 10,000,000 RSUs to Mr. Wang; whether such Proposed RSU Grants are fair and reasonable and in the interests of the Company and the Shareholder as a whole; and how to vote on the resolution regarding the Proposed RSU Grants, taking into account the recommendations from the Independent Financial Adviser.

Shenwan Hongyuan Capital (H.K.) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Proposed RSU Grants to Mr. Li and Mr. Wang are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote on the relevant resolution.

Your attention is drawn to:

- (a) the letter from the Board set out on pages 5 to 16 of the Circular which contains its recommendation to the Independent Shareholders and the additional information set out in the Appendix to the Circular; and
- (b) the letter from the Independent Financial Adviser set out on pages 18 to 38 of the Circular which contains its advice to the Independent Board Committee and the Independent Shareholders, together with the principal factors and reasons taken into consideration in arriving at such advice.

Having considered the advice from the Independent Financial Adviser, we are of the view that the terms of the Proposed RSU Grants to Mr. Li and Mr. Wang are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Proposed RSU Grants to Mr. Li and Mr. Wang to be presented at the Annual General Meeting.



百奥家庭互动有限公司

BAIOO Family Interactive Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2100)

Yours faithfully,
For and on behalf of the Independent Board Committee

Liu Qianli

Wang Qing

Ma Xiaofeng

Independent Non-Executive Directors

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