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BAIOO Family Interactive Limited **百 奧 家 庭 互 動 有 限 公 司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2100)

VOLUNTARY ANNOUNCEMENT **SHARE REPURCHASE PROGRAM**

This is a voluntary announcement made by BAIOO Family Interactive Limited (“**BAIOO**” or the “**Company**”, together with its subsidiaries and PRC operating entity, the “**Group**”).

SHARE REPURCHASES BY THE COMPANY

The board of directors (the “**Board**”) of the Company wishes to inform the public that on 27 April, 28 April and 3 May 2016, the Company made on-market repurchases of 474,000, 1,144,000 and 438,000 ordinary shares of the Company (the “**Shares**”), respectively (the “**Share Repurchases**”), pursuant to the general mandate granted by the shareholders of the Company to the Board on 19 June 2015 for the repurchase of Shares of not more than 281,066,200 Shares (the “**Repurchase Mandate**”). The highest purchase price per Share was HK\$0.455 and the lowest purchase price per Share was HK\$0.415. The aggregate consideration for the Share Repurchases was approximately HK\$0.9 million, which was funded by internal resources of the Company. As at the date of this announcement, the Company has repurchased an aggregate of 2,056,000 Shares pursuant to the Repurchase Mandate.

SHARE REPURCHASE PROGRAM

The Board wishes to announce the Group’s share repurchase program (the “**Share Repurchase Program**”) according to which the Company plans to repurchase Shares at an aggregate consideration of not more than HK\$10 million (including the aggregate consideration for the Share Repurchases) in the next twelve months.

The implementation of the Share Repurchase Program will be subject to the compliance of the Repurchase Mandate and applicable laws and regulations and any repurchase of Shares subsequent to the annual general meeting to be held on 27 May 2016 will be subject to the grant of a general mandate by the shareholders of the Company to the Board for the repurchase of shares as mentioned in the circular dated 27 April 2016 issued by the Company in relation to the annual general meeting. Any Shares repurchased under the Share Repurchase Program will be cancelled. The Share Repurchase Program will be subject to market conditions and will be at the Board's absolute discretion. The Group will finance the repurchase from its existing available cash reserves.

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the actual repurchase price of each Share shall be no more than 5% higher than the average closing market price for the Shares over the five trading days immediately preceding the day of each repurchase.

REASONS FOR THE SHARE REPURCHASE

The Board believes that the current share price of the Company is significantly below its intrinsic value.

The Board confirms that the business operations and financial status of the Company are healthy. As previously announced, the Group's first quarter of 2016 operating metrics show a clear sign of turnaround, and the Group has a clear product pipeline for the year of 2016. The Board believes that the Share Repurchase Program and the Share Repurchases reflect the Board's full confidence in the Company's solid financial position, well-defined business strategy, future opportunities and growth potential.

Moreover, the Board believes the Share Repurchase Program and the Share Repurchases can improve the return to shareholders.

Shareholders and potential investors of the Shares should note that any repurchase under the Share Repurchase Program or any further repurchase will be subject to market conditions, and is subject to the Board's discretion. The Company may repurchase its shares at any price as determined by the Board, subject to the applicable rules under the Listing Rules. There is no assurance of the timing, quantity or price of any share repurchases or whether the Company will make any further repurchases. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

On behalf of the Board
BAIOO Family Interactive Limited
DAI Jian
Chairman and Executive Director

Hong Kong, 3 May 2016

As at the date of this announcement, the executive directors of the Company are Mr. DAI Jian, Mr. WU Lili, Mr. LI Chong, Mr. WANG Xiaodong and Dr. XU Gang; the independent non-executive directors of the Company are Ms. LIU Qianli, Dr. WANG Qing and Mr. MA Xiaofeng.