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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

CLARIFICATION ON SHARE POSITION CHANGE

OF SUBSTANTIAL SHAREHOLDER

This announcement is made by BAIOO Family Interactive Limited (“**BAIOO**” or the “**Company**”) on a voluntary basis to clarify on a notice for disclosure of interest dated 18 May 2016 filed by TMF (Cayman) Ltd. (“**TMF**”), a substantial shareholder of the Company, regarding change in number of shares of the Company in which it is interested (the “**Share Position Change**”).

To the Company’s knowledge, our former Executive Director and former chief technology officer Mr. CHEN Ziming (“**Mr. CHEN**”), who resigned both positions in November 2014 for personal reasons, has sold certain shares of the Company after his departure through his family trust of which TMF is a trustee between October 2014 and October 2015. As notified by TMF, the Share Position Change was solely due to previous disposal of shares by Mr. CHEN. The Company wishes to clarify that, except Mr. CHEN, none of the Company’s directors have disposed of their shares in the Company since the listing of the Company in 2014.

The Company confirms that the business operations and financial status of the Company are healthy, and believes that the current share price of the Company is significantly below its intrinsic value. Recently in May 2016, the Company set up a share repurchase program to buy back up to HK\$10 million value of shares over the next 12 months, with the aim of improving shareholder return. In December 2014, Mr. DAI Jian, an executive director and the chairman of the Board added stake in the Company by purchasing shares on the market to reflect his confidence in the Company’s long-term growth.

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

Hong Kong, 2 June 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.