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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in BAIIO Family Interactive Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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### DECLARATION OF A SPECIAL FINAL DIVIDEND, PROPOSED RE-ELECTION OF RETIRING DIRECTORS, PROPOSED RENEWAL OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES, RE-APPOINTMENT OF RETIRING AUDITOR, PROPOSED RENEWAL OF RSU MANDATE TO ISSUE SHARES UNDER THE POST-IPO RSU SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the Annual General Meeting of BAIIO Family Interactive Limited to be held at 35th Floor, Goldchi Building, 120 Huangpu W Ave, Tianhe, Guangzhou, Guangdong, China, 510623 at 3:00 p.m. on Friday, 26 June 2020 is set out on pages 21 to 25 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.baioo.com.hk](http://www.baioo.com.hk)).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so desire. If you attend and vote at the Annual General Meeting, the form of proxy will be revoked.

**In light of the Coronavirus Pandemic ("COVID-19"), the Company will implement additional precautionary measures at the AGM including, without limitation:**

- compulsory body temperature screening;
- mandatory use of surgical face masks;
- mandatory health declaration — anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the AGM ("recent travel history"), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the AGM;
- anyone attending the AGM is reminded to observe good personal hygiene at all times; and
- appropriate distancing and spacing will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

**In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the AGM in person, and advises Shareholders to appoint the Chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy. Shareholders are advised to read the leaflet attached to this circular for further detail and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.**

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	5
2. Declaration of a Special Final Dividend and Closure of Register of Members .....	6
3. Proposed Re-election of Retiring Directors .....	6
4. Proposed Renewal of General Mandate to Repurchase Shares .....	6
5. Proposed Renewal of General Mandate to Issue Shares .....	7
6. Proposed Re-appointment of Retiring Auditor .....	7
7. Proposed Renewal of RSU Mandate to Issue Shares under the Post-IPO RSU Scheme....	7
8. Annual General Meeting and Proxy Arrangement .....	8
9. Responsibility Statement .....	9
10. Recommendation .....	9
<b>Appendix I — Details of the Retiring Directors Proposed to be Re-elected         at the Annual General Meeting</b> .....	10
<b>Appendix II — Explanatory Statement on the Share Repurchase Mandate</b> .....	13
<b>Appendix III — Information Regarding the Post-IPO RSU Scheme and the RSU Mandate</b> ....	17
<b>Notice of Annual General Meeting</b> .....	21
<b>Accompanying Document — Form of Proxy</b>	

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2019 Annual General Meeting”	the annual general meeting of the Company held on 28 June 2019
“2019 RSU Mandate”	the specific and unconditional mandate granted to the Directors to exercise all powers of the Company to grant RSUs pursuant to the Post-IPO RSU Scheme in respect of underlying Shares not exceeding 2.0% of the Shares in issue, as at the date of the 2019 Annual General Meeting
“Altratek Guangdong”	GuangDong Altratek Communications Technology Corporation* (廣東阿爾創通信技術股份有限公司) (formerly known as Guangzhou Altratek Telecommunications Company Limited* (廣州市阿爾創通信技術有限公司)), our connected person and incorporated on 14 December 2004 and existing under the laws of the PRC
“Annual General Meeting”	the annual general meeting of the Company to be held at 35th Floor, Goldchi Building, 120 Huangpu W Ave, Tianhe, Guangzhou, Guangdong, China, 510623 at 3:00 p.m. on Friday, 26 June 2020, to consider and, if desirable, to approve the proposed resolutions as set out in the notice of such meeting which is set out on pages 21 to 25 of this circular, or any adjournment thereof
“Applicable Period”	the period from the date of passing the resolution granting the RSU Mandate, to the earliest of (a) the conclusion of the Company’s next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or the Articles to hold the next annual general meeting, and (c) the date on which the RSU Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting
“Articles of Association” or “Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“associate”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, except where the context requires otherwise, excluding Hong Kong, Macau and Taiwan
“close associate(s)”	has the same meaning as defined in the Listing Rules

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## DEFINITIONS

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“Company”	BAIOO Family Interactive Limited (百奧家庭互動有限公司), formerly known as Baitian Information Limited, Baitian Family Interactive Limited (百田家庭互動有限公司) and BYO Family Interactive Limited (百奧家庭互動有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 25 September 2009, with its Shares listed on the Main Board of the Stock Exchange since the Listing Date
“connected person(s)”	has the same meaning as defined in the Listing Rules
“core connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	means person(s) eligible to receive RSU(s) under the Post-IPO RSU Scheme, who could be existing employees or officers of the Company, the PRC operational entity or other companies in the Group, or any other person (who is considered to have made a contribution to the Company) selected by the Board or the remuneration committee of the Company at its sole discretion from time to time, however, shall not be directors of the Company. As at the Latest Practicable Date, none of the Eligible Persons are connected persons
“Group”	the Company, its subsidiaries and the PRC operating entity (the financial results of which have been consolidated and accounted for as a subsidiary of the Company by virtue of the contractual arrangements)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party”	any entity or party which is not connected (as defined in the Listing Rules) to the Directors, substantial shareholders or chief executives of our Company or its subsidiaries, or any of their respective associates
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with any Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power, during the period as set out in the proposed ordinary resolution No. 6 as set out in the notice of the Annual General Meeting not exceeding 20% of the total number of issued shares of the Company as at the date of passing of proposed ordinary resolution No. 6 as set out in the notice of the Annual General Meeting
“Latest Practicable Date”	19 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“Listing Committee”	has the same meaning as defined in the Listing Rules
“Listing Date”	10 April 2014, being the date of the listing of the Company’s Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“Option(s)”	an option or right to purchase Shares under the Pre-IPO Share Option Scheme
“Post-IPO RSU Scheme”	the post-IPO restricted share unit scheme adopted by the Company on 18 March 2014, which took effect on the Listing Date and was amended on 19 June 2015. Details of the Post-IPO RSU Scheme and RSUs granted thereunder are set out in the prospectus of the Company dated 28 March 2014, the circular of the Company dated 24 April 2015, and the supplementary circular of the Company dated 14 May 2015, the circular of the Company dated 27 April 2016, the circular of the Company dated 27 April 2017, the circular of the Company dated 27 April 2018, the announcements of the Company dated 10 July 2015, 30 July 2015, 10 November 2017 and 2 April 2019 and the annual reports of the Company for the previous seven years (2013, 2014, 2015, 2016, 2017, 2018 and 2019)
“Pre-IPO RSU Scheme”	the restricted share unit plan approved and adopted by the Company on 30 September 2013
“Pre-IPO Share Option Scheme”	the share option plan approved and adopted by the Company on 18 June 2010, details of which are set out in the prospectus of the Company dated 28 March 2014
“Remuneration Committee”	the remuneration committee of the Company
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is granted pursuant to the Pre-IPO RSU Scheme and/or the Post-IPO RSU Scheme
“RSU Mandate”	a specific and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to grant RSUs pursuant to the Post-IPO RSU Scheme in respect of underlying Shares not exceeding 2.0% of the Shares in issue, as at the date of passing the proposed ordinary resolution No. 8 as set out in the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of US\$0.0000005 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution No. 5 as set out in the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning as defined in the Listing Rules
“substantial shareholder”	has the same meaning as defined in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong, as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

References to time and dates in this circular are to Hong Kong time and dates.

\* *English names for identification purpose only*

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LETTER FROM THE BOARD

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*Executive Directors:*

Mr. DAI Jian (Chairman and Chief Executive Officer)  
Mr. WU Lili  
Mr. LI Chong  
Mr. WANG Xiaodong

*Independent Non-executive Directors:*

Ms. LIU Qianli  
Dr. WANG Qing  
Mr. MA Xiaofeng

*Registered Office:*

Hutchins Drive  
Cricket Square  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands  
British West Indies

*Head Office:*

34 Floor, Goldchi Building  
120 Huangpu W Ave  
Tianhe  
Guangzhou  
Guangdong  
China 510623

*Principal Place of Business in*

*Hong Kong:*  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

22 May 2020

*To the Shareholders*

Dear Sir/Madam,

**DECLARATION OF A SPECIAL FINAL DIVIDEND,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED RENEWAL OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES,  
RE-APPOINTMENT OF RETIRING AUDITOR,  
PROPOSED RENEWAL OF RSU MANDATE TO ISSUE SHARES  
UNDER THE POST-IPO RSU SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Friday, 26 June 2020.

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## LETTER FROM THE BOARD

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### **2. DECLARATION OF A SPECIAL FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board has recommended the payment of a special final dividend of HK\$0.025 per Share in respect of the year ended 31 December 2019. Conditional upon passing of the proposed ordinary resolution No. 2 as set out in the notice of Annual General Meeting by the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 8 July 2020 to Friday, 10 July 2020 (both dates inclusive) during which period no transfer of Shares will be registered and the special final dividend is expected to be paid on Wednesday, 22 July 2020. Shareholders registered under the Hong Kong branch register of members as of Friday, 10 July 2020 will be entitled to the special final dividend. The special final dividend will be paid in Hong Kong dollars. In order to determine the identity of the Shareholders who are entitled to the special final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 7 July 2020.

### **3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

In accordance with article 84(1) of the Articles of Association, Mr. WU Lili, Dr. WANG Qing and Mr. Ma Xiaofeng shall retire by rotation at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

### **4. PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE SHARES**

At the 2019 Annual General Meeting, a general mandate was granted to the Directors to exercise all powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to repurchase Shares where appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the renewal of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing the proposed ordinary resolution No. 5 as set out in the notice of the Annual General Meeting. If the Company conducts a share consolidation or subdivision after the Share Repurchase Mandate has been granted at the Annual General Meeting, the maximum number of Shares that may be repurchased under the Share Repurchase Mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

As at the Latest Practicable Date, the issued share capital of the Company of 2,756,568,000 Shares have been fully paid. Subject to the passing of the proposed ordinary resolution No. 5 approving the Share Repurchase Mandate and assuming that no further Shares will be issued or repurchased following the Latest Practicable Date and prior to the date of the Annual General Meeting, the maximum number of Shares which may be purchased pursuant to the Share Repurchase Mandate will be 275,656,800 Shares. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the renewal of the Share Repurchase Mandate is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 5. PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE SHARES

At the 2019 Annual General Meeting, a general mandate was granted to the Directors to exercise all powers of the Company to allot, issue and deal with Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power. Such mandate will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to issue Shares where appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the renewal of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power, during the period as set out in ordinary resolution No. 6 as set out in the notice of the Annual General Meeting of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. If the Company conducts a share consolidation or subdivision after the Issuance Mandate has been granted at the Annual General Meeting, the maximum number of Shares that may be issued under the Issuance Mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

As at the Latest Practicable Date, the issued share capital of the Company of 2,756,568,000 Shares have been fully paid. Subject to the passing of the proposed ordinary resolution approving the Issuance Mandate and assuming that no further Shares will be issued or repurchased following the Latest Practicable Date and prior to the date of the Annual General Meeting, the Directors will be authorized to issue a maximum of 551,313,600 Shares under the Issuance Mandate. An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

### 6. PROPOSED RE-APPOINTMENT OF RETIRING AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the auditor of the Company effective until the conclusion of the next annual general meeting of the Company subject to the approval of the Shareholders at the Annual General Meeting. The Board also proposes and recommends to the Shareholders to authorise the Board at the Annual General Meeting to fix the remuneration of PricewaterhouseCoopers as the auditor of the Company.

### 7. PROPOSED RENEWAL OF RSU MANDATE TO ISSUE SHARES UNDER THE POST-IPO RSU SCHEME

Reference is made to the circular of the Company dated 26 April 2019 in relation to, among other things, a specific mandate to the Directors to grant RSUs in respect of underlying Shares not exceeding 2.0% of the Shares in issue (the “**Scheme Mandate Limit**”), as at the date of passing such mandate. At the 2019 Annual General Meeting, the 2019 RSU Mandate was granted. The 2019 RSU Mandate will lapse at the conclusion of the Annual General Meeting.

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## LETTER FROM THE BOARD

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Pursuant to Clause 4.2 of the Post-IPO RSU Scheme, the Directors propose to refresh the Scheme Mandate Limit by an ordinary resolution at the Annual General Meeting which gives the Directors a specific mandate (the “**RSU Mandate**”) to exercise all the powers of the Company to grant RSUs in respect of underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing such mandate, and to allot, issue and deal with the Shares underlying the RSUs granted pursuant to the Post-IPO RSU Scheme, and the RSU Mandate will be valid from the date of passing the resolution granting the RSU Mandate, to the earliest of (a) the conclusion of the Company’s next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or the Articles to hold the next annual general meeting, and (c) the date on which the RSU Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting. Subject to the passing of the relevant resolution to approve the RSU Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Directors would be authorized to exercise the powers of the Company to grant RSUs in respect of a maximum number of 55,131,360 underlying Shares. If the Company conducts a share consolidation or subdivision after the RSU Mandate has been granted at the Annual General Meeting, the maximum number of Shares that may be issued pursuant to the RSU Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

Shareholders who are also Eligible Persons under the Post-IPO RSU Scheme would be required to abstain from voting on the ordinary resolution No. 8 as set out in the notice of Annual General Meeting in relation to the RSU Mandate. As at the Latest Practicable Date, the Company is not aware of any Shareholders who are also Eligible Persons under the Post-IPO RSU Scheme, and are required to abstain from voting on the ordinary resolution No. 8 as set out in the notice of Annual General Meeting in relation to the RSU Mandate.

Further information in connection with the RSU Mandate is set out in Appendix III to this circular.

### **8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 21 to 25 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Pursuant to the Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of such meeting, in good faith, decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. An announcement on the results of the poll will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.baioo.com.hk](http://www.baioo.com.hk)). Whether or not you propose to attend the Annual General Meeting, you are requested to complete and sign in accordance with the instructions printed thereon and return, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so desire. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

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## LETTER FROM THE BOARD

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### 9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 10. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the declaration of a special final dividend, the proposed re-election of the retiring Directors, the renewal of the Share Repurchase Mandate and the Issuance Mandate, the re-appointment of the retiring auditor and the renewal of the RSU Mandate to issue Shares pursuant to the Post-IPO RSU Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**BAIOO Family Interactive Limited**  
**DAI Jian**

*Chairman, Chief Executive Officer and Executive Director*

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## APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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The following are the particulars (as required by the Listing Rules) of the Directors proposed to be re-elected at the Annual General Meeting in accordance with the Articles of Association.

**Mr. WU Lili** (吳立立), aged 52, is a co-founder of the Group and was appointed as the executive Director in September 2009. Mr. WU was appointed as the Chief Executive Officer in March 2010 and relinquished such position in March 2015. He is responsible for overseeing the Company's growth strategies, mergers and acquisitions and other business opportunities.

Mr. WU has more than 19 years of experience in the information technology industry. From March 2013 to present, he has served as the director of Altratek Guangdong. From September 2007 to June 2009, he was the deputy director of marketing of Altratek Guangdong, where he was responsible for resources integration and capital operation, as well as strategic planning and new project development, including the overall management of the company's new Internet business and the integration of the telecom value added services. Prior to that, he was the vice chairman of marketing of Guangzhou Elite from November 1999 to August 2007, where he managed the company's various production lines and marketing agencies in the PRC, and was responsible for the implementation of the company's marketing strategies.

Mr. WU received his MBA degree from the China Europe International Business School (中歐國際工商學院) in September 2004. He also received his master's degree in computer application and bachelor's degree in computer communications from Beijing University of Posts and Telecommunications (北京郵電大學), formerly known as (北京郵電學院) in April 1992 and July 1989, respectively.

Mr. WU has renewed a service agreement ("**Mr. WU's Service Agreement**") with the Company pursuant to which he agreed to act as an executive Director for another term of three years commencing from 1 January 2017 (subject to re-election as and when required under the Articles of Association) until terminated in accordance with Mr. WU's Service Agreement. The annual basic salary of Mr. WU has been adjusted to RMB840,000 since 1 April 2020. The annual basic salary is determined by the Board based on his qualification, position and seniority. Under Mr. WU's Service Agreement, his remuneration may include share options and RSUs and he is also entitled to a discretionary management bonus of such amount as the Board may determine in light of the Company's business performance and his individual performance after confirmation with the Remuneration Committee and Nomination Committee.

As at the Latest Practicable Date, Mr. WU has personal interests in 447,112,000 Shares, through a controlled corporation, Bright Stream Holding Limited, representing approximately 16.220% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. WU (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. WU has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. WU's standing for re-election as Director that need to be brought to the attention of the Shareholders.

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## APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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**Dr. WANG Qing (王慶)**, aged 51, was appointed as the independent non-executive Director on 18 March 2014.

Dr. WANG has over 19 years of experience in investment banking and corporate finance. Dr. WANG is President and Partner of Shanghai Chongyang Investment Management Co., Ltd, a privately managed fund in China. Before joining Chongyang Investment in April 2013, Dr. WANG was Deputy Head of Investment banking department at China International Capital Corporation (“CICC”) from June 2011 to April 2013. Dr. WANG joined CICC from Morgan Stanley, where he served as Managing Director and chief economist for Greater China in the research division in Hong Kong from May 2007 to June 2011. Prior to that, Dr. WANG spent 6 years, from June 1999 to October 2005, in Washington, D.C. as an economist with the International Monetary Fund.

Dr. WANG has been appointed as an independent director of China Continent Property & Casualty Insurance Co., Ltd (中國大地財產保險股份有限公司) since March 2019. In addition, he has been appointed as an independent director of Ant Bank (Hong Kong) Limited (螞蟻銀行(香港)有限公司) since May 2019.

Dr. WANG received his Ph.D. in economics from the University of Maryland at College Park, U.S. in August 2000. He received his bachelor’s degree and master’s degree in economics from Renmin University of China (中國人民大學) in July 1991 and January 1994, respectively.

The Company has renewed a letter of appointment (“**Dr. WANG’s Letter of Appointment**”) with Dr. WANG on 2 March 2020 pursuant to which he agreed to act as an independent non-executive director for a period of three years with effect from 18 March 2020 (subject to re-election as and when required under the Articles of Association) unless otherwise terminated in accordance with the terms and conditions specified in Dr. WANG’s Letter of Appointment. The director fee of Dr. WANG has been adjusted to USD60,000 per annum since 1 April 2020. The Company may, at its sole discretion, grant RSUs to him from time to time, as determined by the Board and, consider and pay him a bonus of an amount as the Board may determine in light of the Company’s business performance and his individual performance after confirmation with the Remuneration Committee and the Nomination Committee.

As at the Latest Practicable Date, Dr. WANG has personal interests in 200,000 Shares, representing approximately 0.007% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. WANG (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Dr. WANG has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Dr. WANG’s standing for re-election as Director that need to be brought to the attention of the Shareholders.

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## APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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**Mr. MA Xiaofeng (馬肖風)**, aged 56, was appointed as the independent non-executive Director on 18 March 2014.

Mr. MA is the co-founder, chairman and chief executive officer of ATA Inc., a professional services provider for testing, assessment and related services in China, and a public company listed on NASDAQ. Since July 2015, Mr. MA has served as chairman of the board of directors of ATA Online (Beijing) Technology Limited (全美在線(北京)教育科技股份有限公司) whose shares were listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統), also known as the New Third Board (新三板) in China since 21 December 2015 and were delisted since 11 October 2017.

The Company has renewed a letter of appointment (“**Mr. MA’s Letter of Appointment**”) with Mr. MA on 2 March 2020 pursuant to which he agreed to act as an independent non-executive director for a period of three years with effect from 18 March 2020 (subject to re-election as and when required under the Articles of Association) unless otherwise terminated in accordance with the terms and conditions specified in Mr. MA’s Letter of Appointment. The director fee of Mr. MA has been adjusted to USD60,000 per annum since 1 April 2020. The Company may, at its sole discretion, grant RSUs to him from time to time, as determined by the Board and, consider and pay him a bonus of an amount as the Board may determine in light of the Company’s business performance and his individual performance after confirmation with the Remuneration Committee and the Nomination Committee.

As at the Latest Practicable Date, Mr. MA has personal interests in 200,000 Shares representing approximately 0.007% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. MA (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. MA has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. MA’s standing for re-election as Director that need to be brought to the attention of the Shareholders.

The following is an explanatory statement provides all Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the proposed ordinary resolution No. 5 as set out in the notice of Annual General Meeting in relation to the Share Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company of 2,756,568,000 Shares have been fully paid. As at the same date, there were outstanding Options granted under the Pre-IPO Share Option Scheme to subscribe for 422,000 Shares, representing 0.015% of the number of Shares in issue as at the Latest Practicable Date, and outstanding RSUs granted under the Post-IPO RSU Scheme of 90,000 Shares, representing 0.003% of the number of Shares in issue as at the Latest Practicable Date, and there is no outstanding RSU granted under the Pre-IPO RSU Scheme.

Subject to the passing of the proposed ordinary resolution No. 5 as set out in the notice of Annual General Meeting approving the renewal of the Share Repurchase Mandate and assuming that no further Shares will be issued or repurchased following the Latest Practicable Date and prior to the date of the Annual General Meeting, the maximum number of Shares which may be purchased pursuant to the Share Repurchase Mandate as at the date of passing the proposed ordinary resolution No. 5 as set out in the notice of the Annual General Meeting will be 275,656,800 Shares, representing 10% of the number of Shares in issue as at the date of the Annual General Meeting (assuming the number of issued Shares remains unchanged following the Latest Practicable Date and prior to the date of the Annual General Meeting).

Subject to the passing of the proposed ordinary resolution No. 5 as set out in the notice of Annual General meeting, the Directors will be authorized to exercise the Share Repurchase Mandate during the period from the passing of the proposed ordinary resolution No. 5 as set out in the notice of Annual General Meeting until whichever is the earliest of the conclusion of the next annual general meeting of the Company; the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or the revocation or variation of the Share Repurchase Mandate by ordinary resolution of the Shareholders in general meeting. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole.

Repurchase of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF SHARE REPURCHASE**

The Company is empowered by its Articles of Association to repurchase Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

#### 4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position as at 31 December 2019, being the date to which the last audited accounts of the Company were made up) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date quoted on the website of the Stock Exchange were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2019</b>		
April	0.550	0.410
May	0.510	0.435
June	0.450	0.400
July	0.540	0.400
August	0.495	0.425
September	1.060	0.480
October	1.550	0.890
November	1.120	0.740
December	0.880	0.750
<b>2020</b>		
January	0.890	0.660
February	1.260	0.780
March	1.270	0.850
April	1.010	0.820
May ( <i>up to the Latest Practicable Date</i> )	0.990	0.820

#### 6. TAKEOVERS CODE IMPLICATIONS

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

To the best knowledge of the Directors and according to the register of substantial shareholders interests in Share kept under section 336 of Part XV of the SFO, as at the Latest Practicable Date, Stmoritz Investment Limited, Bright Stream Holding Limited and LNZ Holding Limited were interested in, respectively, 769,460,000 Shares (representing approximately 27.914% of the total issued share capital of the Company), 447,112,000 Shares (representing approximately 16.220% of the total issued share capital of the Company), 203,304,000 Shares (representing approximately 7.375% of the total issued share capital of the Company). In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the shareholding of Stmoritz Investment Limited, Bright Stream Holding Limited and LNZ Holding Limited in the Company would be increased to approximately 31.015%, 18.022% and 8.195%, respectively. Such increase in the interest of Stmoritz Investment Limited will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code. The Directors have no intention to exercise the Share Repurchase Mandate to such an extent which will trigger off the mandatory offer requirement pursuant to the rules of Takeovers Code or which will result in the aggregate number of Shares held by the public shareholders falling below the minimum requirement of public float by the Stock Exchange.

## **7. INTENTION OF DIRECTORS AND CORE CONNECTED PERSONS TO SELL SHARES**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had repurchased a total of 32,922,000 Shares of the Company on the Stock Exchange and the details of the share repurchases are set out below.

<b>Date of Purchase</b>	<b>No. of Shares Repurchased</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
1 November 2019	2,300,000	1.030	1.000
4 November 2019	1,000,000	1.080	N/A
7 November 2019	2,700,000	1.060	1.040
8 November 2019	1,192,000	1.000	0.980
11 November 2019	3,800,000	0.950	0.900
13 November 2019	2,000,000	0.830	N/A
14 November 2019	1,000,000	0.880	0.860
29 November 2019	1,300,000	0.840	0.780
2 December 2019	950,000	0.820	0.780
13 December 2019	950,000	0.820	0.790
22 January 2020	2,000,000	0.780	N/A
23 January 2020	1,520,000	0.780	0.750
15 April 2020	3,000,000	0.930	0.900
17 April 2020	2,700,000	0.920	0.900
22 April 2020	1,200,000	0.900	0.880
23 April 2020	900,000	0.880	0.870
28 April 2020	800,000	0.880	0.860
29 April 2020	700,000	0.870	N/A
7 May 2020	1,200,000	0.850	0.830
8 May 2020	410,000	0.890	0.870
13 May 2020	800,000	0.890	0.870
15 May 2020	500,000	0.950	0.940

The following is to provide Shareholders with information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution No. 8 as set out in the notice of Annual General Meeting in respect of the approval of the RSU Mandate.

### The Post-IPO RSU Scheme

Reference is made to the circular of the Company dated 26 April 2019 in relation to, among other things, a specific mandate to the Directors to grant RSUs in respect of underlying Shares not exceeding 2.0% of the Shares in issue (the “**2019 RSU Mandate**”). At the 2019 Annual General Meeting, the 2019 RSU Mandate was granted. The 2019 RSU Mandate will lapse at the conclusion of the Annual General Meeting (the “**2019 RSU Mandate Applicable Period**”).

The Post-IPO RSU Scheme is the only share-based incentive scheme that the Company has in place to incentivize its employees after the Listing. Given that the Company is one of PRC’s largest online entertainment destinations designed for children while such industry is becoming increasingly competitive in attracting talents and the base of the Company’s own talent pools continues to grow, there is a pressing need for the Company to grant RSUs to incentivize its employees and to align their interest with that of the Company. The Post-IPO RSU Scheme may also assist the Company in retaining the management of potential targets in case of any mergers and acquisitions situations.

Under the Post-IPO RSU Scheme, the eligible persons to the scheme include existing employees or officers of the Company, the PRC operational entity or other companies in the Group, or any other person selected by the Board or the Remuneration Committee at its sole discretion from time to time. However, the directors of the Company are excluded from eligible persons to the Post-IPO RSU Scheme. As at the Latest Practicable Date, none of the Eligible Persons are connected persons. If the Company shall grant any Shares underlying the RSUs to any connected person(s) pursuant to the Post-IPO RSU Scheme, it will comply with the relevant requirements as set out in Chapter 14A of the Listing Rules.

### The 2019 RSU Mandate

The maximum aggregate number of the Shares underlying all the RSUs which the Company may grant pursuant to the Post-IPO RSU Scheme during the Applicable Period pursuant to the 2019 RSU Mandate is 55,858,080 Shares, representing approximately 2.0% of the Shares in issue as at the date of passing the 2019 RSU Mandate.

### *Utilization, Lapse and Cancellation*

The utilization of the 2019 RSU Mandate during the period from date of approving the 2019 RSU Mandate and up to the Latest Practicable Date (the “**2019 RSU Mandate Applicable Period**”) is summarized as follows:

Grantees	Numbers of RSUs granted	Grant date	Vesting period
38 officers and employees of the Group	<u>55,700,000</u>	2 April 2020	None
<b>Total</b>	<b><u>55,700,000</u></b>	—	—

*Note:*

The RSUs granted to the subjected RSU grantee under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follows:

- 20% of the RSUs on 2 April 2021;
- 20% of the RSUs on 2 April 2022; and
- 60% of the RSUs on a quarterly basis from 2 April 2022 to 2 April 2024.

For details of the vesting schedules for the RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme, please refer to the announcement of the Company dated 2 April 2020.

As at the Latest Practicable Date, a total of 55,700,000 RSUs were granted pursuant to the 2019 RSU Mandate, representing 1.99% of the Shares in issue as at the date of the 2019 Annual General Meeting and approximately 99.7% of the maximum number of Shares that underlie the RSUs of which the Board was authorized to grant under the 2019 RSU Mandate.

As at the Latest Practicable Date, no shares have been issued and allotted pursuant to the Post-IPO RSU and the vesting schedule.

As at the Latest Practicable Date, no RSUs granted during the 2019 RSU Mandate Applicable Period had lapsed or vested or had otherwise been canceled.

***Unused 2019 RSU Mandate***

The number of Shares that underlies the RSUs that may still be granted pursuant to the 2019 RSU Mandate between the Latest Practicable Date and the conclusion of the Annual General Meeting is 158,080 Shares, representing approximately 0.006% of the Shares in issue as at the Latest Practicable Date.

The Directors confirmed that, as at the Latest Practicable Date, the Company has no intention to grant further RSUs pursuant to the 2019 RSU Mandate.

**The RSU Mandate to be sought at the Annual General Meeting*****Reason for renewal of the RSU Mandate***

The purpose of the Post-IPO RSU Scheme is to enable the Company to grant RSUs to Eligible Persons (as defined under the Post-IPO RSU Scheme) as incentives and/or rewards for their contribution to the Group, to better reward the personnel who have contributed to the development and success of the Group, to incentivize them to remain with the Group, to motivate them to strive for the future development and expansion of the Group, and to attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. In particular, it is noted that online/mobile game industry and e-commerce industry are expanding rapidly and participants are facing fierce competition, and experience of the senior management team in managing the businesses within such industries is a critical factor in implementing sound long-term strategies of the Group. As such, the renewal of the RSU Mandate will benefit the Group's future success by way of retention of capable talents and continuity of the experienced senior management team.

***The RSU Mandate***

As set out in the notice of Annual General Meeting, a resolution will be proposed at the Annual General Meeting to give the Directors a specific mandate to exercise all powers of the Company to grant RSUs in respect of a maximum number of the underlying Shares not exceeding 2.0% of the Shares in issue, as at the date of passing such mandate, and to allot, issue and deal with the Shares underlying the RSUs granted pursuant to the Post-IPO RSU Scheme during the Applicable Period as and when such RSUs vest.

Subject to the passing of the proposed ordinary resolution No. 8 to approve the RSU Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Directors would be authorized to exercise the powers of the Company to grant RSUs in respect of a maximum number of 55,131,360 underlying Shares.

For the avoidance of doubt, any Shares issued pursuant to the RSU Mandate will not be counted towards the Shares to be issued (if any) pursuant to the Issuance Mandate proposed under the proposed ordinary resolution No. 6 as set out in the notice of Annual General Meeting.

As at the Latest Practicable Date, no Eligible Person has been proposed or identified by the Board to be granted any RSUs under the RSU Mandate.

Shareholders who were also Eligible Persons under the Post-IPO RSU Scheme would be required to abstain from voting on the proposed ordinary resolution No. 8 as set out in the notice of Annual General Meeting in relation to the RSU Mandate.

***Cost of Granting RSUs***

The cost attributable to the grant of any RSUs under the Post-IPO RSU Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which Shares were granted.

The Directors consider that it is not appropriate or helpful to the Shareholders to state the value of all RSUs that can be granted under the Post-IPO RSU Scheme or the RSU Mandate being sought as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of all RSUs as at the Latest Practicable Date will not be meaningful to the Shareholders, since the RSUs to be granted shall not be assignable, and no holder of the RSUs shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any RSUs.

In addition, the calculation of the value of the RSUs is based on a number of variables such as vesting period and other relevant variables. The Directors believe that any calculation of the value of the RSUs as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

The Company will give due consideration to any financial impact arising from the grant of the RSUs under the Post-IPO RSU Scheme before exercising the RSU Mandate.

***Dilution Effect***

The table below is for illustration only and sets out the shareholding structure of the Company:

- (i) as at the Latest Practicable Date; and

- (ii) immediately after the allotment and issue of new Shares underlying the RSUs that the Board may be authorised to grant under the RSU Mandate and assuming no other Shares will be issued between the Latest Practicable Date and the date until all such new Shares are issued (the “**Annual Grant Scenario**”).

Names	As at the Latest Practicable Date		Annual Grant Scenario	
	Number of Shares	%	Number of Shares	%
Participants granted with outstanding RSUs pursuant to the 2019 RSU Mandate	—	0.000%	—	0.000%
Participants that may be granted with RSUs pursuant to the RSU Mandate	—	0.000%	55,131,360	1.961%
Mr. DAI Jian (“ <b>Mr. Dai</b> ”) <sup>1</sup>	779,460,000	28.276%	779,460,000	27.722%
Mr. WU Lili (“ <b>Mr. WU</b> ”) <sup>2</sup>	447,112,000	16.220%	447,112,000	15.902%
Mr. LI Chong (“ <b>Mr. Li</b> ”) <sup>3</sup>	203,304,000	7.375%	203,304,000	7.231%
Outstanding RSUs granted under the Post-IPO RSU Scheme <sup>4</sup>	90,000	0.003%	90,000	0.003%
Other Shareholders	1,326,602,000	48.126%	1,326,602,000	47.181%
Total	<u>2,756,568,000</u>	<u>100.000%</u>	<u>2,811,699,360</u>	<u>100.000%</u>

*Notes:*

- As at the Latest Practicable Date, Mr. DAI has (i) personal interests in 769,460,000 Shares through a controlled corporation, Stmoritz Investment Limited, and (ii) personal interests in 10,000,000 Shares, in aggregate representing approximately 28.276% of the issued share capital of the Company within the meaning of Part XV of the SFO.
- As at the Latest Practicable Date, Mr. WU has personal interests in 447,112,000 Shares, through a controlled corporation, Bright Stream Holding Limited, representing approximately 16.220% of the issued share capital of the Company within the meaning of Part XV of the SFO.
- As at the Latest Practicable Date, Mr. LI has personal interests in 203,304,000 Shares, through a controlled corporation, LNZ Holding Limited, representing approximately 7.375% of the issued share capital of the Company within the meaning of Part XV of the SFO.
- As at the Latest Practicable Date, there were outstanding RSUs granted under the Post-IPO RSU Scheme of 90,000 Shares, representing approximately 0.003% of the issued share capital of the Company which were held by Baiduo Investment Holding Limited, a company incorporated in the British Virgin Islands and an independent third party, as the nominee to administer the Post-IPO RSU Scheme.

***Listing Approval***

An application will be made by the Company as soon as practicable to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be allotted and issued to satisfy the RSUs which may be granted under the Post-IPO RSU Scheme pursuant to the RSU Mandate.

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## NOTICE OF ANNUAL GENERAL MEETING

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百奧家庭互動有限公司

BAIOO Family Interactive Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2100)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**AGM**”) of BAIOO Family Interactive Limited (the “**Company**”) will be held at 35th Floor, Goldchi Building, 120 Huangpu W Ave, Tianhe, Guangzhou, Guangdong, China, 510623 at 3:00 p.m. on Friday, 26 June 2020 for considering and, if thought fit, passing (with or without amendments) the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2019 and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company (the “**Auditor**”) thereon.
2. To declare a special final dividend of HK\$0.025 per ordinary share of the Company (the “**Share(s)**”) for the year ended 31 December 2019.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) to re-elect Mr. WU Lili as an executive Director;
  - (b) to re-elect Dr. WANG Qing as an independent non-executive Director;
  - (c) to re-elect Mr. MA Xiaofeng as an independent non-executive Director; and
  - (d) to authorize the board of Directors (the “**Board**”) to fix the remuneration of Directors.
4. To re-appoint PricewaterhouseCoopers as the Auditor and to authorize the Board to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this resolution) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of shares of the Company to be purchased pursuant to the approval in paragraph (a) of this resolution above shall not exceed 10% of the total number of the issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
  - (c) for the purposes of this resolution:
    - “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
      - (i) the conclusion of the next annual general meeting of the Company;
      - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
      - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:
- “**THAT:**
- (a) subject to paragraph (c) of this resolution, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional Shares, to grant rights to subscribe for, or convert any securities into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which might require the exercise of such powers;
  - (b) the mandate in paragraph (a) of this resolution shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) of this resolution, otherwise than pursuant to:
    - (i) a Rights Issue (as defined below);
    - (ii) the exercise of options under a share option scheme of the Company or a restricted share units scheme of the Company, including without limitation to (i) the share option plan approved and adopted by the Company on 18 June 2010, (ii) the restricted share unit plan approved and adopted by the Company on 30 September 2013 and (iii) the post-IPO restricted share unit scheme adopted by the Company on 18 March 2014, which took effect on 10 April 2014 and was amended on 19 June 2015 (the “**Post-IPO RSU Scheme**”);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the exercise of rights of the subscription or conversion under the terms of any warrants to be issued by the Company or any securities which are convertible into Shares; and
- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued Shares on the date of passing of this resolution, subject to adjustments according to any subsequent consolidation or subdivision of Shares; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Right Issue**” means an offer of Shares or an issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 7. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening the AGM (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of Shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

“**THAT** the exercise by the Directors of all powers of the Company to grant restricted share units (the “**RSUs**”) pursuant to the post-IPO RSU Scheme, in respect of underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing this resolution, during the period from the date of passing this resolution until the earlier of (a) the conclusion of the Company’s next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or the Articles to hold the next annual general meeting and (c) the date on which this resolution is varied or revoked by an ordinary resolution of the Company’s shareholders in general meeting (the “**Applicable Period**”), and to allot, issue and deal with Shares underlying the RSUs to be granted pursuant to the Post-IPO RSU Scheme during the Applicable Period as and when such RSUs vest, be and is hereby generally and unconditionally approved.”

By Order of the Board  
**BAIOO Family Interactive Limited**  
**DAI Jian**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 22 May 2020

*Notes:*

1. All resolutions at the AGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint more than one proxy to attend and vote instead of him provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy form. A proxy need not be a shareholder of the Company.
3. In order to be valid, the completed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 June 2020 to Friday, 26 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 June 2020.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. For determining the entitlement to the proposed special final dividend (subject to approval by the shareholders at the AGM), the register of members of the Company will be closed from Wednesday, 8 July 2020 to Friday, 10 July 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed special final dividend, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 7 July, 2020.
  
6. **In light of the Coronavirus Pandemic ("COVID-19"), the Company will implement additional precautionary measures at the AGM including, without limitation:**
  - **compulsory body temperature screening;**
  - **mandatory use of surgical face masks;**
  - **mandatory health declaration — anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the AGM ("recent travel history"), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the AGM;**
  - **anyone attending the AGM is reminded to observe good personal hygiene at all times; and**
  - **appropriate distancing and spacing will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.**
  
7. **In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the AGM in person, and advises Shareholders to appoint the Chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.**
  
8. **Shareholders are advised to read the leaflet attached to this notice for further detail and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.**
  
9. In the event of inconsistency, the English text of this notice shall prevail over the Chinese text.



百奧家庭互動有限公司

BAIOO Family Interactive Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2100)**

## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING (“AGM”)**

In light of the Coronavirus Pandemic (“COVID-19”), BAIOO Family Interactive Limited (the “Company”) will implement additional precautionary measures at the AGM in the interests of the health and safety of our shareholders, investors, directors, staff and other participants of the AGM (the “Stakeholders”) which include without limitation:

1. All attendees will be required to **wear surgical face masks** before they are permitted to attend, and during their attendance of, the AGM. Attendees are advised to maintain appropriate social distance with each other at all times when attending the AGM.
2. There will be **compulsory body temperature screening** for all persons before entering the AGM venue. Any person with a body temperature of 37.8 degrees Celsius or above will not be given access to the AGM venue. Denied entry to AGM venue also means the person will not be allowed to attend the AGM.
3. Attendees may be asked if (i) he/she has travelled outside of the PRC within 14 days immediately before the AGM (“**recent travel history**”); (ii) he/she is subject to any prescribed quarantine requirement by the PRC authorities; and (iii) he/she has any flu-like symptoms or close contact with any person under quarantine or with recent travel history. Any person who responds positively to any of these questions will be denied entry into the AGM venue or be required to promptly leave the AGM venue.
4. Anyone who has recent travel history, is subject to quarantine, or has any flu-like symptoms or close contact with any person under quarantine or with recent travel history will not be permitted to attend the AGM.
5. Anyone attending the AGM is reminded to observe good personal hygiene at all times.
6. Appropriate distancing and spacing will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.
7. In light of the continuing risks posed by the COVID-19 pandemic, and in the interests of protecting the Stakeholders, the Company is supportive of the precautionary measures being adopted and strongly encourages shareholders **NOT to attend the AGM in person** and advises shareholders to appoint the Chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.
8. **Shareholders are advised to read this leaflet carefully and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.**