

For immediate release



BAIOO acquires 20% stake in Beijing Xingmen Dongman Technology Boosts mobile game R&D and graphic design

HONG KONG, 7 Jun, 2015 – BAIOO Family Interactive Limited (“**BAIOO**” or “**the Company**”, stock code: 2100), China’s largest online entertainment destination designed for children, today announced that in line with the Company’s current strategy of focusing on enhancing user experience and expanding its portfolio of mobile products, it has acquired 20% equity interest in Beijing Xingmen Dongman Technology Limited Company (“**Xingmen Dongman**”, also known as “**Xmen Entertainment**”), a leading mobile game developer and computer-generated imagery (“CGI”) producer based in Beijing to enhance its mobile R&D and graphic design capabilities.

With a strong track record in China, Xingmen Dongman is known for its creative CGI animations, including online game trailers and in-game cut-scenes. Since its inception in 2009, it has produced high quality CGIs for large game developers across China, including major listed internet players such as Tencent, Changyou and NetDragon. Xingmen Dongman has also worked very closely with the Chinese Air Force to co-launch the aircraft simulation mobile game “Golden Helmet”, in celebration of the Chinese Air Force’s 65th anniversary.

Xingmen Dongman’s technical expertise, design capabilities and extensive experience in mobile entertainment will allow BAIOO to produce more graphically vibrant and engaging content that will further expand the Company’s foothold in the children’s online entertainment market. Concurrently, Xingmen Dongman’s experienced team of animators and graphics designers will support the ongoing graphical improvements being developed and implemented across BAIOO’s virtual worlds. Overall, the cooperation will not only boost BAIOO’s growth in online virtual worlds, but will also complement its ongoing push towards expanding its offerings of mobile entertainment to children across China.

Mr. Jeff Dai, Chairman of BAIOO, said, “I am thrilled to announce our new partnership with Xingmen Dongman, one of few animation houses in China that is able to produce dynamic images that resemble a movie. As technology evolves over time, we have seen increasing demand from our users not just for fun and exciting content, but also for media format innovations such as higher quality images and complex animations. In response to these demands, we have revamped our online portal 100bt.com, and we will also be releasing our first animated movie which will be launched this summer, based on our virtual world Aola Star. With the support of Xingmen Dongman, we are well positioned to further enhance our current and future products going forward.”

Mr. Dai added, “I also believe that Xingmen Dongman’s expertise in mobile gaming and

graphic design will greatly complement our existing virtual worlds business and the upcoming mobile products in our pipeline. As the largest online destination for children in China, we will continue to focus exclusively on children's needs and we are confident that the cooperation will generate significant value for shareholders moving forward."

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About BAIIO

The Company is one of the largest online entertainment destinations designed for children. Its web portal page, 100bt.com, is a centralized platform for interactive children's content through which users can access all six of its virtual worlds and entertainment, e-learning and other products and services using one registered account. Representing its core brand values of "Dreams, Friendship and Development," BAIIO's virtual worlds and their characters have gained strong awareness among children and parents in China. As one of the leading providers of interactive online content for children in China, the Company has accumulated an extensive knowledge base and deep understanding of children's behavior and needs with respect to online activity and consumption. Through BAIIO's commitment to create a safe and fun environment with age-appropriate content and its understanding of children's needs, the Company's products and services have gained the trust of parents and regulators. Leveraging the Company's competitive strengths, BAIIO plans to pursue a variety of growth strategies, including increasing its addressable market, expanding its online product offerings, strengthening its brand, and continuing to execute its mobile strategy. The Company also intends to expand its offerings into the maternity product e-commerce market through the strategic partnership with Hong Kong's leading maternity product provider Bumps to Babes.

About Xingmen Dongman

Xingmen Dongman (also known as Xmen Entertainment) is a mobile games developer and computer-generated animation producer based in Beijing, China. It currently has two mobile game products; Golden Helmet, an aircraft simulation game, and Cyber Hunter, a role-playing shooter game. Golden Helmet was produced for the Chinese Air Force, and was used as part of a promotional campaign to attract more applicants to the army. Cyber Hunter, Xingmen Dongman's current flagship offering, is a cross-platform role-playing shooter game based on the well-known comic "Cyber Hunter", and is set in a futuristic world in which both Android and IOS users can interact and co-operate. Both of these mobile games have been widely covered by online media and have received critical acclaim.

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