

For immediate release



**BAIOO Family Interactive Limited
CLARIFIED SHARE POSITION CHANGE OF SUBSTANTIAL SHAREHOLDER**

HONG KONG, 2 June 2016 – BAIOO Family Interactive Limited (“BAIOO” or the “Company”; stock code: 2100), China’s largest online entertainment destination designed for children, today clarified its disclosure of interests filing dated 18 May 2016, in relation to the share position change of a substantial shareholder, TMF (Cayman) Ltd.

To the Company’s knowledge, former Executive Director and former CTO Mr. Chen Ziming, who resigned both positions in November 2014 for personal reasons, sold certain shares in BAIOO after his departure through his family trust of which TMF is a trustee during period from October 2014 to October 2015. With the exception of Mr. Chen, none of the Company’s directors have disposed their shares in the Company since the Company was listed in 2014.

TMF (Cayman) Ltd. acts as the trustee for a number of family trusts set up by the senior management and their family members, including Mr. Chen. As notified by TMF (Cayman) Ltd., the recent share position change of TMF (Cayman) Ltd. as disclosed in the filing was solely due to previous disposal of shares by Mr. Chen.

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. The Company set up a share repurchase program in May 2016 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 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.

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About BAIOO

BAIOO is one of China’s largest online entertainment destination designed for children and one of the top children’s web game developers in China with a leading market share. It has a fast-growing user base, with average quarterly active accounts increasing from 24.2 million in 2011 to 49.1 million in 2015. Since the company commenced its operations, it has developed, commercially launched and currently operate eight virtual

worlds, namely, Aobi Island, Aola Star, Dragon Knights, Light of Aoya, Legend of Aoqi, Clashes of Aoqi, Magic Fighter, and Monster Mobile. BAIOO's virtual worlds are designed for children between the ages of six and fourteen and allow them to play various games and fun-learning activities while exploring each virtual world and its storyline and interacting with other users. New episodes containing new games and activities and storyline updates are released each week for each virtual world to provide users with a continuous, engaging experience.

In May 2015, BAIOO formed a strategic partnership with Hong Kong's leading maternity product provider Bumps to Babes. BAIOO has acquired 74.9% equity interest in Bumps to Babes, and Mr. Richard Ian Walker, the founder of Bumps to Babes, holds 7.5% equity interest in the new venture, which expands Bumps to Babes into China under the brand BumpsBB (www.bumpsbb.com) as a one-stop-shop for parents to purchase safe, trusted and premium baby products via e-commerce.

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