

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 Goodbaby International Holdings 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Goodbaby International

Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
PROPOSED GRANT OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES
AND
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Goodbaby International Holdings Limited to be held at 8/F, No. 5 Building, the Hub, No. 99 Shaohong Road, Minhang District, Shanghai, PRC on Monday, 25 May 2020 at 10:00 a.m. is set out on pages 31 to 36 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 Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.gbinternational.com.hk).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

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

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	5
2. Proposed Re-election of the Retiring Directors	5
3. Proposed Grant of General Mandate to Buy Back Shares	5
4. Proposed Grant of General Mandate to Issue Shares	5
5. Proposed Adoption of Share Option Scheme	6
6. Annual General Meeting and Proxy Arrangement	8
7. General Information	8
8. Recommendation	9
9. Responsibility Statement	9
 Appendix I – Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	
	10
 Appendix II – Explanatory Statement on the Share Buy-back Mandate	
	15
 Appendix III – Summary of the Principal Terms of the Share Option Scheme	
	20
 Notice of Annual General Meeting	 31

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at 8/F, No. 5 Building, the Hub, No. 99 Shaohong Road, Minhang District, Shanghai, PRC on Monday, 25 May 2020 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 31 to 36 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)
“Company”	Goodbaby International Holdings Limited (好孩子國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	has the meaning ascribed to it under paragraph (B) of “APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME”
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 5 November 2010
“Group”	the Company and its subsidiaries

DEFINITIONS

“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
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting
“Latest Practicable Date”	14 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PUD”	Pacific United Developments Limited, a limited liability company incorporated in the British Virgin Islands and a substantial shareholder of the Company
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back 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 contained in item 5 of the notice of the Annual General Meeting
“Share Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“%”	per cent



Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

Executive Directors:

SONG Zhenghuan (*Chairman*)
Martin POS (*Chief Executive Officer*)
XIA Xinyue
LIU Tongyou
Michael Nan QU

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Directors:

FU Jingqiu
HO Kwok Yin, Eric

Head Office:

28 East Lufeng Road
Lujia Town, Kunshan City
Jiangsu Province, 215331
People's Republic of China

Independent Non-executive Directors:

Iain Ferguson BRUCE
SHI Xiaoguang
CHIANG Yun
JIN Peng

*Principal Place of Business
in Hong Kong:*

Room 2502, 25/F
Tung Chiu Commercial Centre
193 Lockhart Road
Wanchai
Hong Kong

22 April 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
PROPOSED GRANT OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES
AND
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

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 25 May 2020.

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 108 of the Articles of Association, Mr. Martin POS, Mr. LIU Tongyou, Ms. CHIANG Yun and Mr. JIN Peng shall retire at the Annual General Meeting. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANT OF GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 27 May 2019 (the “**2019 AGM**”), a general mandate was granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of Shares in issue immediately following the date of passing of the ordinary resolution regarding the grant of the Share Buy-back Mandate. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Share Buy-back Mandate to the Directors to buy back 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 contained in item 5 of the notice of the Annual General Meeting as set out on pages 31 to 36 of this circular (i.e. a total of 166,802,317 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting).

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 granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES

At the 2019 AGM, a general mandate was granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of Shares in issue immediately following the date of passing of the ordinary resolution regarding the grant of the Issuance Mandate. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the

LETTER FROM THE BOARD

Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 31 to 36 of this circular (i.e. a total of 333,604,633 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

5. PROPOSED ADOPTION OF SHARE OPTION SCHEME

Existing Share Option Scheme

The Existing Share Option Scheme was adopted on 5 November 2010, and will expire on the tenth anniversary of its adoption.

As at the Latest Practicable Date, 210,313,333 share options under the Existing Share Option Scheme remain outstanding and exercisable upon. The outstanding options granted under the Existing Share Option Scheme remain valid upon expiry of the Existing Share Option Scheme.

As the Existing Share Option Scheme will expire on 5 November 2020 and to enable the Company to continue to grant Share Options to Eligible Participants as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the Annual General Meeting to terminate the Existing Share Option Scheme with effect from the Adoption Date and to approve and adopt the Share Option Scheme.

The Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix III of this circular.

The Share Option Scheme will continue to enable the Company to grant share options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the subsidiaries.

The Directors consider that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

Under the Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Share Options (e.g. in relation to the minimum period of the Share Options to be held, the performance targets to be achieved before such Share Options can be exercised and to determine the subscription price). The Board considers that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant to achieve of the purpose of the Share Option Scheme.

None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee of the Share Option Scheme, if any.

LETTER FROM THE BOARD

The provisions of the Share Option Scheme comply with the requirements of Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were 1,668,023,166 Shares in issue. Assuming that no further Share will be allotted, issued, repurchased or cancelled prior to the Annual General Meeting, the total number of Shares that may fall to be allotted and issued under the Share Option Scheme after the resolution regarding the proposed adoption of the Share Option Scheme is passed at the Annual General Meeting would be 166,802,317 Shares, representing approximately 10% of the total number of Shares in issue, which together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 210,313,333 share options granted under the Existing Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules.

The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. The pricing of the Share Options are also set out in paragraph (F) of Appendix III of this circular. The Directors believe that any estimate regarding the value of the Share Options will not be meaningful to the Shareholders, since the Share Options to be granted shall not be assignable, and no holder of the Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option.

As at the Latest Practicable Date, no Share Option had been granted under the Share Option Scheme.

The Share Option Scheme is conditional upon the satisfaction of the conditions set out in paragraph (X) set out in Appendix III of this circular. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options granted under the Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Room 2502, 25/F, Tung Chiu Commercial Centre, 193 Lockhart Road, Wanchai, Hong Kong, at normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

Termination of the Existing Share Option Scheme

Under the terms of the Existing Share Option Scheme, the Company may at any time by resolution in general meeting terminate the Existing Share Option Scheme.

LETTER FROM THE BOARD

Subject to the approval of the adoption of the Share Option Scheme as an ordinary resolution by Shareholders at the Annual General Meeting, it is proposed that the Existing Share Option Scheme be terminated with effect from the Adoption Date.

Upon termination of the Existing Share Option Scheme, no further options may be granted thereunder but the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination. Therefore, the adoption of the Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be valid and subject to the provisions of the Existing Share Option Scheme.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 31 to 36 of this circular.

Pursuant to 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must 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. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under 13.39(5) of 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 Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.gbinternational.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, 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 holding the Annual General Meeting or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting), Appendix II (Explanatory Statement on the Share Buy-back Mandate) and Appendix III (Summary of the Principal Terms of the Share Option Scheme) to this circular.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors and grant of the Share Buy-back Mandate and the Issuance Mandate and the proposed adoption of the Share Option Scheme and the termination of the Existing Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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 and 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.

Yours faithfully,
For and on behalf of the Board
Goodbaby International Holdings Limited
SONG Zhenghuan
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Executive Directors

- (1) Martin POS, aged 50, is an executive Director and chief executive officer of the Company responsible for the Group's strategy implementation and overall management, leading all the Group's business units and functions across each continent, comprising of technical services, supply chain and manufacturing, brand portfolio management, international distribution, national distribution and the Group's central services. Mr. Pos is the founder of the world's leading high-end child car seat brand CYBEX. He is an entrepreneur with over 21 years of industry experience including the development and management of premium lifestyle brands, most notably the global distribution, design and development of premium baby products. Following the merger of CYBEX in early 2014, Mr. Pos was appointed as the executive Director of the Company in March 2014 primarily responsible for the management of portfolio of global brands for the Company. In December 2014, Mr. Pos was appointed as the deputy chief executive officer. In January 2016, Mr. Pos has succeeded Mr. Song as the chief executive officer of the Company.

Save as disclosed above, Mr. Pos does not at present, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor does he hold other positions in the Company or members of the Group.

Mr. Pos has executed an appointment letter as an executive Director with the Company for a term of three years on 18 March 2017 of which expired on 18 March 2020. On 18 March 2020, Mr. Pos has also renewed the appointment letter with the Company for a term of three years commencing from 18 March 2020. Mr. Pos has executed a service agreement as a chief executive officer with the Company on 15 January 2016. Under the service agreement, Mr. Pos is entitled to receive a fixed annual salary of EUR1,200,000, performance bonus payable at the discretion of the Board for his service as a chief executive officer and other fringe benefits as stipulated thereof. Mr. Pos' remuneration has been determined by the Board based on the recommendation of the remuneration committee of the Company and with reference to the prevailing market practice, the Company's remuneration policy and Mr. Pos' duties, responsibilities with the Company as well as his performance. Mr. Pos is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Mr. Pos does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Pos is directly interested in 47,233,498 shares of the Company within the meaning of Part XV of the SFO and is deemed to have an interest in the 37,400,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to him under the Existing Share Option Scheme.

There is no information which is required to be disclosed pursuant to the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

- (2) LIU Tongyou, aged 52, was appointed as an executive Director on 21 February 2017. Mr. Liu is responsible for direct supervision and management of Group finance, internal audit, IT, legal, investor relationship and M&A, and development and implementation of strategy and target for these areas in his direct supervision and management. Mr. Liu started to support the Group from 1994 and formally joined the Group in 1996. Mr. Liu was appointed as the Group's chief finance officer in 2010 being responsible for the Group's finance, internal audit, legal affairs, investor relationship and M&A plus relatively new responsibility, IT matters. Before he was appointed as the Group's chief finance officer, he had been our Vice President and responsible for finance management, internal audit and legal matters of the Group. Mr. Liu has over 20 years of experience in corporate finance, legal and business management. Mr. Liu received his bachelor's degree of science in 1989 and graduated from Tianjin University of Finance and Economics (天津財經大學) with a Master's degree in economics in 1992. Mr. Liu worked for a famous Economist, Jiang Yiwei (蔣一葦), as his academic secretary in 1992. He joined the Beijing Standard Consultancy Company (北京標準股份制諮詢公司) in 1993 as the business director and responsible for consulting on the restructuring as well as listing consultancy of a number of Chinese enterprises, including Haier Electric Appliance Company and Hainan Airlines Company.

Mr. Liu is currently a director of the following Group companies:

- (i) Goodbaby (Hong Kong) Limited;
- (ii) Goodbaby Child Products Co., Ltd*;
- (iii) Paragon Child Products Co., Ltd;
- (iv) Ningbo Goodbaby Child Products Co., Ltd*;
- (v) EQO Testing and Certification Services Co., Ltd*;
- (vi) Goodbaby Czech Republic s.r.o.;
- (vii) Columbus Trading-Partners Japan Limited;
- (viii) Goodbaby Europe Holdings Limited; and
- (ix) Kunshan Goodbaby Yijia Retail Co., Ltd*.

* For identification purpose only

Mr. Liu is the director of PUD (a substantial shareholder of the Company).

Save as disclosed above, Mr. Liu does not at present, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor does he hold other positions in the Company or members of the Group.

Mr. Liu has entered into an appointment letter as an executive Director with the Company for an initial term of three years commencing from 21 February 2017 of which expired on 21 February 2020. Mr. Liu renewed the appointment letter with the Company for a term of three years on 21 February 2020. Under the appointment letter, Mr. Liu is entitled to receive salary at RMB3,424,000 per annum with discretionary bonus to be determined with reference to his target performance of the relevant year. The remuneration of Mr. Liu was determined with reference to his responsibility and experience, the remuneration policy of the Company and prevailing market practice. Mr. Liu is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Mr. Liu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Liu is deemed to have an interest in the 15,000,000 underlying Shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to him under the Existing Share Option Scheme. In addition, Mr. Liu also deemed to have an interest in 29,057,573 shares of the Company through his controlled corporation, Silvermount Limited.

There is no information which is required to be disclosed pursuant to the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Independent Non-executive Directors

- (3) CHIANG Yun, aged 52, was re-designated as an independent non-executive Director of the Company with effect from 23 May 2014. Ms. Chiang was a non-executive Director of the Company for the period from 15 November 2007 to 22 May 2014 and a Director of the Company for the period from 14 July 2000 to 14 November 2007. Ms. Chiang has over 25 years of private equity investment experience in Asia and is now the Founding Managing Partner of Prospere Capital Limited. She was a founding Managing Partner of the private equity business of Pacific Alliance Group (“PAG”). Prior to PAG, Ms. Chiang was a Vice President of AIG Investment Corporations. Ms. Chiang is an independent non-executive director of Sands China Ltd and Pacific Century Premium Developments Limited, both companies are listed on the Stock Exchange. Ms. Chiang was also appointed as a member of the Audit Committee and the Nomination Committee of Sands China Ltd on 14 October 2009 and 30 December 2016 respectively. In addition, Ms. Chiang was

appointed as a member of the Audit Committee as well as the Remuneration Committee of Pacific Century Premium Developments Limited on 6 May 2015. From 1 January 2016 to 5 December 2019, Ms. Chiang was an independent non-executive director of Merlin Entertainments Plc., a company listed on London Stock Exchange. Ms. Chiang was also a member of Audit Committee and Health, Safety and Security Committee of Merlin Entertainments Plc. from 24 February 2016 to 5 December 2019. Ms. Chiang has an EMBA degree from The Kellogg Graduate School of Management of North-western University in the U.S. and Hong Kong University of Science and Technology in 1999. Ms. Chiang also received her Bachelor of Science degree, cum laude, from Virginia Polytechnic Institute and State University in the U.S. in 1992.

Save as disclosed above, Ms. Chiang does not at present, nor did she in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor does she hold other positions in the Company or members of the Group.

Ms. Chiang had executed an appointment letter with the Company on 18 March 2017 for a term of three years effective from 23 May 2017 and expiring on 23 May 2020. Ms. Chiang has renewed her appointment letter with the Company on 18 March 2020 for a further term of three years commencing from 23 May 2020. Under the appointment letter, she is not entitled to receive salary but is entitled to receive Director's remuneration in the amount of US\$40,000 per annum. Ms. Chiang is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Ms. Chiang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the company.

Ms. Chiang is deemed to have an interest in the 1,200,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to her under the Existing Share Option Scheme.

There is no information which is required to be disclosed pursuant to the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

- (4) JIN Peng, aged 44, was appointed as an independent non-executive Director on 21 February 2017. Mr. Jin has over 19 years of experience in technology investments, entrepreneurship, financial advisory and corporate management.

Mr. Jin started his career in 1998 as a member of Bear Stearns Asia's New Media & Telecom group. In 2000, Mr. Jin joined 21Vianet Group Inc. (NASDAQ: VNET) as an executive vice president where he was responsible for overseeing business development, product, marketing and international sales and was later appointed as a chief financial officer. From 2003 to 2007, Mr. Jin served as a partner in CEC

Capital Group (formerly known as China eCapital Corporation) where he provided fund raising, merger and acquisition advisory services for growth stage companies in the PRC. In 2008, Mr. Jin co-founded Keytone Ventures, a venture fund focused on early stage technology investment opportunities with a total asset under management of US\$420 million. Mr. Jin left Keytone Ventures in 2014 to start Emerge Ventures, a venture studio specializing in mostly seed and angel investments and incubating technology startups. Mr. Jin was appointed as Chief Operating Office and secretary of Bison Capital Acquisition Corp. (NASDAQ: BCACU) on 20 December 2016. In addition, Mr. Jin was appointed as an Executive Director of Cinedigm Corp. (NASDAQ:CIDM) on 1 November 2017. Mr. Jin obtained a bachelor's degree with a dual major in Finance and Information Systems from the New York University in 1998.

Save as disclosed above, Mr. Jin does not at present, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor does he hold other positions in the Company or members of the Group.

Mr. Jin has entered into an appointment letter with the Company for an initial term of three years commencing from 21 February 2017 of which expired on 21 February 2020. Mr. Jin has renewed the appointment letter with the Company for a term of three years on 21 February 2020. Under the appointment letter, Mr. Jin is entitled to receive an aggregate amount of USD30,000 per annum with discretionary bonus. Mr. Jin is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Mr. Jin does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Jin is deemed to have an interest in the 400,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to him under the Existing Share Option Scheme.

There is no information which is required to be disclosed pursuant to the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The following is 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 ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,668,023,166 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 1,668,023,166 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 166,802,317 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back 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 buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds entirely from the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the applicable laws of Cayman Islands.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back 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 per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019	April	2.41	2.18
	May	2.25	1.79
	June	2.17	1.66
	July	1.88	1.55
	August	1.69	1.28
	September	1.54	1.13
	October	1.25	1.07
	November	1.70	1.14
	December	1.91	1.47
	2020	January	1.83
February		1.59	1.32
March		1.45	0.77
April (<i>up to and including the Latest Practicable Date</i>)		0.88	0.75

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) 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 Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back 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 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 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following Shareholders were directly or indirectly interested in 5% or more of the issued Shares:

	Name of Shareholders	Number of Shares in which interested Long position (L) Short position (S) Lending pool (P)	Capacity in which Shares are held	Approximate percentage of existing shareholding
1	Mr. Song Zhenghuan ("Mr. Song") (Notes 1,2,3 & 4)	770,122,427 (L)	Beneficiary of a Trust/ Beneficial Owner/Interest of Controlled Corporation	46.17%
2	Ms. Fu Jingqiu ("Ms. Fu") (Notes 1,2,3 & 4)	770,122,427 (L)	Settlor/Beneficiary of a Trust/Beneficial Owner	46.17%
3	Cayey Enterprises Limited (Note 2)	548,994,581 (L)	Interest of Controlled Corporation/Beneficial Owner	32.91%
4	Credit Suisse Trust Limited (Singapore) (Note 2)	548,994,581 (L)	Trustee	32.91%
5	Grappa Holdings Limited (Note 2)	548,994,581 (L)	Interest of Controlled Corporation	32.91%
6	Pacific United Developments Limited ("PUD") (Note 2)	409,518,229 (L)	Beneficial Owner	24.55%
7	FIL Limited	150,242,000 (L)	Investment Manager	9.01%

	Name of Shareholders	Number of Shares in which interested Long position (L) Short position (S) Lending pool (P)	Capacity in which Shares are held	Approximate percentage of existing shareholding
8	Pandanus Associates Inc.	150,242,000 (L)	Interest of Controlled Corporation	9.01%
9	Pandanus Partners L.P.	150,242,000 (L)	Interest of Controlled Corporation	9.01%
10	Sure Growth Investments Limited (<i>Note 3</i>)	129,293,975 (L)	Beneficial Owner	7.75%
11	FIDELITY FUNDS	99,653,000 (L)	Beneficial Owner	5.97%
12	Brown Brothers Harriman & Co.	99,614,610(L)	Agent	5.97%
13	Credit Suisse Trust Limited (Guernsey) (<i>Note 4</i>)	87,753,871 (L)	Trustee	5.26%
14	Golden Phoenix Limited	87,753,871 (L)	Interest of Controlled Corporation	5.26%
15	Rosy Phoenix Limited (<i>Note 4</i>)	87,753,871 (L)	Beneficial Owner	5.26%
16	Mr. Martin POS	84,633,498 (L)	Beneficial Owner	5.07%

Notes:

- (1) Mr. Song holds 1,390,000 share options exercisable into 1,390,000 shares of the Company. Ms. Fu. Holds 2,690,000 share options exercisable into 2,690,000 shares of the Company. As Ms. Fu is the spouse of Mr. Song, each of Mr. Song and Ms. Fu is deemed to be interested in each other's share options, which is 4,080,000 underlying shares of the Company.
- (2) PUD is owned as to approximately 52.37% by Cayey Enterprises Limited, which in turn is, as at 31 December 2019, wholly owned by Grappa Holdings Limited the issued share capital of which is owned as to 50% by Seletar Limited and as to 50% by Serangoon Limited, as nominees for Credit Suisse Trust Limited (Singapore), which is the trustee holding 548,994,581 interest on trust for the beneficiaries of the Grappa Trust. The beneficiaries of the Grappa Trust include Mr. Song, Ms. Fu and family members of Mr. Song and Ms. Fu. The Grappa Trust is a revocable discretionary trust established under the laws of Singapore.
- (3) Sure Growth Investments Limited is owned as to 44.44% by Mr. Song, as to 22.22% by Ms. Fu, as to 11.11% by Mr. LIU Tongyou, an executive Director of the Company and as to 5.56% by Mr. Michael Nan QU, an executive Director of the Company.
- (4) Rosy Phoenix Limited is indirectly held by Credit Suisse Trust Limited (Guernsey) as the trustee of the Golden Phoenix Trust; Ms. Fu is the settlor of the Golden Phoenix Trust and Credit Suisse Trust Limited (Guernsey) is the trustee holding 87,753,871 interest on trust for the beneficiaries that include Ms. Fu.

Assuming that no further Shares are issued between the Latest Practicable Date and the date of a buy-back under the proposed Share Buy-back Mandate, in the event that the Directors exercise the power to buy back Shares in full in accordance with the proposed Share Buy-back Mandate, the aggregate shareholding of the above Shareholders in the issued share capital of the Company would be increased to:

Name of Shareholders	Approximate percentage of shareholding if the proposed Share Buy-back Mandate is exercised in full
Mr. Song	51.30% (L)
Ms. Fu	51.30% (L)
Cayey Enterprises Limited	36.57% (L)
Credit Suisse Trust Limited (Singapore)	36.57% (L)
Grappa Holdings Limited	36.57% (L)
PUD	27.28% (L)
FIL Limited	10.01% (L)
Pandanus Associates Inc.	10.01% (L)
Pandanus Partners L.P.	10.01% (L)
Sure Growth Investments Limited	8.61% (L)
FIDELITY FUNDS	6.64% (L)
Brown Brothers Harriman & Co.	6.64% (L)
Credit Suisse Trust Limited (Guernsey)	5.85% (L)
Golden Phoenix Limited	5.85% (L)
Rosy Phoenix Limited	5.85% (L)
Mr. Martin POS	5.64% (L)

In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the shareholding of Mr. Song, Ms. Fu and persons acting in concert with them would be increased to approximately 51.30% of the issued share capital of the Company. The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

The following is a summary of the principal terms of the Share Option Scheme.

A. Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to the Group. The Share Option Scheme will enable the Company to grant options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

B. Who may join

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (F) below:

any full-time or part-time employees, executives or officers or directors (including executive, non-executive and independent non-executive directors) of the Company or any of the subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Group.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

C. Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (L), (M), (N), (O) and (P), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be

accompanied by a remittance or payment for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (R), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company.

D. Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (R) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (R) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

E. Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
 - (1) the Eligible Participant's name, address and occupation;
 - (2) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (3) the date upon which an offer for an option must be accepted;
 - (4) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (C);
 - (5) the number of Shares in respect of which the option is offered;
 - (6) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
 - (7) the date of the expiry of the option as may be determined by the Board;

- (8) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (C); and
- (9) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

F. Price of Shares

Subject to any adjustments made as described in paragraph (R) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

G. Granting options to a director, chief executive or substantial shareholder of the Company or any of their respective associates

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and

- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

H. Restrictions on the times of grant of Options

A grant of options shall not be made after inside information has come to the knowledge of the Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

- (ii) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:
 - (1) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (2) no option shall be granted during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

I. Rights are personal to grantee

An option and an offer to grant an option shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

J. Time of exercise of Option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

K. Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

L. Rights on ceasing employment or death

If the grantee of an option ceases to be an Eligible Participant

- (i) by any reason other than death or termination of his/her employment on the grounds specified in paragraph (M) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of three months from such cessation; or
- (ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

M. Rights on dismissal

If the grantee of an option ceases to be an employee of the Group on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Group (if so determined by the Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

N. Rights on takeover

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

O. Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a

remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

P. Rights on compromise or arrangement between the Company and its members or creditors

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

Q. Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

R. Effect of alterations to capital

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

S. Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (L), (M), (N), (O) or (P);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (P) becomes effective;
- (iv) subject to paragraph (O), the date of commencement of the winding-up of the Company;

- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Group or the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (I) above or the options are cancelled in accordance with paragraph (U) below.

T. Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

U. Cancellation of Options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (I).

V. Termination of the Share Option Scheme

The Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

W. Administration of the Board

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

X. Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme; and
- (ii) the passing of ordinary resolution(s) by the Shareholders at the Annual General Meeting to approve and adopt the Share Option Scheme, authorise the Board to grant Share Options under the Share Option Scheme, to allot and issue Shares pursuant to the exercise of any Share Options to be granted pursuant to the Share Option Scheme.

Y. Disclosure in annual and interim reports

The Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

Z. Present status of the Share Option Scheme

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Goodbaby

International

Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Goodbaby International Holdings Limited (the “**Company**”) will be held at 8/F, No. 5 Building, the Hub, No. 99 Shaohong Road, Minhang District, Shanghai, People’s Republic of China on Monday, 25 May 2020 at 10:00 a.m for the following purposes:

As Ordinary Business

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2019.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) To re-elect Mr. Martin POS as executive director and to authorize the board of directors to fix his remuneration.
 - (b) To re-elect Mr. LIU Tongyou as executive director and to authorize the board of directors to fix his remuneration.
 - (c) To re-elect Ms. CHIANG Yun as independent non-executive director and to authorize the board of directors to fix her remuneration.
 - (d) To re-elect Mr. JIN Peng as independent non-executive director and to authorize the board of directors to fix his remuneration.
3. To authorise the board of directors to fix the remuneration of the other directors of the Company.
4. To re-appoint Ernst & Young as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the board of directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy-back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); 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 in general meeting.”

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

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options

NOTICE OF ANNUAL GENERAL MEETING

which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) 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 of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); 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 in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register 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).”

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (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 bought back / by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

As Special Business

8. To consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the “**Share Option Scheme**”, a copy of which has been produced to the Annual General Meeting marked ‘A’ and initialled by the chairman of the Annual General Meeting for the purpose of identification):
- (i) the Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the Share Option Scheme subject to the terms of the Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and
- (ii) the Directors be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit.

NOTICE OF ANNUAL GENERAL MEETING

- (b) Conditional upon the Share Option Scheme becoming effective, the existing share option scheme (the “**Existing Share Option Scheme**”) for the Company which was adopted by the Company on 5 November 2010 be and is hereby terminated upon the Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

By Order of the Board
Goodbaby International Holdings Limited
SONG Zhenghuan
Chairman

Hong Kong, 22 April 2020

Notes:

1. All resolutions at the meeting 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 meeting is entitled to appoint another person as his proxy to attend and on a poll, vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the AGM. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the 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 branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting 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 meeting, the Register of Members of the Company will be closed from Wednesday, 20 May 2020 to Monday, 25 May 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 Annual General Meeting, 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 branch share registrar, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 May 2020.
5. A circular containing further details concerning items 2, 5, 6 and 8 set out in the above notice will be sent to all shareholders of the Company together with the 2019 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. References to time and dates in this notice are to Hong Kong time and dates.

This circular (in both English and Chinese versions) has been posted on the Company's website at www.gbinternational.com.hk.

Shareholders may request for printed copy of the circular free of charge or change their choice of means of receipt and language of the Company's corporate communications by sending reasonable notice in writing to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to goodbaby.ecom@computershare.com.hk.

Shareholders who have chosen to receive the Company's corporate communications in either English or Chinese version will receive both English and Chinese versions of this circular since both languages are bound together into one booklet.