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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)

**GRANT OF SHARE OPTIONS
AND
PROPOSED REFRESHMENT OF THE SCHEME LIMIT UNDER
THE SHARE OPTION SCHEME**

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

GRANT OF SHARE OPTIONS

The board of directors (the “**Board**”) of Goodbaby International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces that, on 27 March 2018, the Company has offered a total of 100,800,000 share options (the “**Share Options**”, each a “**Share Option**”) to subscribe for an aggregate of 108,000,000 new shares of HK\$0.01 each (the “**Shares**”, each a “**Share**”) in the capital of the Company, comprising (i) 77,000,000 Share Options to eight directors of the Company (the “**Directors**”); and (ii) 23,800,000 Share Options to certain employees of the Group, subject to acceptance of such grantees of the Share Options (the “**Grantees**”, each a “**Grantee**”) under the share option scheme adopted by the shareholders of the Company (the “**Shareholders**”) on 5 November 2010.

Details of the Share Options granted are as follows:

Date of grant:	27 March 2018 (the “ Date of Grant ”)
Exercise price of Share Options granted:	HK\$4.54, representing the highest of (i) the official closing price of HK\$4.54 per Share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited (the “ Stock Exchange ”) on 27 March 2018, being the Date of Grant; (ii) the average closing price of HK\$4.22 per Shares as stated in the daily quotation sheets issued by the Stock Exchange for five (5) trading days immediately preceding the Date of Grant; and (iii) the nominal value of a Share
Total number of Share Options granted:	100,800,000 Share Options (each Share Option shall entitle the holder of the Share Option to subscribe for one Share)
Closing price of the Shares on the Date of Grant:	HK\$4.54
Validity period of the Share Options:	27 March 2018 to 27 March 2028 (i.e. ten (10) years)
Vesting schedule of the Share Options:	The 100,800,000 Share Options, being Share Options granted to the Grantees, shall be vested in three tranches in accordance with the following dates: (i) 20% of the Share Options shall be vested on 27 September 2020; (ii) another 30% of the Share Options shall be vested on 27 September 2021; and (iii) the remaining Share Options shall be vested on 27 September 2022.
Exercise period of the Share Options:	The Shares Options are exercisable within a period of 10 years from the Date of Grant subject to the above vesting schedule

A total of 100,800,000 Share Options, 77,000,000 Share Options were granted to eight Directors and 23,800,000 Share Options were granted to certain employees of the Group, details of which are as follows:

Grantees	Position held with the Company	Number of Share Options
Mr. Martin Pos (“ Mr. Pos ”)	Executive Director, Chief Executive Officer	35,000,000
Mr. Ilcheul Yang (“ Mr. Yang ”)	Executive Director	20,000,000
Mr. Xia Xinyue (“ Mr. Xia ”)	Executive Director	20,000,000
Mr. Ho Kwok Yin, Eric (“ Mr. Ho ”)	Non-executive Director	400,000
Mr. Iain Ferguson Bruce (“ Mr. Bruce ”)	Independent non-executive Director	400,000
Mr. Shi Xiaoguang (“ Mr. Shi ”)	Independent non-executive Director	400,000
Ms. Chiang Yun (“ Ms. Chiang ”)	Independent non-executive Director	400,000
Mr. Jin Peng (“ Mr. Jin ”)	Independent non-executive Director	400,000
Employees of the Group	Employees of the Group	<u>23,800,000</u>
Total		<u><u>100,800,000</u></u>

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Share Options concerned). Accordingly, the grant of the Share Options to each of Mr. Pos, Mr. Yang, Mr. Xia, Mr. Ho, Mr. Bruce, Mr. Shi, Ms. Chiang and Mr. Jin as detailed above has been reviewed and approved by the independent non-executive Directors. Save as disclosed, none of the grantees is a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them.

Pursuant to Rule 17.03(4) of the Listing Rules and the Share Option Scheme, where any further grant of Share Options to the grantees would result in the Shares issued and to be issued upon exercise of all Share Options granted and to be granted to such person (including exercised, cancelled and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of Shares in issue, such further grant must be separately approved by shareholders in general meeting.

As the total number of Shares issued and to be issued upon exercise of the Share Options granted to Mr. Pos, Mr. Yang and Mr. Xia would in a 12-month period exceed 1% of the Shares in issue, the grant of Share Options to and acceptance thereof by Mr. Pos, Mr. Yang and Mr. Xia is conditional upon the approval by the independent Shareholders in general meeting with each of Mr. Pos, Mr. Yang and Mr. Xia and his associate (as ascribed thereto under Rule 1.01 of the Listing Rules), if any, abstaining from voting and such grant shall not take effect or be exercisable until such approval is obtained. A relevant resolution will be proposed at the forthcoming extraordinary general meeting to be convened by the Company on 28 May 2018 (the “EGM”).

PROPOSED REFRESHMENT OF THE SCHEME LIMIT UNDER THE SHARE OPTION SCHEME

The Board proposes to seek the approval of the Shareholders to refresh the limit imposed under the rules of the Share Option Scheme on the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options to be granted under the Share Option Scheme (the “**Scheme Limit**”). The Scheme Limit, if refreshed, shall not in aggregate exceed 10% of the Shares in issue as at the date of the EGM to be held to consider and, if thought fit, approve the refreshment of the Scheme Limit.

Pursuant to the shareholders’ approval obtained by the Company’s annual general meeting held on 25 May 2017, the original Scheme Limit was refreshed to 111,630,600 Shares, representing 10% of the then total number of Shares in issue. As at the date of this announcement (including the grant to the Grantees as detailed above), 105,300,000 Share Options have been granted to the eligible participants, none of which have been exercised. Accordingly, the remaining Scheme Limit is 6,330,600 Share Options, representing 0.38% of the total number of Shares in issue as at the date of this announcement, available to be granted if the Scheme Limit is not refreshed. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. The Board expects that the grant of Share Options in full under the refreshed 10% Option Scheme Limit will not cause the Shares to be issued upon exercise of all outstanding share options granted and available to be granted under the Share Option Scheme to be in excess of 30% of the Shares in issue from time to time.

The Board considers that it is in the interest of the Company and its Shareholders as a whole to refresh the Scheme Limit to provide the Company with greater flexibility, which enables the Board to grant appropriate and meaningful number of Share Options to the eligible individuals of the Share Option Scheme to subscribe for Shares under the Share Option Scheme for rewarding and motivating such eligible individuals to contribute further to the success of the Group. Pursuant to Rule 17.03(3) of the Listing Rules, the Company may seek approval from the Shareholders in general meeting for “refreshing” the Scheme Limit. Accordingly, the Company shall seek approval by its Shareholders by passing of an ordinary resolution in the EGM for refreshing the Scheme Limit so that the maximum number of Shares which may be allotted issued upon the exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of the EGM. According to Note (1) to Rule 17.03(3) of the Listing Rules, options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the Scheme Limit as “refreshed”.

As at the date of this announcement, the Company has 105,300,000 outstanding Share Options under the Share Option Scheme, representing approximately 6.32% of the total number of Shares in issue as at the date of this announcement, which will remain valid after the approval of the refreshment of the Scheme Limit at the EGM. If the refreshment of the Scheme Limit is approved at the EGM, on the basis of 1,666,257,166 Shares are in issue as at the date of this announcement and assuming that there will not be any change in the issued share capital of the Company prior to the EGM, the maximum number of Shares which may be issued upon exercise of all Share Options that may be granted under the Scheme Limit so refreshed shall be 166,625,716.

Under the terms of the Share Option Scheme and the Listing Rules, the proposed refreshment of the Option Scheme Limit must be approved by ordinary resolutions of the Shareholders at the EGM. The EGM will be held and convened for the purpose of, among other things, considering and, if thought fit, approving the proposed refreshment of the Scheme Limit. A circular containing, amongst other things, details of (i) the grant of Share Options to Mr. Pos, Mr. Yang and Mr. Xia; (ii) the proposed refreshment of the Scheme Limit; and (iii) the notice for convening the EGM will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 27 March 2018

As at the date of this announcement, the executive Directors are Mr. SONG Zhenghuan, Mr. Martin POS, Mr. YANG Ilcheul, Mr. XIA Xinyue, Mr. LIU Tongyou and Mr. Michael Nan QU; the non-executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the independent non-executive Directors are Mr. Iain Ferguson BRUCE, Mr. SHI Xiaoguang, Ms. CHIANG Yun and Mr. JIN Peng.