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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

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**”).

Due to the worldwide macro conditions in recent years, the trading price of the shares (the “**Shares**”) of Goodbaby International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) have decreased substantially, resulting in the exercise prices of the existing share options (the “**Share Options**”) of the Company granted under the share option scheme adopted by the shareholders of the Company on 5 November 2010 to be significantly higher than the recent market prices of the shares of the Company. To effectively incentivize the existing grantees of the Share Options, the board of directors (the “**Board**”) announces that the Company shall allow holders (the “**Grantees**”) of the existing Share Options (the “**Existing Share Options**”) granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 to exchange their Existing Share Options for new Share Options to be granted under the share option scheme adopted by the shareholders of the Company on 25 May 2020. As at the date of this announcement, none of the Existing Share Options have been vested.

I. The exchange of Existing Share Options

Details of the exchange mechanism is set out below.

- (i) The Company will offer to grant to each of the Grantee the aggregate number of Share Options (rounded down to the nearest integer) set out below:
 1. such number of Share Options granted to the Grantee on 28 August 2017 (the “**2017 Share Options**”) multiplied by 28% (the “**New 2017 Share Options**”);
 2. such number of Share Options granted to the Grantee on 27 March 2018 (the “**First 2018 Share Options**”) multiplied by 24% (the “**New First 2018 Share Options**”);

3. such number of Share Options granted to the Grantee on 28 May 2018 (the “**Second 2018 Share Options**”) multiplied by 20% (the “**New Second 2018 Share Options**”); and
4. such number of Share Options granted to the Grantee on 23 May 2019 (the “**2019 Share Options**”) multiplied by 31% (the “**New 2019 Share Options**”).

The above exchange ratios for the Existing Share Options were determined on a “value-to-value” basis, such that a holder of the Existing Share Options is offered to exchange, in whole or in part, his or her Existing Share Options for new Share Options on the same value as at 19 June 2020, being the Date of Grant.

- (ii) Except for the exercise price, the terms of the:
 - a. New 2017 Share Options will be the same as the 2017 Share Options;
 - b. New First 2018 Share Options will be the same as the First 2018 Share Options;
 - c. New Second 2018 Share Options will be the same as the Second 2018 Share Options; and
 - d. New 2019 Share Options will be the same as the 2019 Share Options.
- (iii) The Grantees may accept the new Share Options offered in whole or in part.
- (iv) By accepting the offer of the new Share Options *in whole*, the Grantee agrees with the Company to cancel all his or her Existing Share Options.
- (v) By accepting the offer of the new Share Options *in part*, the Grantee will be granted such number of new Share Options equal to the number of Existing Share Options agreed to be cancelled multiplied by the corresponding exchange ratio set out in the table in paragraph (i) above.

II. The grant of new Share Options

Details of the new Share Options offered to be granted under the exchange of Existing Share Options as set out in the section headed “I. The exchange of Existing Share Options” above are as follows:

Date of grant:	19 June 2020 (the “ Date of Grant ”)
Exercise price of Share Options granted:	HK\$0.96, which is the highest of (i) the official closing price of HK\$0.96 per Share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited (the “ Stock Exchange ”) on the Date of Grant; (ii) the average closing price of HK\$0.922 per Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the Date of Grant; and (iii) the nominal value of a Share.

Total number of Share Options granted:	47,321,000 Share Options (each Share Option shall entitle the holder of the Share Option to subscribe for one Share)
Condition of the grant:	<p>The grant is conditional upon:</p> <ul style="list-style-type: none"> (i) accepting by the Grantee in full or in part; and (ii) the Grantee agreeing to cancel in full (if acceptance in full) or in part (if acceptance in part) of the Existing Share Options as explained in the section headed “I. The exchange of Existing Share Option” of this announcement.
Exercise period and vesting schedule of the Share Options:	<p>Among the 47,321,000 share options, the vesting schedule and exercise period are as follows:</p> <ul style="list-style-type: none"> (a) 280,000 of which will be vested on 28 August 2020 and exercisable until 27 August 2027; (b) 280,000 of which will be vested on 28 August 2021 and exercisable until 27 August 2027; (c) 280,000 of which will be vested on 28 August 2022 and exercisable until 27 August 2027; (d) 3,710,400 of which will be vested on 27 September 2020 and exercisable until 27 March 2028; (e) 5,565,600 of which will be vested on 27 September 2021 and exercisable until 27 March 2028; (f) 9,276,000 of which will be vested on 27 September 2022 and exercisable until 27 March 2028; (g) 384,000 of which will be vested on 28 May 2021 and exercisable until 27 May 2028; (h) 576,000 of which will be vested on 28 May 2022 and exercisable until 27 May 2028; (i) 960,000 of which will be vested on 28 May 2023 and exercisable until 27 May 2028; (j) 5,201,800 of which will be vested on 23 May 2022 and exercisable until 22 May 2029; (k) 7,802,700 of which will be vested on 23 May 2023 and exercisable until 22 May 2029; (l) 13,004,500 of which will be vested on 23 May 2024 and exercisable until 22 May 2029;

The Grantees:	Grantee	Role	Share Options
	Ms. Fu Jingqiu	non-executive director	403,000 share options
	Mr. Martin POS	executive director	8,400,000 share options
	Mr. Xia Xinyue	executive director	4,800,000 share options
	Mr. Liu Tongyou	executive director	3,906,000 share options
	Mr. Michael Nan Qu	executive director	3,100,000 share options
	Mr. Ho Kwok Yin, Eric	non-executive director	96,000 share options
	Mr. Iain Ferguson Bruce	independent non-executive director	96,000 share options
	Mr. Shi Xiaoguang,	independent non-executive director	96,000 share options
	Ms. Chiang Yun	independent non-executive director	96,000 share options
	Mr. Jin Peng	independent non-executive director	96,000 share options
	Ms. Sharon Kobler	daughter of Mr. Song Zhenghuan and Ms. Fu Jingqiu	620,000 share options
	other employees of the Group	–	25,612,000 share options

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to the directors set out in the section headed “The Grantees” and Ms. Sharon Kobler have been approved by the independent non-executive directors (excluding independent non-executive director who is the grantee of the Share Options with respect to his or her proposed grant).

Except for the Share Options granted to the directors set out in the section headed “The Grantees” and Ms. Sharon Kobler, none of the Grantees is a director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules).

By order of the Board
Goodbaby International Holdings Limited
Song Zhenghuan
Chairman

Hong Kong, 19 June 2020

As at the date of this announcement, the executive directors are Mr. SONG Zhenghuan, Mr. Martin POS, 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.