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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)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 28 December 2012 in relation to the First Pingxiang Lease Agreement.

On 23 August 2013, GCPX and GGPX entered into the Second Pingxiang Lease Agreement, pursuant to which GGPX will lease the Properties I to GCPX commencing from 1 September 2013 and ending on 31 December 2015.

On 23 August 2013, GCPC and GGPX entered into the Third Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property II to GCPC commencing from 1 September 2013 and ending on 31 December 2015.

GGPX is a wholly-owned subsidiary of GGCL, which is a company controlled by Mr. Song Zhenghuan, the Company's chairman, chief executive officer and executive Director, and his spouse, Ms. Fu Jingqiu. Accordingly, GGPX is an associate of Mr. Song under the Listing Rules and thus it is regarded as a connected person of the Company under the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Second Pingxiang Lease Agreement and the Third Pingxiang Lease Agreement shall be aggregated together with the transactions contemplated under the First Pingxiang Lease Agreement as they were entered into by members of the Group with the same connected person involving leases of properties in Pingxiang County, Hebei Province, PRC.

Given that each of the applicable percentage ratios (other than the profit ratio) under Chapter 14 of the Listing Rules for the transactions under the Second Pingxiang Lease Agreement and Third Pingxiang Lease Agreement will be on an annual basis more than 0.1% but less than 5% when aggregated under Rule 14A.25 of the Listing Rules, the transactions contemplated under the Second Pingxiang Lease Agreement and Third Pingxiang Lease Agreement will be exempted from the independent shareholders' approval requirement but are subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Reference is made to the announcement of the Company dated 28 December 2012 in relation to the First Pingxiang Lease Agreement.

A. THE SECOND PINGXIANG LEASE AGREEMENT

On 23 August 2013, GCPX and GGPX entered into the Second Pingxiang Lease Agreement, pursuant to which GGPX will lease the Properties I to GCPX commencing from 1 September 2013 and ending on 31 December 2015.

General Principles and Terms

The Second Pingxiang Lease Agreement is valid for a term commencing from 1 September 2013 and ending on 31 December 2015. The Properties I are intended to be used mainly for production and employees related purposes such as a canteen and hostel. The aggregate annual rental of the Properties I payable by GCPX to GGPX is determined with reference to the market rental rate. Rental payment for each month is payable in advance on a monthly basis before the tenth day of each month.

GCPX has an option to renew the Second Pingxiang Lease Agreement at any time within the three months period before the expiry date of the Second Pingxiang Lease Agreement for a further period of three years, on the condition that all applicable disclosure and/or shareholders' approval requirement under the Listing Rules shall have been complied with by the Company.

Annual Caps

The annual caps under the Second Pingxiang Lease Agreement for each of the three years ending 31 December 2015 is RMB1,400,000 (or approximately HK\$1,759,678), RMB4,500,000 (or approximately HK\$5,656,109) and RMB5,000,000 (or approximately HK\$6,284,565), respectively. The Directors consider that the terms of the Second Pingxiang Lease Agreement including the annual caps thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Shareholders as a whole.

B. THE THIRD PINGXIANG LEASE AGREEMENT

On 23 August 2013, GCPC and GGPX entered into the Third Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property II to GCPC during a period commencing from 1 September 2013 and ending on 31 December 2015.

General Principles and Terms

The Third Pingxiang Lease Agreement is valid for a term commencing from 1 September 2013 and ending on 31 December 2015. The Property II is intended to be used mainly for warehouse purposes. The aggregate annual rental of the Property II payable by GCPC to GGPX is determined with reference to the market rental rate. Rental payment for each month is payable in advance on a monthly basis before the tenth day of each month.

GCPC has an option to renew the Third Pingxiang Lease Agreement at any time within the three months period before the expiry date of the Third Pingxiang Lease Agreement for a further period of three years, on the condition that all applicable disclosure and/or shareholders' approval requirement under the Listing Rules shall have been complied with by the Company.

Annual Caps

The annual caps under the Third Pingxiang Lease Agreement for each of the three years ending 31 December 2015 is RMB330,000 (or approximately HK\$414,781), RMB1,100,000 (or approximately HK\$1,382,604) and RMB1,200,000 (or approximately HK\$1,508,296), respectively. The Directors consider that the terms of the Third Pingxiang Lease Agreement including the annual caps thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Shareholders as a whole.

INFORMATION ON THE GROUP, GCPC, GCPX AND GGPX

The Group is principally engaged in the design, research and development, manufacture, marketing and sale of strollers, children's car seats, cribs, bicycles and tricycles, and other durable juvenile products.

GCPC is principally engaged in the manufacture and sale of strollers, children's car seats, cribs, bicycles and tricycles, and other durable juvenile products.

GCPX is principally engaged in the manufacture and sale of strollers, children's bicycles and tricycles, cribs, and other durable juvenile products.

GGPX is principally engaged in the leasing of properties.

LISTING RULES IMPLICATIONS

GGPX is a wholly-owned subsidiary of GGCL, which is a company controlled by Mr. Song Zhenghuan, the Company's chairman, chief executive officer and executive Director, and his spouse, Ms. Fu Jingqiu. Accordingly, GGPX is an associate of Mr. Song under the Listing Rules and thus it is regarded as a connected person of the Company under the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Second Pingxiang Lease Agreement and the Third Pingxiang Lease Agreement shall be aggregated together with the transactions contemplated under the First Pingxiang Lease Agreement as they were entered into by members of the Group with the same connected person involving leases of properties in Pingxiang County, Hebei Province, PRC.

Given that each of the applicable percentage ratios (other than the profit ratio) under Chapter 14 of the Listing Rules for the transactions under the Second Pingxiang Lease Agreement and Third Pingxiang Lease Agreement will be on an annual basis more than 0.1% but less than 5% when aggregated under Rule 14A.25 of the Listing Rules, the transactions contemplated under the Second Pingxiang Lease Agreement and Third Pingxiang Lease Agreement will be exempt from the independent shareholders' approval requirement but subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Mr. Song and Mr. Wang Haiye have material interest in the transactions contemplated under the Second Pingxiang Lease Agreement and Third Pingxiang Lease Agreement and they have abstained from voting on the board resolutions in relation to this.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	Goodbaby International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“First Pingxiang Lease Agreement”	the lease agreement dated 28 December 2012 entered into between GCPX and GGPX in relation to the lease of certain properties situated in Pingxiang County, Hebei Province, PRC from GGPX to GCPX;
“GCPX”	好孩子兒童用品有限公司 (Goodbaby Child Products Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC and an indirect wholly owned subsidiary of the Company;
“GCPX”	好孩子兒童用品平鄉有限公司(Goodbaby Child Products Pingxiang Co., Ltd.*), a company established in the PRC and an indirect wholly owned subsidiary of the Company;
“GGCL”	好孩子集團有限公司 (Goodbaby Group Co., Ltd.*), a company established in the PRC and controlled by Mr. Song Zhenghuan, the Company’s chairman, chief executive officer and executive Director, and his spouse, Ms. Fu Jingqiu;
“GGPX”	好孩子集團平鄉有限公司 (Goodbaby Group Pingxiang Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of GGCL;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Properties I”	the premises situated on the south side of the eastern section of Zhonghua Road, Pingxiang County, Hebei Province, PRC (河北省平鄉縣城中華路東段南側) of a total of approximately 41,752.72 square metres, of which (i) the lease of a total of 39,152.72 square metres with building ownership certificates of Ping Fang Quan Zheng Qi Qu 03 Zi No. 563 (平房權證乞區03字第563號), Ping Fang Quan Zheng Qi Qu 03 Zi No. 564 (平房權證乞區03字第564號), Ping Fang Quan Zheng Qi Qu 03 Zi No. 565 (平房權證乞區03字第565號), Ping Fang Quan Zheng Qi Qu 03 Zi No. 568 (平房權證乞區03字第568號) and Ping Fang Quan Zheng Qi Qu 03 Zi No. 570 (平房權證乞區03字第570號) will commence from 1 September 2013, and (ii) the lease of a total of approximately 2,600 square metres will commence after GGPX obtains the respective building ownership certificates and upon the completion of housing delivery by GGPX to GCPX, which is expected to be by November 2013;
“Property II”	the premises situated on the south side of the eastern section of Zhonghua Road, Pingxiang County, Hebei Province, PRC (河北省平鄉縣城中華路東段南側) of a total of 10,044 square metres with building ownership certificate of Ping Fang Quan Zheng Qi Qu 03 Zi No. 569 (平房權證乞區03字第569號);
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;

“Second Pingxiang Lease Agreement”	the lease agreement dated 23 August 2013 entered into between GCPX and GGPX in relation to the lease of Properties I from GGPX to GCPX;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Third Pingxiang Lease Agreement”	the lease agreement dated 23 August 2013 entered into between GCPC and GGPX in relation to the lease of Property II from GGPX to GCPC; and
“%”	per cent.

* *For identification purpose only*

For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.000000 to HK\$1.256913. This conversion is provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB or HK\$ can be converted at the above rate or any other rates or at all.

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

Hong Kong, 23 August 2013

As at the date of this announcement, the executive Directors are Mr. SONG Zhenghuan and Mr. WANG Haiye; the non-executive Directors are Ms. CHIANG Yun and Mr. HO Kwok Yin, Eric; the independent non-executive Directors are Mr. Iain Ferguson BRUCE, Mr. LONG Yongtu and Mr. SHI Xiaoguang.