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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)

AMENDMENTS TO EXISTING CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS

AMENDMENTS TO EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 28 December 2012 and 23 August 2013 in relation to the First Pingxiang Lease Agreement, the Second Pingxiang Lease Agreement and the Third Pingxiang Lease Agreement. The above three agreements were amended as follows:

- 1) On 18 March 2014, GGPX and GCPX entered into the Supplemental Agreement for the First Pingxiang Lease Agreement, pursuant to which the rent under the First Pingxiang Lease Agreement is undertaken annual review and amended according to the relevant terms under the First Pingxiang Lease Agreement.
- 2) On 18 March 2014, GGPX and GCPX entered into the Supplemental Agreement for the Second Pingxiang Lease Agreement, pursuant to which (i) GGPX will continue to lease the Category A Properties to GCPX on the same terms set out under the Second Pingxiang Lease Agreement except for the rent, the rent in relation to the Category A Properties under the Second Pingxiang Lease Agreement is undertaken annual review and amended according to the relevant terms under the Second Pingxiang Lease Agreement, and (ii) the parties specify the specific location of the Category B Properties (which were not previously specified under the Second Pingxiang Lease Agreement as housing delivery had not been completed) and the term of the rental of the Category B Properties will commence from 1 April 2014 and end on 31 December 2015 on the same terms set out under the Second Pingxiang Lease Agreement except for the rent.

- 3) On 18 March 2014, GGPX, GCPC and GCPX entered into the Supplemental Agreement for the Third Pingxiang Lease Agreement, pursuant to which GCPX will substitute GCPC under the Third Pingxiang Lease Agreement whereby GGPX will lease the Property II to GCPX commencing from 1 April 2014 and ending on 31 December 2015.

NEW CONTINUING CONNECTED TRANSACTIONS

On 18 March 2014, GGPX and GCPC entered into the Fourth Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property III to GCPC commencing from 1 April 2014 and ending on 31 December 2015.

On 18 March 2014, GGPX and GCPX entered into the Fifth Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property IV to GCPX commencing from 1 April 2014 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 Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth Pingxiang Lease Agreement shall be aggregated 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 profits ratio) under Chapter 14 of the Listing Rules for the transactions under the Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth 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 Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second

Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth 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 announcements of the Company dated 28 December 2012 and 23 August 2013 in relation to the First Pingxiang Lease Agreement, the Second Pingxiang Lease Agreement and the Third Pingxiang Lease Agreement.

A. THE SUPPLEMENTAL AGREEMENT FOR THE FIRST PINGXIANG LEASE AGREEMENT

On 18 March 2014, GGPX and GCPX entered into the Supplemental Agreement for the First Pingxiang Lease Agreement whereby the rent for the period from 1 January 2013 to 31 December 2013 remained the same at RMB8.00 per square metre but that for the period from 1 January 2014 to 31 December 2015 would be increased to RMB8.80 per square metre.

Reasons for the amendment

The rent is undertaken annual review pursuant to the relevant terms under the First Pingxiang Lease Agreement, and is increased in response to the increased prevailing market rental rate for similar properties in the neighbouring area of the Property I.

Annual Caps

The annual caps under the Supplemental Agreement for the First Pingxiang Lease Agreement for each of the two years ending 31 December 2015 will remain the same at RMB2,350,000 (or approximately HK\$2,974,684.05) and RMB2,585,000 (or approximately HK\$3,272,152.46), respectively. The Directors consider that the terms of the Supplemental Agreement for the First 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 SUPPLEMENTAL AGREEMENT FOR THE SECOND PINGXIANG LEASE AGREEMENT

On 18 March 2014, GGPX and GCPX entered into the Supplemental Agreement for the Second Pingxiang Lease Agreement with the following principal terms:

- (i) GGPX will continue to lease the Category A Properties to GCPX on the same terms set out under the Second Pingxiang Lease Agreement except for the rent, which remained the same at RMB8.00 per square metre for the period from 1 September 2013 to 31 December 2013, will be increased to RMB8.80 per square metre for the period from 1 January 2014 to 31 December 2015;
- (ii) the parties specify the specific location of the Category B Properties (which were not previously specified under the Second Pingxiang Lease Agreement as housing delivery had not been completed) and the term of the rental of the Category B Properties will commence from 1 April 2014 and end on 31 December 2015 on the same terms set out under the Second Pingxiang Lease Agreement except for the rent; and
- (iii) in respect of the Category B Properties, the rent will be increased to RMB8.80 per square metre.

Reasons for the increase in rent

The rent is undertaken annual review pursuant to the relevant terms under the Second Pingxiang Lease Agreement, and is increased in response to the increased prevailing market rental rate for similar properties in the neighbouring area of the Category A Properties and the Category B Properties.

Annual Caps

The annual caps under the Supplemental Agreement for the Second Pingxiang Lease Agreement for the each of the two years ending 31 December 2015 will remain the same at RMB4,500,000 (or approximately HK\$5,696,203.5) and RMB5,000,000 (or approximately HK\$6,329,115), respectively. The Directors consider that the terms of the Supplemental Agreement for 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.

C. THE SUPPLEMENTAL AGREEMENT FOR THE THIRD PINGXIANG LEASE AGREEMENT

On 18 March 2014, GGPX, GCPC and GCPX entered into the Supplemental Agreement for the Third Pingxiang Lease Agreement with the following principal terms:

- (i) GCPX will substitute GCPC under the Third Pingxiang Lease Agreement whereby GGPX will lease the Property II to GCPX commencing from 1 April 2014 and ending on 31 December 2015, and the rent for the period from 1 September 2013 to 31 December 2013 remained the same at RMB8.00 per square metre but that for the period from 1 January 2014 to 31 December 2015 would be increased to RMB8.80 per square metre; and
- (ii) GCPX will assume all the liabilities owed by GCPC to GGPX under the Supplemental Agreement for the Third Pingxiang Lease Agreement with effect from 1 April 2014.

Reasons for the amendments

GCPX will substitute GCPC as the tenant for the Property II in response to the increased production capacity of GCPX and thus its demand for a larger manufacturing plant. Initially GCPC leased the Property II for use as a logistics warehouse whereas GCPX now intends to lease the Property II for use as a manufacturing plant.

The rent is undertaken annual review pursuant to the relevant terms under the Third Pingxiang Lease Agreement, and is increased in response to the increased prevailing market rental rate for similar properties in the neighbouring area of the Property II.

Annual Caps

The annual caps under the Supplemental Agreement for the Third Pingxiang Lease Agreement for each of the two years ending 31 December 2015 will remain the same at RMB1,100,000 (or approximately HK\$1,392,405.3) and RMB1,200,000 (or approximately HK\$1,518,987.6), respectively. The Directors consider that the terms of the Supplemental Agreement for 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.

D. THE FOURTH PINGXIANG LEASE AGREEMENT

On 18 March 2014, GGPX and GCPC entered into the Fourth Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property III to GCPC commencing from 1 April 2014 and ending on 31 December 2015.

General Principles and Terms

The Fourth Pingxiang Lease Agreement is valid for a term commencing from 1 April 2014 and ending on 31 December 2015. The Property III is intended to be used mainly as a logistics warehouse. The aggregate annual rent of the Property III 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 Fourth Pingxiang Lease Agreement at any time within the three months period before the expiry date of the Fourth 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 Fourth Pingxiang Lease Agreement for each of the two years ending 31 December 2015 are RMB1,200,000.00 (or approximately HK\$1,518,987.6) and RMB1,700,000.00 (or approximately HK\$2,151,899.1), respectively. The Directors consider that the terms of the Fourth 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.

E. THE FIFTH PINGXIANG LEASE AGREEMENT

On 18 March 2014, GGPX and GCPX entered into the Fifth Pingxiang Lease Agreement, pursuant to which GGPX will lease the Property IV to GCPX commencing from 1 April 2014 and ending on 31 December 2015.

General Principles and Terms

The Fifth Pingxiang Lease Agreement is valid for a term commencing from 1 April 2014 and ending on 31 December 2015. The Property IV is intended to be used mainly for manufacturing plants and manufacturing support facilities. The aggregate annual rent of the Property IV 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 Fifth Pingxiang Lease Agreement at any time within the three months period before the expiry date of the Fifth 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 Fifth Pingxiang Lease Agreement for each of the two years ending 31 December 2015 are RMB400,000.00 (or approximately HK\$506,329.2) and RMB600,000.00 (or approximately HK\$759,493.8), respectively. The Directors consider that the terms of the Fifth 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 Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth Pingxiang Lease Agreement shall be aggregated 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 profits ratio) under Chapter 14 of the Listing Rules for the transactions under the Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth 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 Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement, the Fourth Pingxiang Lease Agreement and the Fifth 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.

Mr. Song and Mr. Wang Haiye have material interest in the transactions contemplated under the Supplemental Agreement for the First Pingxiang Lease Agreement, the Supplemental Agreement for the Second Pingxiang Lease Agreement, the Supplemental Agreement for the Third Pingxiang Lease Agreement and the Fourth Pingxiang Lease Agreement, and they have abstained from voting on the board resolutions in relation thereto.

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;
“Category A Properties”	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 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);

“Category B Properties”	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 2,144.99 square metres, with building ownership certificates of Ping Fang Quan Zheng Qi Qu 03 Zi No. 705 (平房權證乞區03字第705號), Ping Fang Quan Zheng Qi Qu 03 Zi No. 708 (平房權證乞區03字第708號) and Ping Fang Quan Zheng Qi Qu 03 Zi No. 709 (平房權證乞區03字第709號);
“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;
“Fifth Pingxiang Lease Agreement”	the lease agreement dated 18 March 2014 entered into between GGPX and GCPX in relation to the lease of the Property IV from GGPX to GCPX;
“First Pingxiang Lease Agreement”	the lease agreement dated 28 December 2012 entered into between GGPX and GCPX in relation to the lease of the Property I from GGPX to GCPX;
“Supplemental Agreement for the First Pingxiang Lease Agreement”	the lease agreement dated 18 March 2014 entered into between GGPX and GCPX supplementing the terms of the First Pingxiang Lease Agreement;
“Fourth Pingxiang Lease Agreement”	the lease agreement dated 18 March 2014 entered into between GGPX and GCPC in relation to the lease of the Property III from GGPX to GCPC;
“GCPC”	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, excluding, for the purposes of this announcement, Hong Kong, Taiwan and the Macau Special Administrative Region;
“Property 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 22,248 square metres with building ownership certificates of Ping Fang Quan Zheng Qi Qu 03 Zi No. 566 (平房權證乞區03字 第566號) and Ping Fang Quan Zheng Qi Qu 03 Zi No. 567 (平房權證乞區03字第567號);
“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);

“Property III”	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 12,821.82 square metres with building ownership certificate of Ping Fang Quan Zheng Qi Qu 03 Zi No.702 (平房權證乞區03字第702號);
“Property IV”	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 4,541.39 square metres with building ownership certificate of 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.703 (平房權證乞區03字第703號) and Ping Fang Quan Zheng Qi Qu 03 Zi No.704 (平房權證乞區03字第704號);
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Pingxiang Lease Agreement”	the lease agreement dated 23 August 2013 entered into between GGPX and GCPX in relation to the lease of Category A Properties from GGPX to GCPX;
“Supplemental Agreement for the Second Pingxiang Lease Agreement”	the lease agreement dated 18 March 2014 entered into between GGPX and GCPX supplementing the terms of the Second Pingxiang Lease Agreement;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement for the Third Pingxiang Lease Agreement”	the lease agreement dated 18 March 2014 entered into between GGPX, GCPC and GCPX supplementing the terms of the Third Pingxiang Lease Agreement;

“Third Pingxiang Lease Agreement” the lease agreement dated 23 August 2013 entered into between GGPX and GCPC in relation to the lease of the Property II from GGPX to GCPC;

“%” 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 RMB1.00 to HK\$1.265823. 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, 18 March 2014

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