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BABYTREE GROUP

寶寶樹集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1761)

VOLUNTARY ANNOUNCEMENT

INCREASE IN SHAREHOLDING BY A SUBSTANTIAL SHAREHOLDER

This is a voluntary announcement made by BabyTree Group (the “**Company**”) to provide its shareholders (the “**Shareholders**”) and potential investors with information in relation to the increase in shareholding by a substantial Shareholder.

The board of directors of the Company (the “**Board of Directors**”) is notified by Startree (BVI) Limited (“**Startree BVI**”), a substantial Shareholder, that on October 10, 2019, Tenzing Holdings 2011, Ltd. (“**Tenzing**”) transferred 20,000,000 shares in the Company (the “**Shares**”) (representing approximately 1.18% of the total issued share capital in the Company as at the date of this announcement) to Startree BVI, at a consideration of HK\$45,600,000 (the “**Transfer**”).

The following table sets forth the number of Shares and shareholding percentage held by, and the voting rights controlled by each of our two largest Shareholders, Mr. WANG Huainan (together with his family trust) and Fosun International Limited (together with its subsidiaries), immediately before and after the Transfer.

| Name of Shareholder | Description | Number of shares before the Transfer | Approximate percentage before the Transfer | Number of shares after the Transfer | Approximate percentage after the Transfer |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------------|-------------------------------------------|
| Mr. WANG Huainan | Shares held by Wang Family Limited Partnership | 370,096,250 ⁽¹⁾ | 21.92% | 370,096,250 ⁽¹⁾ | 21.92% |
| | Shares over which Mr. WANG Huainan controls the voting rights through the voting agreement with Tenzing | <u>59,687,846⁽²⁾</u> | <u>3.53%</u> | <u>39,687,846⁽²⁾</u> | <u>2.35%</u> |
| Total voting rights controlled by Mr. WANG Huainan | | <u><u>429,784,096</u></u> | <u><u>25.45%</u></u> | <u><u>409,784,096</u></u> | <u><u>24.27%</u></u> |
| Fosun International Limited | Shares held by Fosun International Limited | 12,838,000 | 0.76% | 12,838,000 | 0.76% |
| | Shares held by Fidelidade – Companhia de Seguros, S.A., a subsidiary of Fosun International Limited | 2,267,500 | 0.13% | 2,267,500 | 0.13% |
| | Shares held by Startree BVI, a subsidiary of Fosun International Limited | <u>381,427,568</u> | <u>22.59%</u> | <u>401,427,568</u> | <u>23.77%</u> |
| Total number of shares held and voting rights controlled by Fosun International Limited and its subsidiaries | | <u><u>396,533,068</u></u> | <u><u>23.48%</u></u> | <u><u>416,533,068</u></u> | <u><u>24.67%</u></u> |

Notes:

- (1) Immediately before and after the Transfer, 370,096,250 Shares are held by Wang Family Limited Partnership, which is owned by Golden Leaf Cayman Holdings Limited (general partner of Wang Family Limited Partnership) as to 0.01%, Golden Leaf Holdings Limited (sole shareholder of Golden Leaf Cayman Holdings Limited) as to 30%, and Mr. WANG Huainan in the capacity of trustee of Allen Wang Grantor Retained Annuity Trust (a limited partner of Wang Family Limited Partnership) as to 39.99%. Mr. WANG Huainan is the sole shareholder of Golden Leaf Holdings Limited and founder of Allen Wang Grantor Retained Annuity Trust.

- (2) Immediately before the Transfer, pursuant to the voting agreement dated September 10, 2018 entered into between Tenzing and Mr. WANG Huainan, Mr. WANG Huainan as an attorney had the right to vote over all the 59,687,846 Shares held by Tenzing. As Tenzing transferred 20,000,000 Shares to Startree BVI, the number of Shares held by Tenzing decreased to 39,687,846. As a result, immediately after the Transfer, Mr. WANG Huainan has the right to vote over a total of 39,687,846 Shares pursuant to the voting agreement with Tenzing.
- (3) The percentage figures are subject to rounding adjustments. The discrepancy between the total and sums of amounts listed therein is due to rounding.
- (4) As at the date of this announcement, the total number of issued Shares of the Company was 1,688,488,109 (including Shares repurchased by the Company but not yet cancelled). As at the date of this announcement, a total of 19,577,500 Shares have been repurchased by the Company but not yet cancelled.

By order of the Board of Directors
BabyTree Group
寶寶樹集團
WANG Huainan
Chairman

Hong Kong, October 11, 2019

As at the date of this announcement, the Board comprises Mr. WANG Huainan and Mr. XU Chong as executive Directors; Mr. CHEN Qiyu, Mr. WANG Changying, Mr. MA Jiangwei, Mr. Christian Franz REITERMANN and Mr. JING Jie as non-executive Directors; and Mr. CHEN Guanglei, Ms. CHEN Danxia, Mr. De-chao Michael YU and Mr. ZHANG Hongjiang as independent non-executive Directors.