BABYTREE GROUP
寶寶樹集團

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1761)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The board (the "**Board**") of directors (the "**Directors**") of BabyTree Group (the "**Company**" or "**BabyTree**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2021 together with the comparative figures for the six months ended June 30, 2020.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

KEY HIGHLIGHTS

Set forth below are our key highlights for the six months ended June 30, 2021:

1. We recorded revenue of RMB135.2 million for the six months ended June 30, 2021, representing a significant growth of 44.2%. Revenue from advertising business experienced a sharp rebound while revenue from E-commerce slightly recovered.

2. Our loss for the period narrowed by 29.2% to RMB122.5 million for the six months ended June 30, 2021, compared to RMB172.9 million for the six months ended June 30, 2020.

3. Core monetization user traffic for BabyTree Parenting Apps increased by 7.0% to 21.8 million for the six months ended June 30, 2021.

4. We initiated the two-pronged construction of SaaS platform focusing on marketing and management in the M&C industry as well as upgrade of C2M ecosystem.

KEY OPERATIONAL DATA

	For the six months ended June 30, 2021	For the six months ended June 30, 2020	Year on year change [4]
Core monetization user traffic (in million) [1]	**21.8**	20.4	7.0%
Second-day retention rate (%) [2]	**51.5**	48.9	2.6
Average daily engagement time (minutes) [3]	**12.4**	15.1	(2.7 minutes)

Notes:

(1) "Core monetization user traffic" refers to monthly active user ("**MAU**") of BabyTree Parenting App, calculated by counting the number of active users during the calendar month in question. The number of MAUs of our mobile apps is tracked and calculated by Umeng (友盟), a third-party data tracking service provided by Beijing Ruixunlingtong Technology Co., Ltd (北京銳訊靈通科技有限公司). The average total MAUs of BabyTree is 76.4 million as of June 30,2021.

(2) "Second-day retention rate" refers to the percentage of active users on BabyTree Parenting Apps that remained active users in the second day. The number of second-day retention rate is tracked and calculated by QuestMobile, a third-party data tracking service provided by Beijing Guishi Information Technology Limited (北京貴士信息科技有限公司).

(3) "Average daily engagement time" refers to the average time spent on BabyTree Parenting Apps by users.

(4) The year on year change of core monetization user traffic represents the percentage change. The year on year change of second-day retention rate represents the difference between the periods indicated. The year on year change of average daily engagement time represents the difference between the periods indicated.

KEY FINANCIAL DATA

	For the six months ended June 30, 2021 *RMB'000* *(Unaudited)*	For the six months ended June 30, 2020 *RMB'000* *(Unaudited)*	Year on year change (%)
Revenue	**135,185**	93,731	44.2
– Advertising	**120,390**	77,594	55.2
– E-commerce	**13,370**	13,323	0.4
– Others	**1,425**	2,814	(49.4)
Gross profit	**84,449**	30,975	172.6
Gross margin	**62.5%**	33.0%	29.5(1)
Loss for the period	**122,455**	172,863	29.2

Note:

(1) Represents the difference between the gross margin for the six months ended June 30, 2021 and the gross margin for the six months ended June 30, 2020.

BUSINESS REVIEW AND OUTLOOK

During the first half of 2021, business uncertainties still loom due to the slow recovery of global economy. With the robust support of Fosun International Limited ("**Fosun**") (復星國際有限公司), we experienced significant growth, among which, our revenue for the six months ended June 30, 2021 increased by 44.2% while our loss for the same period significantly narrowed by 29.2%. In addition, our core monetization user traffic amounted to 21.8 million, representing a solid growth of 7.0% during the first half of 2021. And our WeChat communities recorded a total of 757,770 members in 3,850 chatting groups, converting over 20% active users among the groups. Moreover, we launched Babytree Parenting Father Edition, which contributed approximately 15% of our core monetization user traffic, we will consistently adopt diversified effective user expansion measures.

1. Market Expansion and Policy Evolution

Considering that the number of newborns decreased from 2017 to 2020, the implementation of the "Third Child Policy" and its relevant measures in the first half of 2021 embodies the determination of China's government to promote long-term and balanced population development. In addition, on August 20, 2021, National People's Congress Standing Committee vote to pass the decision in relation to revision of The Law on Population and Family Planning (人口與計劃生育法), according to which, the state encourage marriage and giving birth at an appropriate age and promote better child care. It also states that each couple may have three children and the state will adopt a supporting measures in aspects such as finance, tax, insurance, education, housing and employment to ease the burden on families.

We firmly believe that the issue of population is of fundamental, comprehensive and strategic importance to the long-term development of economy in China, as evidenced by the loosening of the previously stringent family planning policies. We expect relevant supporting measures and policies in favor of the maternity and children ("**M&C**") industry to be in place in the future to ease the burden placed on parents, which we believe will further boost the growth of the M&C market, from which we will tremendously benefit. According to iResearch, the average monthly spending per family increased equably from 2019 to 2020, representing an upwards trend in the consumption of M&C products. The market size of the M&C industry reached RMB4.7 trillion in 2021 and is expected to continue to expand. As one of the pioneers in the M&C industry, we are recognized as the brand with highest M&C community recognition among surveyed Generation Z users according to survey conducted by Nielsen and Bigdata Research in August 2021. We put faith in the prospects of the M&C industry and ourselves to ride on the opportunities brought about by the shift.

2. Our Three-essential (三生萬物) Philosophy

We have constructed an M&C ecosystem driven by our three-essential philosophy consisting of three business groups empowered by our three essentials, with organization construction as the bedrock coupled with our capital operation capabilities empowering multiplier effect. The particulars of our M&C ecosystem are as follows:

Our User Lifecycle. As the largest entry point for M&C traffic in China, we are dedicated to serving young families nationwide. Premised on continuous enhancing our core products' coverage, we aim to further expand the age range through exploring the pan-female and pan-mother markets and elevations of capabilities in refined operations to comprehensively serve the needs of our users.

Our Business groups. For our B2B group, we endeavor to transform this monetization channel into upgraded operation and sales capabilities, with a focus on partnership with brands. We extend our focus beyond traffic monetization through continuous enhancement of operation capabilities including provision of one-stop and closed-loop brand promotion services ranging from customer conversion to brand exposure. In addition, our self-serve advertising system equipped with cutting-edge technology gives pan-M&C advertisers access to precision and intelligent marketing services covering various communication scenarios.

Our C2M business group achieved breakthroughs in both product offerings and marketing strategies. We uphold our seven selection criteria emphasizing uniqueness, gross profit, growth rate, repurchase rate, technology, aesthetics, and safety for our Global Selection (全球優選) while we put our focus on only five product categories including clothing, skincare, paper products, nutritional supplement, and intelligent hardware for our self-operated brands.

Our O2O business group aims to interconnect online industries to offline industries through strengthening our multi-platform capabilities in operations, technology and product quality. Using services such as assisted reproduction, mobile pregnancy check-up hub, vaccination and health insurance as the entry point, we expand our service scope and made possible by resources from Fosun and opportunities in the assisted reproduction industry.

Ecosystem synergy. Through in-depth cooperation with Fosun, we wish to maximize the synergy between our ecosystem and the Fosun ecosystem. Leveraging enterprise network within Fosun system, we facilitate the growth of BabyTree in the future, thereby creating a duo-engine M&C well-being ecosystem (母嬰家庭幸福生態).

Our essentials. We maximize our monetization efficiency by enhancing user and customer operations in three aspects including content, products and supply chain. Our tech-driven philosophy focuses on enhancing our big data analytics capabilities and construction of M&C SaaS system while pursuing breakthroughs in terms of AI and intelligent hardware.

3. Focused Monetization Channels

Advertising

During the first half of 2021, our advertising business was revitalized. For the six months ended June 30, 2021, revenue from advertising business amounted to RMB120.4 million, representing a sharp increase of 55.2% compared to the corresponding period last year. Revenue from traditional brand advertisement and self-serve advertising accounted for 76.1% and 23.9% of the revenue from the advertising business, representing an increase of approximately 35.5% and 188.8% respectively compared to the corresponding period last year. Gross profit from advertising business amounted to RMB71.8 million, representing an increase of over 151% after two years of adverse macro-economy environment with an overall gross margin of approximately 60%, of which technology-driven gross margin from advertising business accounted for 100%.

Solid Traditional brand advertisement. Since the implementation of such advertising strategy was effective in expanding the domestic M&C-related customer base during the first half of 2021, we continued to secured in-depth cooperation with existing clients and we have established cooperation relationships with 67 new brands, 42 of which are domestic brands. For the six months ended June 30, 2021, revenue from new advertisers accounted for approximately 30% of the total revenue from our advertising business. We are committed to seizing the opportunities presented by the rapid growth of the domestic brands. We continued our cooperation with Junlebao (君樂寶), a domestic infant formula brand. In May 2021, we co-hosted the "National Formula Day" (國粉日) . We also sought strategic cooperation with renowned domestic brands to further expand our customer base. In the first half of 2021, we have cooperated with new advertisers from various industries including Visa, Estee Lauder, Dyson and L'Occitane. Premised on our traffic operation capabilities, we commenced our "WeChat-Partnership" business with brands such as A2 and Hengan, moreover, we also adopting "Multi-Platforms-Partnership" outputting operation capabilities, with which we are in in-depth strategic cooperation.

Robust Self-serve advertising. In recent years, brands are no longer satisfied with mere advertisement placement. Instead, performance-based advertisement and innovation in the form of advertisement are highly sought after by advertisers. We continued to ride on the strong momentum of our self-serve advertising services. In the first half of 2021, we continuously optimized our operating algorithms and expanded our brand base. We had 717 merchants as of June 30, 2021 (as compared to 360 as of December 31, 2020). A total of 603 accounts were newly created during the first half of 2021, covering 45 industries (as compared to 293 newly created accounts, covering 26 industries as of June 30, 2020). The advertisers for our self-serve advertising services primarily comprise businesses from pregnancy preparation, maternity care, weigh control and lactation stimulation, which contributed more than 35% of the revenue generated from self-serve advertising services.

E-commerce

During the first half of 2021, our E-commerce business experienced slight recovery, within the period, repurchase rate recorded approximately 50% and revenue from E-commerce amounted to RMB13.4 million for the six months ended June 30, 2021. The gross margin of the e-commerce business has reached a high level of 85%, which further demonstrates the transformation of the e-commerce business as a correct move. The first phase of the business transformation has showed its preliminary achievement, and the next step is proceed with continuous advancement to the C2M business.

M&C supply chain – Global Selection & C2M products. During the first half of 2021, we put great emphasis on developing baby care, baby supplementary food and maternity products for pre-delivery mothers. We listed more than 30 personal care products and ten supplementary food products. In addition, we have developed over ten products, which are assembled into three packages for pre-delivery mothers. Through cooperation with Viya (薇婭) on "Fosun Family Day" (復星家庭日), where BabyTree's products debuted in her livestreaming sessions, we achieved sales of more than 10,000 units of "Rooqee" (孺期) hair suction and hair clipper, topping in the Tmall single-product category ranking.

Traffic-oriented operations. Besides parenting E-commerce platform, we explored different channels of product distribution and reformation of our commission system. We continuously optimized our WeChat community construction and enhance our private domain traffic operation capabilities. As a result, sales through WeChat community contributed approximately 10% of the revenue from E-commerce. In addition, through incubation of KOLs and utilization of our unique strengths, we help activate our private domain traffic. Looking ahead, we plan to attract more than 400 millionaire-level store owners and created more than 10,000 communities for mothers, covering 1.5 million community members.

4. Continuous Product Iteration and Content Optimization

Function Diversification

We strive to provide the best experience for users in preparation for pregnancy. Among others, we have established the framework for pregnancy preparation content from zero to one, aimed at handholding them through the journey of pregnancy preparation. In addition, we introduced vast amount of high-quality pan-maternal content through cooperation with third-party platforms such as Kwai, as a result of which the amount of in-site video content increased by five times and the number of users who browse video content increased by two times. We thereby help our users develop mindsets for pan-maternal consumption.

Content and User Operation

Enrichment of livestreaming and PGC content. In the first half of 2021, in order to further improve the quality of the content provided by our platform and interaction with users, we emphasized on the construction of livestreaming and PGC content through all-around cooperation with Fosun and utilization of its talent pool in the medical field. We have hosted over 2,200 sessions of 12-hour daily livestreaming. We have also launched PGC columns, such as "Doctors Talk" (醫說就懂) and "Lucky Pregnancy" (好孕來了), which accumulated over 2 million clicks.

Technology Capabilities Enhancement

During the first half of 2021, we continue to enhance the capabilities of our middle platforms through deployment of multi-cloud system, which is characterized by its flexibility and stability. We thereby ensure the continuity and efficiency of business operations while effectively reducing costs. We also have integrated the content recommendation function provided by mainstream cloud service providers and established an algorithmic system for the self-serve advertising oCPC, which helps advertisers manage and reduce advertising costs and improve their customer retention and increasing the overall revenue continuously.

5. Outlook of the Second Half of 2021

M&C SaaS Platform. We initiated building a commercial SaaS platform covering marketing, management and revenue-enhancing, with a focus on the interconnection of online and offline scenarios, which empowers various monetization businesses, such as maternity care centers and postnatal rehabilitation hub. Its core functions include store inventory, online customer acquisition, offline conversion, and private domain traffic operations. We focus on the delivery of WeChat community one-stop solutions covering WeChat community construction, management and conversion, including offering technical support for core functions such as WeChat group entry code management, label management, individual/group SOP, industry conversion templates, user portraits and recommendation algorithms.

O2O middle platform. Our O2O service platform is established with its focus on assisted reproduction and M&C services, which helps us achieve breakthroughs in the high-frequency, high-margin and high repurchase fields. Through utilizing big data analytics and algorithms to further optimize user value, cross-platform technology to reduce costs and increase efficiency, and cutting-edge technologies to enhance user experience and empower businesses, we help maintain sustainable growth for our users, platforms and businesses.

Organization evolution. With Mr. Gao Min, the chief executive officer of our Group on board this year, our organization structure and talents upgrade became the cornerstone of Babytree. In the first half of 2021, we have undergone organizational reconstruction and subsequently constructed an organization matrix that horizontally and vertically connects the front, middle and back offices, encouraging cross-department collaboration and support. In addition, we have made full use of our shareholders' resources to gain growth advantages. In terms of talent recruitment, we form an expert team by bringing in senior consultants and other high-end talents, laying the foundation for future growth. Our organizational fission mechanism is multi-dimensional and has an attractive profit-sharing model, which promotes the multi fission of business groups to achieve the goal of exponential growth.

6. Our Financial Resources and Outlook

Our cash and other liquid financial resources amounted to approximately RMB1,504.8 million as of June 30, 2021. Amid the challenging business environment, our sufficient cash reserve and liquid financial resources have provided solid support for us to continuously maintain our leading position, upgrade our products, implement innovative initiatives for our advertising and e-commerce businesses, and initiate industry consolidations through potential mergers and acquisitions.

7. Conclusion

Looking to 2021 as a year of recovery, we united together and strived to seize every business chance in achieving our ultimate goal.

We aim to further expand the age range through exploring the pan-female and M&C related markets and elevations of capabilities in refined operations to comprehensively serve the needs of our users. In respect of our advertising business, we will significantly upgrade our monetization channel into enhanced operation and sales capabilities. Moreover, we plan to complete the transition of revenue structure from E-commerce to "C2M+" and Global Selection to ensure continuous provision of high quality products for mothers and further our exploration in AI & intelligent hardwares to cement our position as industry-leading entry point for young families.

Last but most important, we plan to aggressively expand our SaaS platform and O2O business and further enhance our core monetization business. Through enhancing synergy with Fosun Ecosystem, we endeavor to create a duo-engine well-being ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS PERFORMANCE FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Revenue	**135,185**	93,731
Cost of revenue	**(50,736)**	(62,756)
Gross Profit	**84,449**	30,975
Other revenue	**25,855**	7,561
Other net gains/(losses)	**3,353**	(2,209)
Selling and marketing expenses	**(114,467)**	(95,809)
General and administration expenses	**(90,694)**	(80,080)
Research and development expenses	**(27,493)**	(26,880)
Loss from operations	**(118,997)**	(166,442)
Net finance income	**1,000**	5,102
Fair value changes on financial assets measured at fair value through profit or loss	**(3,408)**	(11,563)
Share of losses of associates	**(1,026)**	(927)
Loss before taxation	**(122,431)**	(173,830)
Income tax (expense)/credit	**(24)**	967
Loss for the period	**(122,455)**	(172,863)
Attributable to:		
Equity shareholders of the Company	**(122,451)**	(172,825)
Non-controlling interests	**(4)**	(38)

Revenue

Our total revenue increased by 44.2% to RMB135.2 million for the six months ended June 30, 2021, compared to RMB93.7 million for the six months ended June 30, 2020, primarily due to an increase in revenue from advertising. The following table sets forth our revenue by segment for the periods indicated:

	Six months ended June 30,			
	2021		2020	
	Amount *RMB'000*	**% of total revenues**	Amount *RMB'000*	% of total revenues
Advertising	**120,390**	**89.1%**	77,594	82.8%
E-commerce	**13,370**	**9.9%**	13,323	14.2%
Others	**1,425**	**1.0%**	2,814	3.0%
Total	**135,185**	**100%**	93,731	100%

Advertising

Revenue from advertising business increased by 55.2% to RMB120.4 million for the six months ended June 30, 2021, compared to RMB77.6 million for the six months ended June 30, 2020, primarily because (i) we effectively expanded M&C-related customer base and continued in-depth cooperation with existing clients; and (ii) the development of self-serve advertising business remains solid.

E-commerce

Revenue from e-commerce business increased by 0.4% to RMB13.4 million for the six months ended June 30, 2021, compared to RMB13.3 million for the six months ended June 30, 2020.

Others

Revenue from others decreased by 49.4% to RMB1.4 million for the six months ended June 30, 2021, compared to RMB2.8 million for the six months ended June 30, 2020 primarily because it is no longer our business focus.

Cost of Revenue

Our cost of revenue decreased by 19.2% to RMB50.7 million for the six months ended June 30, 2021, compared to RMB62.8 million for the six months ended June 30, 2020, primarily due to enhanced operational efficiency through optimization of human resource structure and reduced inventory cost as a result of the switch from direct sales to marketplace.

The following table sets forth our cost of revenue by segment for the periods indicated:

	Six months ended June 30,			
	2021		2020	
	Amount	**% of total cost of revenue**	Amount	% of total cost of revenue
	RMB'000		*RMB'000*	
Advertising	**48,589**	**95.8%**	48,987	78.1%
E-commerce	**2,050**	**4.0%**	13,518	21.5%
Others	**97**	**0.2%**	251	0.4%
Total	**50,736**	**100%**	62,756	100%

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 172.6% to RMB84.4 million for the six months ended June 30, 2021, compared to RMB31.0 million for the six months ended June 30, 2020. Our gross profit margin increased to 62.5% for the six months ended June 30, 2021, compared to 33.0% for the six months ended June 30, 2020. The following table sets forth our gross profit and gross profit margin by segment for the periods indicated:

	Six months ended June 30,			
	2021		2020	
	Gross profit	**Gross profit margin**	Gross profit/ (loss)	Gross profit/ (gross loss) margin
	RMB'000	%	*RMB'000*	%
Advertising	**71,801**	**59.6%**	28,607	36.9%
E-commerce	**11,320**	**84.7%**	(195)	(1.5%)
Others	**1,328**	**93.2%**	2,563	91.1%
Total	**84,449**	**62.5%**	30,975	33.0%

Other Revenue

Our other revenue increased by 242.0% to RMB25.9 million for the six months ended June 30, 2021, compared to RMB7.6 million for the six months ended June 30, 2020, primarily due to an increase in investment income.

Other Net Gains/(Losses)

Our other net gains/(losses) primarily consist of net foreign exchange gains. Our other net gains was RMB3.4 million for the six months ended June 30, 2021 while our other net loss was RMB2.2 million for the six months ended June 30, 2020.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 19.5% to RMB114.5 million for the six months ended June 30, 2021, compared to RMB95.8 million for the six months ended June 30, 2020, primarily because we incurred additional expenses in relation to traffic acquisition to expand our market shares as the market recovers due to improvement of macro-economy environment. Selling and marketing expenses as a percentage of revenue decreased to 84.7% for the six months ended June 30, 2021 from 102.2% for the six months ended June 30, 2020.

General and Administration Expenses

Our general and administration expenses increased by 13.3% to RMB90.7 million for the six months ended June 30, 2021, compared to RMB80.1 million for the six months ended June 30, 2020, primarily due to an increase in staff costs as a result of personnel structure optimization. General and administration expenses as a percentage of revenue decreased to 67.1% for the six months ended June 30, 2021 from 85.4% for the six months ended June 30, 2020.

Research and Development Expenses

Our research and development expenses increased by 2.3% to RMB27.5 million for the six months ended June 30, 2021, compared to RMB26.9 million for the six months ended June 30, 2020. Research and development expenses as a percentage of revenue decreased to 20.3% for the six months ended June 30, 2021 from 28.7% for the six months ended June 30, 2020.

Loss from Operations

As a result of the foregoing, we recorded loss from operations of RMB119.0 million for the six months ended June 30, 2021 compared to RMB166.4 million for the six months ended June 30, 2020.

Net Finance Income

Our finance income primarily comprises interest income from deposits. Our net finance income decreased by 80.4% to RMB1.0 million for the six months ended June 30, 2021, compared to RMB5.1 million for the six months ended June 30, 2020, primarily due to compared to a decrease in the interest income from bank deposits.

Fair Value Change on Financial Assets Measured at Fair Value through Profit or Loss

Our fair value loss on financial assets measured at fair value through profit or loss decreased by 70.5% to RMB3.4 million for the six months ended June 30, 2021, compared to RMB11.6 million for the six months ended June 30, 2020.

Share of Loss of Associates

Our share of loss of associates increased by 10.7% to RMB1.0 million for the six months ended June 30, 2021, compared to RMB0.9 million for the six months ended June 30, 2020.

Income Tax Credit/(Expense)

We recorded income tax expense of RMB0.02 million for the six months ended June 30, 2021, and recorded income tax credit of RMB0.97 million for the six months ended June 30, 2020, primarily due to certain subsidiaries resulted in net assessable profits for this period.

Loss Attributable to Equity Shareholders of the Company

As a result of the foregoing, loss attributable to equity shareholders of the Company decreased to RMB122.5 million for the six months ended June 30, 2021, compared to RMB172.9 million for the six months ended June 30, 2020.

Capital Structure

Our total assets decreased from RMB2,442.0 million as of December 31, 2020 to RMB2,322.9 million as of June 30, 2021. Our total liabilities increased from RMB127.3 million as of December 31, 2020 to RMB146.8 million as of June 30, 2021. Liabilities-to-assets ratio changed from 5.2% as of December 31, 2020 to 6.3% as of June 30, 2021.

The current ratio (being the ratio of total current assets to the total current liabilities) was 14.5 as of June 30, 2021, compared to 16.1 as of December 31, 2020.

Liquidity, Financial Resources and Gearing

Our cash and other liquid financial resources (comprising (i) cash and bank balance including cash on hand and bank deposits and (ii) short-term wealth management products we bought), decreased from RMB1,730.1 million as of December 31, 2020 to RMB1,504.8 million as of June 30, 2021, primarily due to (i) our purchases of long-term wealth management products; and (ii) loss from operations.

As of June 30, 2021, we did not have any outstanding borrowings. Accordingly, no gearing ratio is presented.

Capital Expenditure

Our capital expenditures, consisting of payments for the purchase of property, plant and equipment, are incurred mainly for servers, computers and office equipment. Our capital expenditures were RMB0.3 million as of June 30, 2021, compared to RMB2.7 million as of December 31, 2020.

Foreign Exchange Risk

We had cash at banks denominated in foreign currencies, which exposed us to foreign exchange risk. We do not use any derivative contracts to hedge against its exposure to foreign exchange risk. We manage currency risk by closely monitoring the movement of the foreign currency rates and will take prudent measures to minimize the currency translation risk.

Contingent Liabilities

As of June 30, 2021, we did not have any material contingent liabilities.

Material Acquisitions and Future Plans for Material Investments

During the six months ended June 30, 2021, we did not conduct any material acquisitions and disposals of subsidiaries, associates and joint ventures, and we did not hold any significant investments.

Pledge of Assets

As at June 30, 2021, we had not pledged any of our assets.

Significant Events After the Reporting Period

There are no material events subsequent to June 30, 2021 which could have a material impact on our operating and financial performance as of the date of this announcement.

Interim Dividend

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2021.

Company Information

The Company was incorporated in the Cayman Islands on February 9, 2018 as an exempted company with limited liability, and the shares were listed on the Main Board of the Hong Kong Stock Exchange on November 27, 2018.

Employees

As of June 30, 2021, we had 381 full-time employees, substantially all of whom were based in China, primarily in Beijing and Shanghai, with the rest based in Wuhan, Guangzhou, Hangzhou, Xiamen and Ningbo. Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary and bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits.

SHARE OPTION SCHEME

A share option scheme was adopted at the annual general meeting of the Company held on June 13, 2019. The purpose of the share option scheme is to attract, retain and motivate talented employees to strive towards long term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group. The share option scheme will link the value of the Company with the interests of the participants, enabling the participants and the Company to develop together and promote the Company's corporate culture.

The share option scheme remains valid for a period of ten years commencing on June 13, 2019. As of June 30, 2021, no option had been granted or agreed to be granted, and thus no options had been exercised, cancelled or lapsed under the share option scheme. As a result, the total number of Shares available for grant under the share option scheme was 50,654,643, representing 3% of the total shares in issue of the Company as of June 13, 2019, the adoption date of the share option scheme.

ROUNDING

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2021

	Note	For the six months ended 30 June **2021** *RMB'000* *(unaudited)*	2020 *RMB'000* *(unaudited)*
Revenue	*3*	**135,185**	93,731
Cost of revenue		**(50,736)**	(62,756)
Gross profit		**84,449**	30,975
Other revenue		**25,855**	7,561
Other net gains/(losses)		**3,353**	(2,209)
Selling and marketing expenses		**(114,467)**	(95,809)
General and administrative expenses		**(90,694)**	(80,080)
Research and development expenses		**(27,493)**	(26,880)
Loss from operations		**(118,997)**	(166,442)
Net finance income	*4(a)*	**1,000**	5,102
Fair value changes on financial assets measured at fair value through profit or loss		**(3,408)**	(11,563)
Share of losses of associates		**(1,026)**	(927)
Loss before taxation	*4*	**(122,431)**	(173,830)
Income tax (expense)/credit	*5*	**(24)**	967
Loss for the period		**(122,455)**	(172,863)
Attributable to:			
Equity shareholders of the Company		**(122,451)**	(172,825)
Non-controlling interests		**(4)**	(38)
Loss for the period		**(122,455)**	(172,863)
Loss per share	*6*		
Basic and diluted (RMB)		**(0.07)**	(0.10)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Loss for the period	**(122,455)**	(172,863)
Other comprehensive (expense)/income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating of financial statements of the Company and overseas subsidiaries	**(16,157)**	31,362
Share of an associate's other comprehensive expense	**(5)**	(73)
Other comprehensive (expense)/income for the period	**(16,162)**	31,289
Total comprehensive expense for the period	**(138,617)**	(141,574)
Attributable to:		
Equity shareholders of the Company	**(138,609)**	(141,536)
Non-controlling interests	**(8)**	(38)
Total comprehensive expense for the period	**(138,617)**	(141,574)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	**30 June 2021 *RMB'000* *(unaudited)***	31 December 2020 *RMB'000* *(audited)*
Non-current assets			
Property, plant and equipment	*7*	**31,452**	26,189
Intangible assets		**5,361**	5,711
Prepayments for non-current assets		**–**	–
Interests in associates		**42,293**	42,733
Other financial assets		**273,550**	326,889
Deferred tax assets		**28,061**	28,061
		380,717	429,583
Current assets			
Inventories		**1,861**	186
Contract assets		**3,862**	8,128
Trade receivables	*8*	**108,228**	84,175
Prepayments and other receivables		**316,165**	174,577
Other current assets		**7,255**	15,309
Other financial assets		**644,776**	650,360
Cash and bank balances		**860,028**	1,079,716
		1,942,175	2,012,451
Current liabilities			
Trade payables	*9*	**21,398**	20,282
Accruals and other payables		**96,337**	85,857
Contract liabilities		**5,817**	6,390
Lease liabilities		**10,536**	12,102
Current taxation		**–**	6
		134,088	124,637
Net current assets		**1,808,087**	1,887,814
Total assets less current liabilities		**2,188,804**	2,317,397

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2021

	30 June 2021 *RMB'000* *(unaudited)*	31 December 2020 *RMB'000* *(audited)*
Non-current liabilities		
Lease liabilities	**12,552**	2,528
Deferred tax liabilities	**115**	115
	12,667	2,643
Net assets	**2,176,137**	2,314,754
Equity		
Share capital	**1,152**	1,153
Reserves	**2,172,103**	2,310,711
Total equity attributable to equity shareholders of the Company	**2,173,255**	2,311,864
Non-controlling interests	**2,882**	2,890
Total equity	**2,176,137**	2,314,754

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2021
(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 23 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together, the "**Group**") since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendment to IFRS 16, Covid-19-related rent concessions; and

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform – phase 2.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing advertising, e-commerce and other services to customers.

(i) Disaggregation of revenue

Revenue of the Group are all from contracts with customers within the scope of IFRS 15. The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Advertising	**120,390**	77,594
E-commerce	**13,370**	13,323
Others	**1,425**	2,814
	135,185	93,731

The Group's customer base is diversified and includes only one customer with whom transactions has exceeded 10% of the Group's revenues during the reporting period. During the six months ended 30 June 2021, revenues from advertising to this customer amounted to approximately RMB19.3 million (six months ended 30 June 2020: RMB14.2 million).

Others mainly include content monetisation, insurance agent service and other services.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

Contracts with advertising customers always have an original expected duration of less than one year. And contracts with individual customers for e-commerce and other services are always satisfied within one month.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 and therefore the information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations is not disclosed for contracts that have an original expected duration of one year or less.

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

- Advertising;
- E-commerce, which includes direct sales and marketplace; and
- Others, which include content monetisation, insurance agent service and other services.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the revenue and gross profit attributable to each reportable segment. Depreciation and amortisation, recognition and reversal of loss allowance on trade and other receivables and contract assets, net finance income and other revenue are allocated to each reportable segment. Other items in profit or loss are not allocated to reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and auditor's remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning inter-segment sales, the Group's interest income from cash balances, depreciation and amortisation and loss allowance. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Other information, together with the segment information, provided to the Group's senior executive management, is measured in a manner consistent with that applied in these condensed consolidated financial statements. There were no separate segment assets and segment liabilities information provided to the Group's senior executive management, as they do not use this information to allocate resources to or evaluate the performance of the operating segments.

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

The amount of each significant category of revenue recognised during the reporting period is as follows:

	For the six months ended 30 June 2021			
	Advertising	**E-commerce**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Segment revenue	**120,390**	**13,370**	**1,425**	**135,185**
Segment costs	**(48,589)**	**(2,050)**	**(97)**	**(50,736)**
Gross profit	**71,801**	**11,320**	**1,328**	**84,449**
Reportable segment (loss)/profit (adjusted EBITDA)	**(47,893)**	**(10,356)**	**389**	**(57,860)**
Depreciation and amortisation	**(12,842)**	**(1,043)**	**(119)**	**(14,004)**
Recognition of loss allowance on trade and other receivables and contract assets	**(33,371)**	**(14)**	**(135)**	**(33,520)**
Net finance income	**907**	**41**	**8**	**956**
Unallocated other revenue				**20,880**
Unallocated share of losses of associates				**(1,026)**
Unallocated fair value change on financial assets measured at fair value through profit or loss ("**FVPL**")				**(3,408)**
Unallocated depreciation and amortisation				**(1,821)**
Unallocated recognition of loss allowance on other receivables				**(210)**
Unallocated net finance income				**44**
Unallocated other costs				**(32,462)**
Loss before taxation				**(122,431)**
Income tax expense				**(24)**
Loss for the period				**(122,455)**

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

	For the six months ended 30 June 2020			
	Advertising *RMB'000 (unaudited)*	E-commerce *RMB'000 (unaudited)*	Others *RMB'000 (unaudited)*	Total *RMB'000 (unaudited)*
Segment revenue	77,594	13,323	2,814	93,731
Segment costs	(48,987)	(13,518)	(251)	(62,756)
Gross profit/(loss)	28,607	(195)	2,563	30,975
Reportable segment loss (adjusted EBITDA)	(83,797)	(13,233)	(751)	(97,781)
Depreciation and amortisation	(16,487)	(506)	(294)	(17,287)
(Recognition of)/reversal of loss allowance on trade and other receivables and contract assets	(25,768)	287	(966)	(26,447)
Net finance income	1,175	68	19	1,262
Unallocated other revenue				5,938
Unallocated share of losses of associates				(927)
Unallocated fair value change on financial assets measured at FVPL				(11,563)
Unallocated depreciation and amortisation				(2,747)
Unallocated recognition of loss allowance on trade and other receivables and contract assets				(1,399)
Unallocated net finance income				3,840
Unallocated other costs				(26,719)
Loss before taxation				(173,830)
Income tax credit				967
Loss for the period				(172,863)

As at 30 June 2021, substantially all of the non-current assets of the Group other than certain interests in associates, other financial assets and cash and bank balances were located in the People's Republic of China ("**PRC**").

4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting)/charging:

(a) Net finance income

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Interest income from deposits in banks and other financial institutions	**(1,501)**	(6,670)
Interest expense on interest-bearing loans	**110**	1,007
Interest on lease liabilities	**391**	561
Net finance income	**(1,000)**	(5,102)

(b) Other items

The following expenses/(income) are included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses.

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Recognition of loss allowance on trade receivables and contract assets, net	**11,511**	28,496
Recognition of/(reversal of) loss allowance on other receivables		
– due from related parties	**22,000**	–
– due from third parties	**219**	(650)
Cost of inventories	**1,113**	12,958
Expenses relating to short-term lease	**162**	969
Depreciation charge		
– owned property, plant and equipment	**3,734**	7,080
– right-of-use assets	**11,298**	11,860
Amortisation cost of intangible assets	**793**	1,094
Loss/(gain) on disposal of owned property, plant and equipment	**30**	(80)
Investment income on financial assets measured of FVPL	**(20,877)**	(5,938)
Write-down of inventories	**195**	–

5 INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Current tax – PRC		
Enterprise Income Tax		
Provision for the period	**24**	38
Over-provision in respect of prior years	**–**	(1,005)
	24	(967)

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

The Group has no assessable profit in Hong Kong during the period and is not subject to any Hong Kong Profits Tax. Hong Kong Profits Tax rate during the period is 16.5%.

In accordance with the Enterprise Income Tax Law ("**Income Tax Law**") of the PRC, enterprise income tax rate for the Group's PRC subsidiaries during the period is 25%.

According to the relevant PRC Income Tax Law, the Company's subsidiary, BabyTree (Beijing) Information and Technology Co., Ltd. ("**BabyTree Information**") (寶寶樹(北京)信息技術有限公司) was certified as a New and High Technology Enterprise in Beijing since 2016, and is entitled to a preferential income tax rate of 15%. The current certification of New and High technology Enterprise held by BabyTree Information will expire on 1 December 2022.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

6 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the parent of RMB122.5 million (six months ended 30 June 2020: RMB172.9 million) and the weighted average of 1,660,712,000 ordinary shares (six months ended 30 June 2020: 1,661,975,000 shares) in issue during the interim period.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

There was no difference between the basic and diluted loss per share during the periods 2021 and 2020 as there were no dilutive potential shares outstanding for the periods 2021 and 2020.

7 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2021, the Group entered into a number of lease agreements for use of offices, and therefore recognised the additions to right-of-use assets of RMB20.1 million (six months ended 30 June 2020: RMB8.6 million).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2021, the Group acquired items of electronic equipment and office equipment with a cost of RMB0.32 million (six months ended 30 June 2020: RMB2.65 million). Items of electronic equipment and office equipment with a net book value of RMB0.11 million were disposed of during the six months ended 30 June 2021 (six months ended 30 June 2020: RMB0.07 million), resulting in a loss on disposal of RMB0.03 million (six months ended 30 June 2020: gain on disposal of RMB0.08 million).

8 TRADE RECEIVABLES

	30 June 2021 *RMB'000* *(unaudited)*	31 December 2020 *RMB'000* *(audited)*
Amounts due from third parties	**207,028**	171,161
Amounts due from related parties	**28,282**	28,282
Less: Loss allowance	**(127,082)**	(115,268)
	108,228	84,175

Ageing analysis

As of the end of each of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021 *RMB'000* *(unaudited)*	31 December 2020 *RMB'000* *(audited)*
Within 6 months	**103,013**	82,796
6 months to 1 year	**5,215**	1,289
1 to 2 years	**–**	90
	108,228	84,175

The credit terms agreed with customers are normally 30–90 days from the date of billing or 60–120 days after the date of advertisement posted. No interests are charged on the trade receivables.

9 TRADE PAYABLES

	30 June 2021 *RMB'000* *(unaudited)*	31 December 2020 *RMB'000* *(audited)*
Amounts due to third parties	**19,998**	19,946
Amounts due to related parties	**1,400**	336
	21,398	20,282

Ageing analysis

As of the end of each of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2021 *RMB'000* *(unaudited)*	31 December 2020 *RMB'000* *(audited)*
Within 6 months	**10,806**	10,682
6 months to 1 year	**4,839**	1,639
1 to 2 years	**4,561**	7,662
Over 2 years	**1,192**	299
	21,398	20,282

10 DIVIDENDS

During the six months ended 30 June 2021 and 2020, no dividends were declared or paid by the Company to its equity shareholders.

11 COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period's presentation. In the opinion of the directors of the Company, the current period's presentation would better reflect the financial performance of the Group.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended June 30, 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any other listed securities of the Company.

Compliance with the Corporate Governance Code (the "CG Code")

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules.

The Board is of the view that during the six months ended June 30, 2021, the Company has complied with most of the code provisions as set out in the CG Code, except for the deviation from code provisions A.2.1 as explained below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended December 31, 2020 and up to January 20, 2021, the chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**Chief Executive Officer**") were held by Mr. Wang Huainan. In view of Mr. Wang's experience, personal profile and his roles in the Company and the fact that Mr. Wang had assumed the role of Chief Executive Officer since our commencement of business, the Board considered it beneficial to the business prospect and operational efficiency of the Company that Mr. Wang acted as the Chairman and continued to act as the Chief Executive Officer. While this would constitute a deviation from code provision A.2.1 of the CG Code, the Board believed that this structure would not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board required approval by at least a majority of the Directors; (ii) Mr. Wang and the other Directors were aware of and undertook to fulfill their fiduciary duties as Directors, which required, among other things, that he acted for the benefit and in the best interests of the Company and would make decisions for the Company accordingly; and (iii) the balance of power and authority was ensured by the operations of the Board which comprised experienced and high caliber individuals who met regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Company were made collectively after thorough discussion at both Board and senior management levels.

In order to further enhance the corporate governance of the Company and comply with code provision A.2.1 of the CG Code, and to better focus on the development strategy of the Company, Mr. Wang resigned from his role as the Chief Executive Officer on January 20, 2021, but remains as the Chairman. Mr. Pan Zhiyong was appointed as an executive Director and the Chief Executive Officer on January 20, 2021. With effect from June 18, 2021, Mr. Gao Min was appointed as the co-chairman of the Board.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the Model Code for the six months ended June 30, 2021.

The Board has also adopted written guidelines (the "**Employee Written Guidelines**") no less exacting than the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Employee Written Guidelines by the Company's relevant employees has been noted for six months ended June 30, 2021 and up to the date of this announcement after making reasonable enquiry.

Audit Committee and Review of Financial Statements

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. CHEN Guanglei (chairman), Mr. De-chao Michael YU and Mr. ZHANG Hongjiang (with Mr. CHEN Guanglei possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls.

The Audit Committee has reviewed together with the management, the accounting principles and policies adopted by the Group and the Group's unaudited interim results for the six months ended June 30, 2021, and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (ir.babytree.com). The interim report of the Company for the six months ended June 30, 2021 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the same websites in due course.

By Order of the Board
BabyTree Group
寶寶樹集團
GAO Min
WANG Huainan
Co-Chairman

Hong Kong, August 23, 2021

As at the date of this announcement, the Board comprises Mr. GAO Min and Mr. XU Chong as executive Directors; Mr. WANG Huainan, Mr. QIAN Shunjiang, Mr. CHEN Weijun, Mr. CHEN Bing, Mr. WU Ying and Mr. Christian Franz REITERMANN as non-executive Directors; and Mr. CHEN Guanglei, Mr. De-chao Michael YU, Mr. SHIAH Hung-Yu and Mr. ZHANG Hongjiang as independent non-executive Directors.