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BABYTREE GROUP

寶寶樹集團

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1761)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by BabyTree Group (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated (i) 1 May 2023, 18 May 2023 and 30 June 2023 in relation to, among others, the delay in despatch of the 2022 Annual Report and the Postponement of the AGM; (ii) 2 August 2023 in relation to, among others, the preliminary findings in relation to the Allegations and Other Matters; and (iii) 23 August 2023 and 28 September 2023 in relation to, among other things, the Resumption Guidance, the Additional Resumption Guidance and the delay in publication of the 2023 Interim Results and despatch of the 2023 Interim Report (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The purpose of this announcement is to inform the Company’s shareholders and potential investors of the progress of actions recently taken by the Company in connection with fulfilling the Resumption Guidance and the Additional Resumption Guidance and the latest development of the Group’s business operations.

UPDATE OF BUSINESS OPERATIONS

The Group is principally engaged in providing maternity and children-focused community platforms in China, dedicated to connecting and serving young families. Since the suspension of trading in the shares of the Company and up to the date of this announcement, the Group is carrying on its business operations as usual in all material respects and will continue to closely monitor its financial position and business operations. Further, in consideration of the recent macro-economic environment and with a view to optimizing its cost structure and enhancing its operating efficiency, the Group has recently implemented a series of cost-saving measures, including but not limited to reducing personnel cost and streamlining less-profitable or non-profitable business lines.

RESUMPTION PLAN AND PROGRESS

The Company is currently working on the resumption plan and has been taking appropriate steps to comply with the Resumption Guidance, the Additional Resumption Guidance and the Listing Rules in order to seek the resumption of trading in the shares.

As disclosed in the Company’s announcement dated 2 August 2023, the Board has resolved to establish a special committee (chaired by Mr. CHEN Guanglei, an independent non-executive Director, and comprising Mr. CHEN Bing, a non-executive Director, and Ms. Jin SU, an independent non-executive Director, as members), for the purpose of, among other things, leading the Company’s investigation into the truthfulness of the Allegations. The Board subsequently resolved to rename the special committee as independent investigation committee (with the same composition set out above, the “**Independent Investigation Committee**”) on 8 September 2023 for the purpose of, among other things, leading the Company to comply with the Resumption Guidance and the Additional Resumption Guidance.

In October 2023, the Independent Investigation Committee has appointed FTI Consulting (Hong Kong) Limited, an independent investigator (the “**Independent Investigator**”) to conduct the independent forensic investigation on, among other things, the Allegations and Other Matters (collectively, the “**Independent Investigation**”) and produce a report of findings on the Independent Investigation. The Independent Investigator will also conduct an independent internal control review of the Group.

As at the date of this announcement, the Independent Investigation is continuing and the Independent Investigator is ascertaining the estimated time to complete the Investigation. The Company is working closely with the Independent Investigator, closely monitoring the progress of the Independent Investigation, and will continue to provide all necessary information and assistance to the independent investigator to expedite the Independent Investigation. In light of the above, the Board is of the view that the expected date of the publication of the 2022 Annual Report will need to be further determined with the Independent Investigation Committee.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 May 2023 and will remain suspended until further notice. Further announcement(s) will be made by the Company in this respect as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
BabyTree Group
GAO Min
WANG Huainan
Co-Chairmen

Hong Kong, 1 November 2023

As at the date of this announcement, the Board comprises Mr. GAO Min as executive Director; Mr. WANG Huainan, Mr. QIAN Shunjiang, Mr. CHEN Bing, Mr. WU Ying and Mr. Christian Franz REITERMANN as non-executive Directors; and Mr. CHEN Guanglei, Mr. HUANG Zhenwu, Mr. SHIAH Hung-Yu and Ms. Jin SU as independent non-executive Directors.