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BABYTREE GROUP

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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1761)

CONTINUING CONNECTED TRANSACTION SERVICE AGREEMENT WITH STARDOCTOR

On March 7, 2019, Zhongming entered into a Service Agreement with Stardoctor, pursuant to which Stardoctor will land on the Platforms of Zhongming, providing online services of Expert Q&A and Mood Talking and pay Technical Service Fee to Zhongming as stipulated in the Service Agreement.

The transaction contemplated under the Service Agreement constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. Since the highest applicable Percentage Ratio is more than 0.1% but less than 5%, the transaction is subject to the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the circular (including independent financial adviser) and shareholders' approval requirements in accordance with Rule 14A.76(2) of the Listing rules.

SERVICE AGREEMENT

On March 7, 2019, Zhongming entered into a Service Agreement with Stardoctor. The principal terms of the Service Agreement, which shall take effect on March 7, 2019 and expire on March 6, 2020, are set out below:

- (a) Stardoctor will land on the Platforms of Zhongming, providing online services of Expert Q&A and Mood Talking, and pay Technical Service Fee to Zhongming.
- (b) The Service Fees will be collected from the Customers by Zhongming on behalf of Stardoctor and paid to Stardoctor by Zhongming on a monthly basis.

- (c) The Technical Service Fee is 15% of the relevant Service Fees for Expert Q&A business, and 15% of the relevant Service Fees for Mood Talking business. Zhongming shall provide continuing display of Stardoctor's brand on its Platforms, and make marketing initiative to promote the brand both online and offline.
- (d) Stardoctor shall warrant that its experts, among other things, are competent with all necessary qualifications and experience to provide the service, will actively cooperate with the land-on procedure, will not explicitly or implicitly recommend, including but not limited to, health products, medicines, hospitals and medical institutions in their registered profiles or during their service, and will keep confidential of any information or material of Customers obtained from the service.
- (e) Stardoctor shall have the right, among other things, to use the Platforms to upload and display the profiles of its experts, to transfer all the rights and obligations under the Service Agreement to a third party with notice to Zhongming, and terminate the Service Agreement unilaterally based on its business needs.
- (f) If the parties initiate promotional activities (including offering discount, coupon or cash refund, the costs incurred in connection with such promotional activities shall be borne by the Company and Stardoctor in equal share.
- (g) Upon the expiry of the Service Agreement, Zhongming may propose to renew it for another one year under the same terms and conditions and with written consent from Stardoctor.

The Company will re-comply with Chapter 14A of the Listing Rules should Zhongming and Stardoctor decide to renew the Service Agreement upon its expiry.

LISTING RULES IMPLICATIONS

Stardoctor is a 30%-controlled company of Fosun Health, which is a fellow subsidiary of Startree with Fosun International being the holding company of both Stardoctor and Startree. Thus, Stardoctor is an associate of Startree in accordance with Rule 14A.13(3) of the Listing Rules. Startree holds more than 10% equity interest in the Company, and thus a substantial shareholder and a connected person of the Company in accordance with Rule 14A.07(1) of the Listing Rules. Therefore,

Stardocor is a connected person of the Company in accordance with Rule 14A.07(4) of the Listing Rules. Zhongming is a subsidiary of the Company and the Service Agreement will be carried out on a continuing or recurring basis for one year. Therefore, the transaction contemplated under the Service Agreement constitutes a continuing connected transaction in accordance with Rule 14A.25 and Rule 14A.31 of the Listing Rules.

Since the highest applicable Percentage Ratio is more than 0.1% but less than 5%, the transaction is subject to announcement requirement under Rule 14A.35 of the Listing Rules but exempt from circular (including independent financial adviser) and shareholders' approval requirements in accordance with Rule 14A.76(2) of the Listing rules.

REASONS FOR AND BENEFITS OF THE SERVICE AGREEMENT AND THE ANNUAL CAPS OF TECHNICAL SERVICE FEE

The Company is principally engaged in providing maternity and child-focused community Platforms. Stardocor also focuses on providing professional health service to young families, especially during their first 1000 days of having a new-born baby. The land-on of Stardocor can broad and perfect the range of knowledge and service the Company is able to provide to its Customers, enhancing its ability to consolidate high-quality health resources to young families. Therefore the Directors are of the view that it is consistent with the Company's business development strategy to introduce Stardocor on its Platforms.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Service Agreement will be conducted in the normal and usual course of business of the Company and on normal commercial terms, and that the terms and conditions of the transaction are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The Directors expect that the Annual Caps for the relevant periods during the term of the Service Agreement are as follows:

Annual Caps of	For the year ending	
	December 31, 2019	2020
	<i>(RMB in millions)</i>	
Technical Service Fee	9	3

Mr. WANG Huainan, being the chairman of the board of directors of Stardoctor, Mr. CHEN Qiyu, being an executive director of Fosun International, and Mr. WANG Changying, being the director of Stardoctor, have abstained from voting at the Board meeting to approve the transaction contemplated under the Service Agreement and the Annual Caps for the relevant periods during the term of the Service Agreement. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the Service Agreement.

GENERAL INFORMATION ON THE PARTIES

Information on the Company and Zhongming

The Company is incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited. The Company operates the largest and most active maternity and child-focused community Platforms in China by monthly active users, dedicated to connecting and serving young families. Zhongming is a company incorporated in the PRC with limited liability, which is a subsidiary of the Company as it is accounted for and consolidated in the audited consolidated accounts of the Company.

Information on Stardoctor

Stardoctor is a joint venture incorporated in the PRC with limited liability. Stardoctor focuses on providing professional health service to young families, especially during their first 1000 days of having a new-born baby.

DEFINITIONS

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

“30%-controlled company”	a company held by a person who can: (a) exercise or control the exercise of 30% (or an amount for triggering a mandatory general offer under the Takeovers Code, or for PRC issuers only, an amount for triggering a mandatory general offer or establishing legal or management control over a business enterprise under the PRC law) or more of the voting power at general meetings; or (b) control the composition of a majority of the board of directors
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“Annual Caps”	refers to the annual caps of Technical Service Fee
“Board” or “Board of Directors”	the board of directors of the Company
“Channel Cost”	32% of Service Fees in terms of TreeCoin, and 0% of Service Fees in terms of non-TreeCoin, which is booked as selling and marketing expense in the Company’s accounts
“Company”	BabyTree Group, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Customers”	Individuals who visit the Platforms of the Company through internet
“Directors”	the director(s) of the Company
“Fosun Health”	Shanghai Fosun Health Industrial Holdings Limited (上海復星健康產業控股有限公司), a wholly-owned subsidiary of Fosun International
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 00656)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Platforms”	specific internet space provided by the Company for Stardoctor to provide service to Customers, including “Babytree Parenting” Mobile App, the website of the Company (http://www.babytree.com), the WeChat Official Account of the Company and other existing or incoming platforms
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“RMB”	the lawful currency of the PRC
“Service Agreement”	the agreement between Zhongming and Stardoctor entered into on March 7, 2019, pursuant to which Stardoctor will land on the Platforms and pay Technical Service Fee to Zhongming
“Service Fees”	fees collected from Customers in connection with Stardoctor providing services (such as Experts Q&A and Mood Talking) on Platforms in terms of TreeCoin and non-TreeCoin minus Channel Cost
“Stardoctor”	Shanghai Qinmiao Technology Company Limited (上海親苗科技有限公司), a joint venture incorporated in the PRC with limited liability, shares of which are held by Fosun Health as to 40%, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司) as to 25%, Jiangsu Wanbang Yunjiankang Technology Limited (江蘇萬邦雲健康科技有限公司) as to 5% and Haitun (Shanghai) International Trading Limited (海囤(上海)國際貿易有限公司) as to 30%
“Startree”	Startree (BVI) Limited, a substantial shareholder of our Company
“Technical Service Fee”	fees that Stardoctor shall pay to Zhongming as the consideration of using its Platforms to provide service
“TreeCoin”	a virtual currency to be used on Platforms, which can be purchased through <i>Apple Pay</i> while “non-TreeCoin” fees occurs when android users purchase the premium content directly through <i>Alipay</i> or <i>WeChat Pay</i>

“Zhongming”

Beijing Zhongming Century Science and Technology Co., Ltd. (北京眾鳴世紀科技有限公司), a company incorporated in the PRC and a subsidiary of the Company

By order of the Board of Directors

BabyTree Group

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WANG Huainan

Chairman

Hong Kong, March 7, 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.