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China Parenting Network Holdings Limited
中國育兒網絡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8361)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Scheme to recognise and reward the contributions of any Eligible Employees from time to time to the growth and development of the Group. Mr. Hsieh Kun Tse, a non-executive director of the Company, will transfer the entire issued share capital of Properous Commitment which in turn holds 51,600,000 Shares, representing up to approximately 5.03% of the issued share capital as of the date of this announcement to the Trustee for the purpose of the Scheme. The Company or any Subsidiaries may also from time to time at its sole discretion subject to requirements under this Scheme, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase subscribe Shares in the market at prevailing market price. Any member of the Company may from time to time transfer Shares to the Trustee, for the purpose of vesting Awarded Shares to the Selected Employees, subject to the compliance with the requirements of the Listing Rules, all applicable laws from time to time and the confirmation of the Trustee. The Trustee will hold the Awarded Shares on trust for the Selected Employees until such Awarded Shares are vested with the relevant Selected Employees in accordance with the Scheme Rules.

The Scheme is discretionary in nature and the Board may delegate the administration of the Scheme to such person(s) or committee(s) as the Board may see fit. The Board has delegated the administration of the Scheme to the Share Award Scheme Committee comprising Mr. Cheng Li, a Controlling Shareholder and executive Director and Mr. Ge Ning, an independent non-executive Director.

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time.

The Scheme does not constitute a share option scheme within the meaning of Chapter 23 of the GEM Listing Rules. No Shareholders' approval is required for the adoption of the Scheme.

THE SHARE AWARD SCHEME

Reference is made to a proposed share award scheme as disclosed in “History and Corporate Structure – Other Transfers of Shares before the Placing” (pages 101 to 102) and “Appendix IV – Statutory and General Information – D. Proposed Share Award Plan” (IV-16 to IV-22) of the prospectus of the Company dated 30 June 2015.

The Board is pleased to announce that it resolved to adopt the Scheme to recognise and reward the contributions of Eligible Employees from time to time to the growth and development of the Group.

A summary of the Scheme Rules is set out below:

1. Administration

The Scheme is discretionary in nature and the Board may delegate the administration of the Scheme to such person(s) or committee(s) as the Board may see fit. The Board has delegated the administration of the Scheme to the Share Award Scheme Committee comprising Mr. Cheng Li, a Controlling Shareholder and executive Director and Mr. Ge Ning, an independent non-executive Director. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

2. Duration

Subject to the grounds of termination disclosed in this announcement. The Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date until 5 July 2026.

3. Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time.

4. Restrictions

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (ii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (iii) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

5. Operation

Mr. Hsieh Kun Tse, a non-executive director of the Company, will transfer the entire issued share capital of Properous Commitment which in turn holds 51,600,000 Shares, representing up to approximately 5.03% of the issued share capital as of the date of this announcement to the Trustee for the purpose of the Scheme. The Company or any Subsidiaries may also from time to time at its sole discretion subject to requirements under this Scheme, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase or subscribe for Shares in the market at prevailing market price. Accordingly, the Company may from time to time transfer Shares to the Trustee, for the purpose of vesting Awarded Shares to the Selected Employees, subject to the compliance with the requirements to the Listing Rules, all applicable laws from time to time and the Restriction Period.

In case of allotting and issuing new Shares as Awarded Shares, the Company shall comply with the relevant applicable provisions of the Listing Rules. The Company intends to use the general mandate available at the time of granting the Awarded Shares for the issue and allotment of new Awarded Shares. Applications for the listing of and permission to deal in the new Awarded Shares will be made to the Stock Exchange when the Award is granted.

The Trustee will hold the Awarded Shares on trust for all or one or more of the Selected Employees until such Awarded Shares are vested with the relevant Selected Employees in accordance with the Scheme Rules.

For the purpose of the Scheme, the Company has set up a Share Award Scheme Committee comprising Mr. Cheng Li, a Controlling Shareholder and an executive Director and Mr. Ge Ning, an independent non-executive Director.

Subject to the Listing Rules and all applicable laws from time to time, the Share Award Scheme Committee will make recommendations in relation to (i) the selection of any employee (other than any Excluded Employee) for participation in the Scheme as a Selected Employee; and (ii) the determination of the awarded number of the shares for the Selected Employee to the Board for approval. No member of the Share Award Scheme Committee or the Board may vote on any resolution of the committee or the Board regarding his/her own interest in the Scheme.

The Share Award Scheme Committee will also be responsible for, among others, liaising with the Trustee and Selected Employee for the purpose of implementation of the Scheme, including but not limited to, after obtaining the Board's approval/authorization, giving instructions to the Trustee to allocate Awarded Shares to Selected Employees and to purchase Awarded Shares from the market and to transfer vested shares to the Selected Employees.

When the Selected Employee has satisfied all conditions specified by the Board, the Board shall send to the relevant Selected Employee (with a copy to the Trustee) a vesting notice together with such prescribed transfer documents which require the Selected Employee to execute to effect the vesting and transfer of the Awarded Shares, and the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Employee as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date.

A Selected Employee shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date.

A Selected Employee shall ensure that the acceptance, vesting and the holding any Awarded Shares and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Board may as a condition precedent of making an Award, require a Selected Employee to produce such evidence as it may reasonably require for such purpose.

6. Award of Awarded Shares to Directors or connected persons

Where any grant of Awarded Shares is proposed to be made to any Selected Employee who is a core connected person, such grant must first be approved by all independent non-executive Directors, or in the case where the grant is proposed to be made to any independent non-executive Director, by all other independent non-executive Directors.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or Shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

7. Vesting and Lapse

The Awarded Shares shall vest in that Selected Employee on such terms and subject to such conditions (if any) as specified by the Board, conditional on the execution of the relevant documents to effect the transfer from the Trustee by the Selected Employee.

In the event that prior to or on the Vesting Date, (i) a Selected Employee is found to be an Excluded Employee or is deemed to cease to be an Eligible Employee pursuant to the Scheme Rules; or (ii) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund.

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group or the Group's invested entity.

If there occurs a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror, and such offer becomes or is declared unconditional prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Employee and the time at which such Awarded Shares shall vest.

In the event any Selected Employee ceases to be an Eligible Employee by virtue of other corporate reorganizations of the Group or any invested entity of the Company apart from those disclosed in the immediately preceding paragraph, any Award with respect to any unvested Shares made to such Selected Employee shall forthwith lapse and be cancelled.

Where the Awarded Shares do not vest in accordance with the terms and conditions of the Scheme, those Awarded Shares shall be returned to the Trustee and form part of the Trust Fund.

8. Dividends

All dividends (including scrip dividends) and bonus Shares shall be held by the Trustee and shall be payable or transferable to the relevant Selected Employee when such Awarded Shares are vested.

9. Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

10. Termination

The Scheme shall terminate on the earlier of (i) on the tenth (10) anniversary date of the Adoption Date until 5 July 2026; (ii) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company are passed to a successor company); or (iii) such date of early termination as determined by the Board by a resolution of the Board provided that such termination shall not affect any subsisting rights of any Selected Employee. Upon termination of the Scheme, (i) no further grant of Awarded Shares may be made under the

Scheme; and (ii) all the Awarded Shares of the Selected Employees granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Employees according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee.

Upon the expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the Trust Fund shall be sold by the Trustee within 21 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Trustee and the Board may otherwise determine).

LISTING RULES IMPLICATIONS

The Scheme does not constitute a share option scheme within the meaning of Chapter 23 of the GEM Listing Rules and is a discretionary award scheme of the Company. No Shareholders' approval is required for the adoption of the Scheme.

Pursuant to the Scheme, Selected Employee covers any Director and other employees of the Company and of its Subsidiaries. As such, if the Board selects a Director as the Selected Employee, the grant of the Awarded Shares to such Director may constitute a connected transaction of the Company. However, since the grant of Awarded Shares to a Director forms part of the remuneration of the relevant Director under his/her service contract, such grant of Awarded Shares will be exempted from all the reporting, announcement and independent Shareholders' approval requirements under Rule 20.93 of the GEM Listing Rules.

As at the date of this announcement, the Trustee and its ultimate beneficial owners are independent third parties of the Company and its connected persons. The additional or replacement trustees who are to be appointed at the discretion of the Company, if any, will also be independent third parties of the Company and its connected persons.

The Trustee is not an associate of a connected person under Rule 20.10(1)(b) because the Scheme is a share award scheme established for a wide scope of participants being Eligible Employees under the Scheme and the connected persons' aggregate interests in the Scheme are less than 30%.

For the Award to Selected Employees who are connected persons (excluding Directors), the Company will comply with the relevant provisions of the Listing Rules in relation to the reporting, announcement and independent Shareholders' approval requirements if applicable. The Trustee will become a core connected person of the Company as defined under Rule 1.01 of the Listing Rules if the Trustee holds any Awarded Shares on trust for the Selected Employees which include connected person(s) of the Company, and those Awarded Shares will not be counted in the public float of the Company in such circumstances. The Company will take appropriate measures to ensure at least 25% of the Company's

total issued Shares are held by the public Shareholders from time to time. The Trustee will become a connected person of the Company if the number of Awarded Shares held by the Trustee for the benefit of the connected persons of the Company exceeds 30% of the aggregate number of the Awarded Shares held by the Trustee. There is no restriction in the Scheme on the aggregate interests of the Company's connected persons held by the Trustee. The Company will comply with the relevant provisions under Chapter 20 of the Listing Rules where appropriate.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	6 July 2016 being the date on which the Board adopted the Scheme Rules;
“Award”	an award by the Board to a Selected Employee pursuant to the Scheme;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares awarded by the Board;
“Board”	the board of directors of the Company or the Special Committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Settlor to administer the Scheme;
“Business Day(s)”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Company”	China Parenting Network Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM board of the Stock Exchange (stock code: 8361);
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary to the Trust as determined by the Board from time to time;
“core connected person”	has the meaning ascribed thereto under the Listing Rules;
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules;

“Director”	directors of the Company;
“Eligible Employee”	any employee (including without limitation any directors) of the Company and its Subsidiary(ies) and/or invested entity(ies), who, in the opinion of the Board, will contribute to the development and growth of the Group;
“Excluded Employee”	any Eligible Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations or the Listing Rules of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes or Listing Rules it necessary or expedient to exclude such Eligible Employee;
“GEM”	Growth Enterprise Market;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company, its Subsidiary(ies) and Nanjing Xihui Information Technology Company Limited (南京矽滙信息技術有限公司) and Nanjing Xinchuang Micro Machinery and Electric Technology Company Limited (南京芯創微機電技術有限公司) (the financial results of which have been consolidated and accounted for as the Subsidiaries of the Company by virtue of the Contractual Arrangement (as defined in the prospectus of the Settlor dated 30 June 2015));
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Date”	8 July 2015;
“Listing Rules”	where applicable, the Rules Governing the Listing of Securities on the Stock Exchange or the GEM Listing Rules as amended, supplemented or otherwise modified from time to time;

“Properous Commitment”	Properous Commitment Holdings Limited (富承控股有限公司), a limited liability company incorporated in the British Virgin Islands on 18 August 2014 and is directly wholly-owned by Mr. Hsieh Kun Tse, a non-executive Director;
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) cash remaining in the Trust Fund in respect of Shares (including interest income derived from deposits maintained with banks); (iii) any cash income (excluding Other Distributions) derived from Shares held under the Trust; and (iv) cash deposited by the Settlor for the purposes as set out in this Trust Deed and the Scheme;
“Scheme”	means the “China Parenting Network Holdings Limited Share Award Scheme” adopted by the Company in its present form or as amended from time to time constituted by the Scheme Rules;
“Scheme Rules”	means the rules relating to the Scheme or as amended from time to time in accordance with the provisions;
“Selected Employee(s)”	Eligible Employee(s) (other than Excluded Employee(s)) selected by the Board for the participation in the Scheme;
“Shareholder(s)”	holder(s) of the Shares(s);
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“Trust”	the trust constituted by the Trust Deed;

- “Trust Deed” a trust deed dated 6 July 2016 entered into between the Company as Settlor and the Trustee as trustee (as restated, supplemented and amended from time to time); in respect of, inter alia, the constitution of the Trust and the appointment and operation of the Scheme;
- “Trust Fund” the funds and properties held under the Trust and managed by the Trustee, including without limitation:
- (a) all Shares transferred from the Settlor to the Trust;
 - (b) Shares to be issued, purchased or otherwise acquired by the Settlor for the purpose of the Trust;
 - (c) Other Distributions;
 - (d) Any nil-paid rights, options, warrants or scrip dividend derived from the Awarded Shares held upon the Trust;
 - (e) Residual Cash; and
 - (f) all other properties from time to time representing (a) to (e) above;
- “Trust Period” the period beginning with the Adoption Date and ending upon the first to happen of the following, namely:
- (a) 5 July 2026, being the expiry of 10 years beginning from the Adoption Date;
 - (b) the date when an order for the winding-up of the Settlor is made or a resolution is passed for the voluntary winding-up of the Settlor (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company);
 - (c) such date of early termination as determined by the Board.

“Trustee” An independent and professional trustee and any additional or replacement trustees, being the trustee or trustees for the time being declared in this Trust Deed;

“Vesting Date” in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the Scheme.

By order of the Board
China Parenting Network Holdings Limited
Li Juan
Chairperson

Nanjing, the People’s Republic of China, 7 July 2016

As at the date of this announcement, the executive Directors are Mr. Cheng Li, Mr. Hu Qingyang and Mr. Zhang Lake Mozi; the non-executive Directors are Mr. Wu Haiming, Ms. Li Juan and Mr. Hsieh Kun Tse; and the independent non-executive Directors are Mr. Wu Chak Man, Mr. Zhao Zhen and Mr. Ge Ning.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the Stock Exchange of Hong Kong Limited at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.ci123.com>.