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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: 1736)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 29 March 2022 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 7,317,073 Subscription Shares at a subscription price of HK\$0.041 per Subscription Share.

The 7,317,073 Subscription Shares represent approximately 0.713% of the total number of Shares in issue as at the date of this announcement and approximately 0.708% of the total number of Shares in issue and as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of allotment and issue of the Subscription Shares.

The subscription price of HK\$0.041 per Subscription Share represents: (i) a discount of approximately 12.77% over the closing price of HK\$0.047 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 19.29% over the average closing price of HK\$0.0508 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

Completion of the Subscription Agreement is conditional upon, among others, the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares.

The gross proceeds from the Subscription will be HK\$300,000 and the net proceeds from the Subscription, after deduction of the expenses related to the Subscription of approximately HK\$50,000, is estimated to be approximately HK\$250,000, which is intended to be used for repayment of part of the Group's outstanding professional fees and expenses.

The Subscription Shares will be issued under the General Mandate and is not subject to the Shareholders' approval.

THE SUBSCRIPTION AGREEMENT

Date

29 March 2022

Parties to the Subscription Agreement

Issuer: the Company

Subscriber: Ms. Tan Chiu Lan Francine ("Ms. Tan"). The Subscriber is a professional investor with investments in Asia and US markets. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a third party independent and not connected with the Company and any of its connected persons.

Number of Subscription Shares

The 7,317,073 Subscription Shares represent approximately 0.713% of the total number of Shares in issue as at the date of this announcement and approximately 0.708% of the total number of Shares in issue and as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$73,170.73.

The Subscription Shares will rank pari passu in all respects among themselves and with all other fully paid Shares in issue on the date of issue of the Subscription Shares.

Subscription price of the Subscription Shares

The subscription price of HK\$0.041 per Subscription Share represents:

- (i) a discount of approximately 12.77% over the closing price of HK\$0.047 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 19.29% over the average closing price of HK\$0.0508 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The subscription price of the Subscription Shares was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the last trading price of the Shares on the Last Trading Day. The Directors are of the view that the subscription price of the Subscription Shares is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The subscription price of 7,317,073 Subscription Shares is HK\$300,000, which shall be satisfied by the Subscriber by payment to the Company in cash upon completion of the Subscription.

Condition precedent

Completion of the Subscription Agreement is conditional upon the satisfaction of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares to be issued and such approval and permission having not been subsequently withdrawn or revoked;
- (ii) all necessary approvals or resolutions of the Directors having been obtained or passed in respect of the signing of the Subscription Agreement and the completion of the Subscription and issuance of the Subscription Shares;
- (iii) all the Company's warranties as set out in the Subscription Agreement being true, complete and accurate in all respects and not misleading in any respect;
- (iv) the passing of resolutions of the Directors to approve the Subscription Agreement and the transactions contemplated herein including but not limited to the entering into of the Subscription and the issuance of the Subscription Shares; and
- (v) the Subscriber's warranties as set out in the Subscription Agreement being true, complete and accurate in all respects and not misleading in any respect.

Completion of the Subscription Agreement shall take place within five working days after the date on which the condition precedent to the Subscription Agreement is fulfilled. If any of the above conditions have not been fulfilled or satisfied or complied with or waived on or before the Long Stop Date (or such other date as the parties may agree), the Subscriber shall not be obliged to complete the Subscription.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate approved on 11 June 2021 and is not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 205,132,400 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting of the Company held on 11 June 2021.

As at the date of this announcement, the Company has not allotted or issued any Share under the General Mandate yet.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Company is an investment holding company and the Group is an online platform focusing on the CBM (children, babies, and maternity) market in China and provides users with content, community, new media, e-commerce, smart hardware and other related services through a portfolio of websites and mobile applications.

The Group intends to raise additional funding through the issuance of the Subscription Shares to improve the Group's financial position and for the repayment of part of the Group's outstanding professional fees and expenses. The Directors consider that the Subscription represents an opportunity for the Group to reduce its liabilities and broaden the capital base and Shareholder base of the Company. Accordingly, the Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription will be HK\$300,000 and the net proceeds from the Subscription, after deduction of the expenses related to the Subscription of approximately HK\$50,000, is estimated to be approximately HK\$250,000, which is intended to be used for repayment of part of the Group's outstanding professional fees and expense of the Group. The net subscription price per Subscription Share will be approximately HK\$0.034. Based on the closing price of HK\$0.047 per Share on the date of the Subscription Agreement, the Subscription Shares have a market value of HK\$343,902.4.

The Directors consider the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties thereto, are fair and reasonable, and the Subscription is in the interests of the Company and Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Subscription, assuming there are no changes in the issued share capital of the Company between the date of this announcement and the date of allotment and issue of the Subscription Shares, for illustration purposes only:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Subscription	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Loyal Alliance Management Limited (“ Loyal Alliance ”) (Note 1)	147,351,410	14.37	147,351,410	14.26
Prime Wish Holdings Limited (“ Prime Wish ”) (Note 1)	119,601,612	11.66	119,601,612	11.58
Victory Glory Holdings Limited (“ Victory Glory ”) (Note 2)	120,000,000	11.70	120,000,000	11.62
Properous Commitment Holdings Limited (“ Properous Commitment ”) (Note 3)	51,600,000	5.03	51,600,000	5.00
The Subscriber	—	—	7,317,073	0.71
Other Shareholders	<u>587,108,978</u>	<u>57.24</u>	<u>587,108,978</u>	<u>56.84</u>
Total	<u><u>1,025,662,000</u></u>	<u><u>100.00</u></u>	<u><u>1,032,979,073</u></u>	<u><u>100.00</u></u>

Notes:

1. Each of Loyal Alliance and Prime Wish is directly and wholly owned by Ms. Li Juan, a non-executive Director.
2. Victory Glory is directly and wholly owned by Mr. Cheng Li, an executive Director.
3. Properous Commitment is directly held by TMF Trust (HK) Limited, a professional trustee engaged by the Company for the operation of the share award plan.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

Set out below is the fund-raising activities conducted by the Company during the past twelve months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of announcement
30 March 2022	Extension of maturity date to 30 April 2023 for convertible notes with principal amount of HK\$14.5 million under General Mandate	Approximately HK\$14.5 million	For business expansion and investments in China and Southeast Asia in technology, direct to consumer and advertising verticals related to the mother-child industry, backend technology enhancement, marketing expenses and general working capital purposes.	Approximately HK\$14.5 million has been used for business expansion and investments in China and Southeast Asia in technology, direct to consumer and advertising verticals related to the mother-child industry, backend technology enhancement, marketing expenses and general working capital purposes.

Save as the abovementioned, the Company has not conducted any other fundraising exercise in the past 12 months immediately preceding the date of this announcement.

As the completion of the Subscription is subject to the fulfilment of the condition precedent as stated in the Subscription Agreement, the Subscription may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Board”	the board of Directors
“Company”	China Parenting Network Holdings Limited 中國育兒網絡控股有限公司, an exempted company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1736)
“Directors”	directors of the Company
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 11 June 2021, under which up to a total of 205,132,400 Shares (being up to 20% of the total issued share capital of the Company as at the date of the passing of the relevant resolution, which was 11 June 2021) can be allotted and issued by the Directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Last Trading Day”	28 March 2023, being the last trading day for the Shares prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11 April 2023 or any other date as agreed in writing between the Subscriber and the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription of 7,317,073 Subscription Shares by the Subscriber in accordance with the terms and conditions of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 29 March 2023 entered into between the Company and the Subscriber in relation to the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ms. Tan Chiu Lan Francine
“Subscription Shares”	new Shares to be issued by the Company to the Subscriber upon completion of the Subscription Agreement
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

By Order of the Board
China Parenting Network Holdings Limited
Zhang Lake Mozi
Chairperson

Hong Kong, 29 March 2023

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