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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)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

On 4 May 2023 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, 26,086,956 Subscription Shares at a subscription price of HK\$0.023 per Subscription Share.

The 26,086,956 Subscription Shares represent approximately 2.53% of the total number of Shares in issue as at the date of this announcement and approximately 2.46% 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\$0.023 per Subscription Share represents: (i) a discount of approximately 11.54% over the closing price of HK\$0.026 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a discount of approximately 17.86% over the average closing price of HK\$0.028 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 Agreements 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 Subscriptions will be HK\$600,000 and the net proceeds from the Subscriptions, after deduction of the expenses related to the Subscriptions of approximately HK\$80,000, is estimated to be approximately HK\$520,000, 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 AGREEMENTS

Date

4 May 2023

Parties to the Subscription Agreements

Issuer: the Company

Subscribers: Ms. Tan Chiu Lan Francine (“**Ms. Tan**”) who is a professional investor with investments in Asia and US markets and is a shareholder of 7,317,073 Shares.

Ms. Wu Saiya (“**Ms. Wu**”) is a professional investor who invests in listed companies across a wide range of industries and she is a lender of the Company with principal amount of HK\$1.5 million.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers is a third party independent and not connected with the Company and any of its connected persons.

Number of Subscription Shares

The 26,086,956 Subscription Shares represent approximately 2.53% of the total number of Shares in issue as at the date of this announcement and approximately 2.46% 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\$260,869.56.

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\$0.023 per Subscription Share represents:

- (i) a discount of approximately 11.54% over the closing price of HK\$0.026 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 17.86% over the average closing price of HK\$0.028 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 Subscribers 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 26,086,956 Subscription Shares is HK\$600,000, which shall be satisfied by the Subscribers by payment to the Company in cash upon completion of the Subscription.

Condition precedent

Completion of the Subscription Agreements 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 Agreements and the completion of the Subscription and issuance of the Subscription Shares;
- (iii) all the Company's warranties as set out in the Subscription Agreements 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 Agreements 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 Agreements being true, complete and accurate in all respects and not misleading in any respect.

Completion of the Subscription Agreements shall take place within five working days after the date on which the condition precedent to the Subscription Agreements 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 relevant Subscriber shall not be obliged to complete the relevant Subscription.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate approved on 10 June 2022 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 10 June 2022.

As at the date of this announcement, the Company has utilised 7,317,073 Shares under the General Mandate, representing approximately 3.57% of the General Mandate and the 26,086,956 Subscription Shares represent approximately 12.72% of the General Mandate.

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 the Group's outstanding professional fees and expenses and general working capital purpose. The Directors consider that the Subscriptions 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 Subscriptions are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Subscriptions will be HK\$600,000 and the net proceeds from the Subscriptions, after deduction of the expenses related to the Subscription of approximately HK\$80,000, is estimated to be approximately HK\$520,000, 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\$0.0199. Based on the closing price of HK\$0.026 per Share on the date of the Subscription Agreements, the Subscription Shares have a market value of HK\$678,260.9.

The Directors consider the terms of the Subscription Agreements, 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 Subscriptions are 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 Subscriptions, 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	14.26	147,351,410	13.91
Maria Rachel Mai Decolongon Tatoy (Note 2)	156,059,945	15.11	156,059,945	14.74
Victory Glory Holdings Limited (“ Victory Glory ”) (Note 3)	120,000,000	11.62	120,000,000	11.33
Properous Commitment Holdings Limited (“ Properous Commitment ”) (Note 4)	51,600,000	5.00	51,600,000	4.87
The Subscribers				
Ms. Tan	7,317,073	0.71	21,664,899	2.05
Ms. Wu	—	—	11,739,130	1.11
Other Shareholders	<u>550,650,645</u>	<u>53.3</u>	<u>550,650,645</u>	<u>51.99</u>
Total	<u>1,032,979,073</u>	<u>100.00</u>	<u>1,059,066,029</u>	<u>100.00</u>

Notes:

- Loyal Alliance is directly and wholly owned by Ms. Li Juan, a non-executive Director.
- Ms. Maria Rachel Mai Decolongon Tatoy holds 119,601,612 Shares and 36,458,333 Shares, respectively through her wholly-owned companies, Prime Wish Limited and Bonus Shares Pte. Ltd.
- Victory Glory is directly and wholly owned by Mr. Cheng Li, an executive Director.
- 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
29 March 2023	Subscription of new shares	Approximately HK\$250,000	Repayment of part of the Group's outstanding professional fees and expenses	Fully utilized according to intended use of proceeds

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 Subscriptions are subject to the fulfilment of the condition precedent as stated in the Subscription Agreements, the Subscriptions 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 10 June 2022, 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 10 June 2022) 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”	3 May 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”	19 May 2023 or any other date as agreed in writing between the Subscribers 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 26,086,956 Subscription Shares by the Subscribers in accordance with the terms and conditions of the Subscription Agreements

“Subscription Agreements”	the subscription agreements dated 4 May 2023 entered into between the Company and each of the Subscribers in relation to the Subscriptions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Ms. Tan Chiu Lan Francine and Ms. Wu Saiya
“Subscription Shares”	new Shares to be issued by the Company to the Subscribers upon completion of the Subscription Agreements
“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

Nanjing, the People’s Republic of China, 4 May 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. Zhao Zhen, Mr. Ge Ning and Mr. Manley Poon.