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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 11 July 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, 41,893,074 Subscription Shares at a subscription price of HK\$0.1525 per Subscription Share.

The 41,893,074 Subscription Shares represent approximately 17.02% of the total number of Shares in issue as at the date of this announcement and approximately 14.54% 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\$0.1525 per Subscription Share represents: (i) a discount of approximately 19.74% over the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a premium of approximately 10.99% over the average closing price of HK\$0.1374 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 approximately HK\$6.4 million and the net proceeds from the Subscriptions, after deduction of the expenses related to the Subscriptions of approximately HK\$0.3 million, is estimated to be approximately HK\$6.1 million, which is intended to be used for repayment of part of the Group's outstanding professional fees and expenses and general working capital purpose.

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

THE SUBSCRIPTION AGREEMENTS

Date

11 July 2023

Parties to the Subscription Agreements

Issuer: the Company

Subscribers: Ms. Wu Saiya (“**Ms. Wu**”) is a professional investor who invests in listed companies across a wide range of industries.

XI-F-AI PTE. LTD., a company wholly-owned by Song Yuanyuan, a professional investor who invests in public and private companies across the industries of IT services, media and real estate.

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

Number of Subscription Shares

Each of the subscribers agreed to subscribe for 20,946,537 Subscription Shares. The 41,893,074 Subscription Shares represent approximately 17.02% of the total number of Shares in issue as at the date of this announcement and approximately 14.54% 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\$2,094,653.70.

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\$0.1525 per Subscription Share represents:

- (i) a discount of approximately 19.74% over the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a premium of approximately 10.99% over the average closing price of HK\$0.1374 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 41,893,074 Subscription Shares is HK\$6,388,694, which shall be satisfied by the Subscribers by payment to the Company in cash upon completion of the Subscription.

Conditions precedent

Completion under each of the Subscription Agreements is not inter-conditional on completion of any of the other Subscription Agreements, though they are 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 Subscriptions 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 therein including but not limited to the entering into of the Subscriptions 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 conditions precedent to the Subscription Agreements are 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 15 June 2023 and is not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 41,893,075 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 15 June 2023.

As at the date of this announcement, the Company has not utilised any Shares under the General Mandate, and the 41,893,074 Subscription Shares represents approximately 100% of the General Mandate. Upon the completion of the Subscription, only one Share can be issued under 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 represent 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 approximately HK\$6.4 million and the net proceeds from the Subscriptions, after deduction of the expenses related to the Subscription of approximately HK\$0.3 million, is estimated to be approximately HK\$6.1 million, which is intended to be used for repayment of part of the Group's outstanding professional fees and expense of the Group and general working capital purpose. The net subscription price per Subscription Share will be approximately HK\$0.146. Based on the closing price of HK\$0.19 per Share on the date of the Subscription Agreements, the 41,893,074 Subscription Shares have a market value of approximately HK\$7.96 million.

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	
	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %
Maria Rachel Mai Decolongon Tatoy (Note 1)	50,562,270	20.54	50,562,270	17.55
Victory Glory Holdings Limited ("Victory Glory") (Note 2)	24,000,000	9.75	24,000,000	8.33
Properous Commitment Holdings Limited ("Properous Commitment") (Note 3)	10,320,000	4.19	10,320,000	3.58
Diligent Ally Private Limited	18,346,750	7.45	18,346,750	6.37
Tan Chiu Lan Francine	22,679,729	9.21	22,679,729	7.87
The Subscribers				
Ms. Wu	—	N/A	20,946,537	7.27
XI-F-AI PTE. LTD.	—	N/A	20,946,537	7.27
Other Shareholders	<u>120,250,130</u>	<u>48.85</u>	<u>120,250,130</u>	<u>41.75</u>
Total	<u>246,158,879</u>	<u>100.00</u>	<u>288,051,953</u>	<u>100.00</u>

Notes:

- Ms. Maria Rachel Mai Decolongon Tatoy holds 23,920,322 Shares and 7,291,666 Shares, respectively through her wholly-owned companies, Prime Wish Limited and Bonus Shares Pte. Ltd and has personal interest of 19,350,282 Shares.
- 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 initial announcement	Event	Net proceeds	Intended use of proceeds
29 March 2023	Subscription of new shares under general mandate	HK\$250,000	Repayment of part of the Group's outstanding professional fees and expense of the Group
4 May 2023	Subscription of new shares under general mandate	HK\$250,000	Repayment of part of the Group's outstanding professional fees and expense of the Group
12 June 2023	Subscription of new shares under general mandate	HK\$1.9 million	Repayment of part of the Group's outstanding professional fees and expense of the Group and general working capital purpose

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 conditions 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 15 June 2023, under which up to a total of 41,893,075 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 15 June 2023 and taking into account of the share consolidation which was effective on 19 June 2023) 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”	10 July 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”	1 August 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\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscriptions”	the subscription of 41,893,074 Subscription Shares by the Subscribers in accordance with the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 11 July 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. Wu Saiya and XI-F-AI PTE. LTD.
“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
CHENG LI
CEO

Nanjing, the People’s Republic of China, 11 July 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.