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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)

CONNECTED TRANSACTION
PROPOSED REPLACEMENT OF THE ORIGINAL VIE UNDERTAKING
WITH THE REVISED MEASURES

PROPOSED REPLACEMENT OF THE ORIGINAL VIE UNDERTAKING WITH THE REVISED MEASURES

Reference is made to the Announcement regarding, among others, the proposed replacement of the Original VIE Undertaking with the Revised Measures. Ms. Li Juan and Mr. Cheng Li have given the Original VIE Undertaking to the Company, and the Company has agreed with the Stock Exchange to enforce the Original VIE Undertaking. Taking into account the reasons as mentioned in the section headed “Reasons for and Benefits of the Proposed Replacement of the Original VIE Undertaking with the Revised Measures” in this announcement, subject to the consent of the Stock Exchange and the approval by the Independent Shareholders at the EGM, it is proposed that the Original VIE Undertaking be replaced with the implementation and adoption of the Revised Measures.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Cheng Li and Ms. Li Juan, through their respective wholly-owned companies, together hold 51.6% of the entire issued share capital of the Company and are the controlling shareholders as well as the Directors; and hence connected persons of the Company under the Listing Rules. Therefore, the proposed replacement of the Original VIE Undertaking with the Revised Measures constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be established to consider the proposed replacement of the Original VIE Undertaking with the Revised Measures, and to advise the Independent Shareholders as to whether the proposed replacement of the Original VIE Undertaking with the Revised Measures is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments to the Articles of Association.

As at the date of this announcement, Loyal Alliance and Prime Wish together hold approximately 39.9% of the issued share capital of the Company. Each of Loyal Alliance and Prime Wish is wholly-owned by Ms. Li Juan. As at the date of this announcement, Victory Glory held approximately 11.7% of the issued share capital of the Company. Victory Glory is wholly-owned by Mr. Cheng Li. Each of Loyal Alliance, Prime Wish and Victory Glory is deemed to have material interests in the proposed replacement of the Original VIE Undertaking with the Revised Measures and shall abstain from voting in respect of the resolution approving the proposed replacement of the Original VIE Undertaking with the Revised Measures at the EGM.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, amongst others, (a) further details of the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; (b) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; (c) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; and (d) a notice to convene the EGM will be dispatched to the Shareholders as soon as practicable, but in any event not later than 1 November 2018.

INTRODUCTION

Reference is made to the Announcement regarding, among others, the proposed replacement of the Original VIE Undertaking with the Revised Measures.

Development in the Legislation on Foreign Investment

On 19 January 2015, the MOFCOM published the Draft New Law for public comment. The New Foreign Investment Law, if finally adopted, will have significant impact on the foreign investment regime of the PRC. The Draft New Law introduces a new standard in defining the nature of a domestic enterprise. An onshore enterprise will no longer be deemed as a foreign-invested enterprise even if its immediate shareholders involve foreign individuals or foreign entities, as long as such onshore enterprise's ultimate control person(s) is/are solely PRC investors, upon the competent authorities' approval. "PRC investors" refers to the following bodies under the Draft New Law: (1) natural persons with Chinese nationality; (2) the PRC government and its affiliated departments or offices; and (3) domestic enterprises controlled by any of the aforesaid two bodies. "ultimate control person" refers to natural persons or enterprises that control, directly or indirectly foreign investors or foreign-invested enterprises. According to the Draft New Law, the term "control" means that any of the following conditions is met in respect of an enterprise:

1. Holding, directly or indirectly, more than 50% of shares, equity, share of property, voting power or other similar equities in the enterprise;
2. Holding, directly or indirectly, less than 50% of shares, equity, share of property, voting power or other similar equities in the enterprise, but are under any of the following circumstances:
 - (i) being entitled to, directly or indirectly, more than half of the members of the enterprise's board of director or the similar decision-making body;
 - (ii) being capable of ensuring that its nominated personnel can occupy more than 50% of seats of the enterprise' board of directors or the similar decision-making body; and
 - (iii) the voting power it holds is sufficient to have significant impact on the resolutions of the board of shareholders, general assembly of shareholders, board of directors or other decision making body.

3. Exerting decisive impact on the enterprise's management, finance, human resources or technologies by contracts, trust or other ways.

The Draft New Law was accompanied by the MOFCOM's notes (the "Notes") on, among others, the background, guidelines and principle, and main content of the Draft New Law and elaboration on several issues including the treatment of existing contractual arrangement, or "VIE structure", which has established before the Draft New Law taking effect.

MOFCOM proposed three possible ways to deal with the existing VIE structure, if the business in which the company is involved still belongs to restricted or prohibited foreign-entry areas, namely the prohibited category and the restricted category for foreign investment to be formulated and promulgated by the State Council, and both PRC investors and foreign investors ultimately controlling the existing VIE structures shall comply with the corresponding procedures as to be finally adopted in the formally promulgated and implemented New Foreign Investment Law:

- (i) reporting: if the reporting regime is finally adopted, the existing VIE structure being permitted to continue following reporting to MOFCOM of the VIE structure being ultimately controlled by a PRC investor, but the Draft New Law and the Notes have not mentioned how to deal with the existing VIE structures ultimately controlled by a foreign investor and whether the relevant entity could continue its business operations under the reporting regime;
- (ii) verification: if the verification regime is finally adopted, the existing VIE structure being permitted to continue following verification, on the application of the investor, by MOFCOM of the VIE structure being ultimately controlled by a PRC investor, but the Draft New Law and the Notes have not mentioned how to deal with the existing VIE structures ultimately controlled by a foreign investor and whether the relevant entity could continue its business operations under the verification regime; and
- (iii) approval: if the approval regime is finally adopted, the existing VIE structure being permitted to continue following approval by MOFCOM after taking into account a number of considerations including, without limitation, the identity (whether PRC investor or foreign investor) of the ultimate control person.

It is not certain which one of the three possible regimes will be finally adopted in the New Foreign Investment Law. Based on the Draft New Law, a VIE structure which is ultimately controlled by a PRC investor is permitted to continue following reporting to, verification or approval by MOFCOM.

The Company will unwind the Contractual Arrangement as soon as the relevant PRC laws and regulations including without limitation the New Foreign Investment Law and relevant industry policies and regulations and practice of industry competent authorities allow the Principal Business to be conducted and operated by owned subsidiaries of the Company without VIE structure in place.

Potential impact on the Group

According to current contents of the Draft New Law and the Notes:

- (i) foreign investor which participates in restricted industry category under the Guidance of Foreign Investment Industries (《外商投資產業指導目錄》) and is ultimately controlled by PRC investors, can apply for being defined as a domestic investment by PRC investors; and
- (ii) with respect to investment arrangement through VIE structure before the Draft New Law taking effect, if the relevant investment still falls within restricted or prohibited industry category for foreign investment, as mentioned above, it will be subject to (a) reporting, (b) verification or (c) approval requirement.

The PRC Legal Advisers confirmed that they have reviewed the relevant disclosure of the Draft New Law in this announcement. Considering the abovementioned basis and based on the facts that the Group is currently participated in restricted industry category for foreign investment and Ms. Li Juan and Mr. Cheng Li, the Controlling Shareholders, are PRC investors as defined under the Draft New Law subject to the New Foreign Investment Law and relevant interpretations and regulations to be formally promulgated and implemented by MOFCOM in the future, the PRC Legal Advisers advise that, provided that the Draft New Law and the Notes take effect in its current form and content, and the competent authorities interpret and implement the Draft New Law strictly in accordance with such forms and contents, the Contractual Arrangement will likely to be permitted to continue, and the risk that the Group will be prohibited from retaining its Contractual Arrangement or the PRC Contractual Entities will be prohibited from continuing their business operations is relatively low. On these premises, and subject to other amendments before its formal promulgation and implementation, the Draft New Law will not have any material adverse impact on the Contractual Arrangement and the control over the PRC Contractual Entities by the Group. However, the PRC Legal Advisers cannot exclude the possibility that MOFCOM may have contrary or different interpretation of the Draft New Law and the Notes, and there may be amendments to the Draft New Law and the Notes before formal promulgation and implementation of the New Foreign Investment Law which may have a material adverse impact on the Group at the time when the New Foreign Investment Law becomes effective.

In the event that the Company ceases to be controlled by PRC nationals under the definition of the Draft New Law, and if the New Foreign Investment Law takes the form and content of the Draft New Law, there will be higher uncertainty as to whether the Contractual Arrangement will be permitted to continue, and there is a higher risk that the Group will be prohibited from sustaining the Contractual Arrangement or the PRC Contractual Entities will be prohibited from continuing their business operations. Furthermore, in such circumstances, if the Company's business still belongs to the restricted or prohibited category under the New Foreign Investment Law, or there is then any restriction in place due to relevant industry policies and regulations or in the practice of other industry competent authorities, in the worst case scenario, the Company may be forced to dispose of its Principal Business to comply with the relevant regulatory requirements.

THE ORIGINAL VIE UNDERTAKING

As disclosed on pages 187 and 188 of the Prospectus, Ms. Li Juan and Mr. Cheng Li have given the Original VIE Undertaking to the Company, and the Company has agreed with the Stock Exchange to enforce the Original VIE Undertaking, that during the subsistence of the Contractual Arrangement, each of them will use his/her best efforts to do and procure the Company to do all such possible acts which are necessary to give effect to the Contractual Arrangement and/or to enable the continuation of business operations of the PRC Contractual Entities as a result of any impact due to the promulgation and implementation of the New Foreign Investment Law and other future laws and regulations, including without limitation:

- (i) he/she will not dispose any of his/her interests in the Company (including without limitation procure the Company not to issue and allot any Shares) such that they together would hold (or their aggregate shareholdings be diluted to) less than 51% of the issued share capital of the Company or would otherwise cease to control the Company for the purposes of the New Foreign Investment Law; and
- (ii) he/she will maintain his/her PRC nationality so as to be qualified as a “PRC investor” as defined under the Draft New Law, save that they may transfer their interests in the Company to PRC investor(s) (the “**Controlling Shareholders Transferee(s)**”) who alone or together as parties acting in concert (where applicable) will be “ultimate control persons” as defined under the Draft New Law and hold not less than 51% of the then issued share capital of the Company, and against the Controlling Shareholders Transferee(s) giving an undertaking to the Company with similar effect to the Original VIE Undertaking. Prior to such transfer(s), Ms. Li Juan and Mr. Cheng Li shall demonstrate to the satisfaction of the Company and the Stock Exchange that PRC investor(s) will be the ultimate control persons of the Company as defined under the Draft New Law.

THE REVISED MEASURES

Taking into account the reasons as mentioned in the section headed “Reasons for and Benefits of the Proposed Replacement of the Original VIE Undertaking with the Revised Measures” in this announcement, subject to the consent of the Stock Exchange and the approval by the Independent Shareholders at the EGM, it is proposed that the Original VIE Undertaking be replaced with the implementation and adoption of the Revised Measures as detailed below:

(a) The Company’s corporate governance measures

- The Company’s Memorandum and Articles of Association will be revised to the effect that the majority of the Board shall consist of PRC nationals (the “**PRC Nationals Control Clause**”).
- The Company’s Memorandum and Articles of Association provides that a Director may only be elected or appointed either (i) by Shareholders of the Company voting upon the resolutions that have been proposed by a majority of the Directors; or (ii) by a majority of the Directors (the “**Director Election/Appointment Clause**”). The Company’s Memorandum and Articles of Association will be revised to the effect that the Board is in turn restricted to appoint or propose to the Shareholders to elect Directors from candidates nominated by the Nomination Committee in accordance with the terms of the reference of the Nomination Committee.
- The Company’s Memorandum and Articles of Association provides that the Board has the power, from time to time and at any time, to appoint any person as an additional Director to the Board, subject to the requirement that any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election. If the Shareholders of the Company do not vote to re-elect any Director nominated or appointed by the Board, it is in any event within the power of the Board to appoint one or more additional Directors, subject to the Directors being subject to re-election at the next annual general meeting of the Company (the “**Additional Directors Appointment Clause**”).

- The Nomination Committee of the Board is responsible for recommending nominees to the Board for appointment as Directors. The terms of reference of the Nomination Committee will be revised to provide that when nominating Directors, the Nomination Committee shall be bound by the PRC Nationals Control Clause. The Company's Memorandum and Articles of Association of the Company will be revised to provide that the Shareholders of the Company have no right to propose any amendment to the terms of reference of the Nomination Committee which has not been proposed by the Board.

The Company's legal advisers on Cayman Islands laws, Conyers Dill & Pearman, have confirmed that the PRC National Control Clause (and its reference in the terms of reference of the Nomination Committee as mentioned above), the Director Election/Appointment Clause, the Additional Directors Appointment Clause do not contravene or violate Cayman Islands law currently in force.

A special resolution will be proposed to the Shareholders to amend the Articles of Association at the EGM (the "**Special Resolution**").

Subject to and conditional upon the passing of the special resolution, the proposed amendments to the Articles of Association will have the following effects:

- the majority of the Board shall consist of PRC nationals;
- the Board is restricted to appoint or propose to the Shareholders to elect Directors from candidates nominated by the Nomination Committee in accordance with the terms of the reference of the Nomination Committee; and
- the Shareholders have no right to propose any amendment to the terms of reference of the Nomination Committee which has not been proposed by the Board.

(b) The Company's Undertakings

In addition, the Company will undertake to the Stock Exchange (the “**Company's Undertakings**”) that:

- (i) it will use its best endeavours to ensure that a majority of the Directors on the Board are PRC nationals, to the extent permitted by applicable laws, regulations and rules; and
- (ii) if the Company receives any proposal to amend any of the PRC Nationals Control Clause, the Director Election/Appointment Clause and/or the Additional Directors Appointment Clause, it will make full disclosure of the potential risks associated with such proposal and the scenario which may arise from such amendment, including but not limited to delisting of the Company's Shares from the Stock Exchange, in the circular to be dispatched to the Shareholders of the Company.

(c) The Controlling Shareholders' Undertakings

Furthermore, Loyal Alliance, Prime Wish and Victory Glory, who are the Controlling Shareholders of the Company, will jointly undertake to the Company and the Stock Exchange (the “**Controlling Shareholders' Undertakings**”), to the extent of all their shareholdings in the Company from time to time that:

- (i) they will not, severally or jointly, propose any resolution to amend the PRC Nationals Control Clause, the Director Election/Appointment Clause and/or the Additional Directors Appointment Clause in the Company's constitutional documents at the general meeting of the Company; and
- (ii) they will vote against any proposal to amend the PRC Nationals Control Clause, the Director Election/Appointment Clause and/or the Additional Directors Appointment Clause in the Company's constitutional documents at the general meeting of the Company.

As at the date of this Announcement, (i) the Original VIE Undertaking remains effective; and (ii) the Company has made an application to seek the Stock Exchange's consent to revise the Original VIE Undertaking. Subject to the Independent Shareholders' approval at the EGM, the Listing Committee has no comments on (i) the removal of the Original VIE Undertaking; and (ii) the Revised Measures.

REASONS FOR AND BENEFITS OF THE PROPOSED REPLACEMENT OF THE ORIGINAL VIE UNDERTAKING WITH THE REVISED MEASURES

It is proposed that the Original VIE Undertaking be replaced with the Revised Measures based on the followings:

1. Advice of the PRC Legal Advisers on the interpretation of the Draft New Law and the Notes

As advised by the PRC Legal Advisers, taking into account the evaluation of the interpretation of the Draft New Law and the Notes as evidenced by the subsequent cases being listed on the Stock Exchange, provided that the Draft New Law and the Notes take effect in its current form and content, and the competent authorities interpret and implement the Draft New Law strictly in accordance with such forms and contents, notwithstanding Ms. Li Juan and Mr. Cheng Li holding less than 50% of the issued share capital of the Company, the Company (and therefore the Contractual Control Entities as its wholly owned subsidiaries) is likely to be considered controlled by PRC nationals based on the definition of “control” set out in the Draft New Law, and the Contractual Arrangement will likely be permitted to continue under the Draft New Law and there will not cause any material adverse impact on the Group’s business operation by the implementation of the Contractual Arrangement with the introduction of the Draft Foreign Investment Law in the future on the following basis:

- (i) Based on the Contractual Arrangement, the PRC Contractual Entities are controlled by the Contractual Control Entities (which are PRC established) pursuant to the third limb of the definition of “control” under the Draft New Law (i.e. exerting decisive impact on the enterprise’s management, finance, human resources or technologies by contracts, trust or other ways).

- (ii) Each of the Contractual Control Entities is a wholly owned subsidiary of the Company. The Board currently comprises of three executive Directors, namely Mr. Cheng Li, Mr. Hu Qingyang and Mr. Zhang Lake Mozi, three non-executive Directors, namely Ms. Li Juan, Mr. Wu Haiming and Mr. Hsieh Kun Tse, and three independent non-executive Directors, namely Mr. Wu Chak Man, Mr. Zhao Zhen and Mr. Ge Ning. Among the Directors and except for Mr. Zhang Lake Mozi, Mr. Hsieh Kun Tse, Mr. Wu Chak Man and Mr. Zhao Zhen, all of them are PRC nationals as defined under the Draft New Law. Further, Ms. Li Juan is the chairperson of the Board and Mr. Cheng Li is chief executive officer of the Company.
- (iii) The Board is the governing body of Company and makes all material decisions with respect to the Company. As demonstrated in (ii) above, majority of the Board members are currently PRC nationals. Therefore, the Company (and therefore the Contractual Control Entities as its wholly owned subsidiaries) will be considered as controlled by PRC nationals pursuant to the third limb of the definition of “control” under the Draft New Law (i.e. exerting decisive impact on the enterprise’s management, finance, human resources or technologies by contracts, trust or other ways).

2. Flexibility in financing

Since Ms. Li Juan and Mr. Cheng Li are currently holding approximately 51% of the issued share capital of the Company, any significant issue of new shares or convertible securities of the Company will dilute their aggregate shareholding to less than 51% in breach of the Deed of Undertaking. The 51% restriction in the Original VIE Undertaking with respect to the aggregate shareholdings of Ms. Li Juan and Mr. Cheng Li (or the transferee(s)) has therefore resulted in technical restriction on the normal corporate finance activities which involve the issue of new equity securities or convertible securities of the Company which in turn restrict the financing channels of the Company for its business development which is not in the best interests of the Company and the Shareholders as a whole. The Company considers that the proposed revision of the undertaking will provide more flexibility in its financing, particularly in the current market situations when the costs of loan financing are fairly high, while maintain a balance to ensure the control by PRC nationals for the sake of certainty in compliance with the Draft New Law and the Notes.

3. Revised Measures

Subject to the consent to the Stock Exchange and the approval by the Independent Shareholders at the EGM, the Revised Measures have been/will be implemented.

INFORMATION OF THE GROUP

The Group is an online platform focusing on the CBM (children, babies, and maternity) market in China and is mainly engaged in (i) provision of marketing and promotional service; (ii) e-commerce business; and (iii) licensing of smart-hardware devices through its large and engaged user base of CBM consumers.

INFORMATION OF MS. LI JUAN AND MR. CHENG LI

As at the date of this announcement, Ms. Li Juan and Mr. Cheng Li are together deemed to be interested in approximately 51.6% of the entire issued share capital of the Company and are the controlling shareholders as well as the Directors, and therefore connected persons of the Company under the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As Mr. Cheng Li and Ms. Li Juan are connected persons of the Company under the Listing Rules, the proposed replacement of the Original VIE Undertaking with the Revised Measures constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be established to consider the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments to the Articles of Association, and to advise the Independent Shareholders as to whether the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments to the Articles of Association is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments to the Articles of Association.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, amongst others, (a) further details of the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; (b) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; (c) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association; and (d) a notice to convene the EGM will be dispatched to the Shareholders as soon as practicable, but in any event not later than 1 November 2018.

TERMS USED IN THIS ANNOUNCEMENT

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

“Announcement”	the announcement dated 28 September 2018 made by the Company in relation to the transfer of listing of the Company which contains, among others, particulars of the proposed replacement of the Original VIE Undertaking with the Revised Measures
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“CBM”	children, babies and maternity (孕婴童), refers to infants and kids aged between 0 and 12, and their parents (including expectant mothers)
“Company”	China Parenting Network Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands on 13 October 2014 with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contractual Arrangement”	the contractual arrangement entered into by the Contractual Control Entities, the PRC Contractual Entities and the Relevant Shareholders, details of which are described in the Announcement
“Contractual Control Entities”	Nanjing Xibai and Khorgos Xizhi
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Draft New Law”	a discussion draft of the proposed Foreign Investment Law (《中華人民共和國外國投資法草案徵求意見稿》) issued by the MOFCOM for public comment on 19 January 2015
“EGM”	the extraordinary general meeting of the Company to be convened by the Company to consider and, if thought fit, approve the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, formed to advise the Independent Shareholders as to the fairness and reasonableness of the proposed replacement of the Original VIE Undertaking with the Revised Measures
“Independent Financial Adviser” or “Red Sun Capital”	Red Sun Capital Limited, a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the proposed replacement of the Original VIE Undertaking with the Revised Measures and the proposed amendments of the Articles of Association
“Independent Shareholders”	the Shareholders other than Mr. Cheng Li, Ms. Li Juan and Mr. Wu Haiming, and those who are otherwise interested or involved in the proposed replacement of the Original VIE Undertaking with the Revised Measures and therefore are required to abstain from voting on the resolution in approving the proposed replacement of the Original VIE Undertaking with the Revised Measures
“Khorgos Xizhi”	霍爾果斯矽智資訊技術有限公司(Khorgos Xizhi Information Technology Company Limited*), a limited liability company established in the PRC on 28 June 2017 and is an indirect wholly owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Loyal Alliance”	Loyal Alliance Management Limited (忠聯管理有限公司), a limited liability company incorporated in the BVI on 18 August 2014 and is direct wholly owned by Ms. Li Juan
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Nanjing Xibai”	矽柏(南京)信息技術有限公司(Xibai (Nanjing) Information Technology Company Limited*), a limited liability company established in the PRC on 10 December 2014 and is an indirect wholly owned subsidiary of the Company
“Nanjing Xihui”	南京矽滙信息技術有限公司(Nanjing Xihui Information Technology Company Limited*), a limited liability company established in the PRC on 24 May 2013 and is deemed to an indirect wholly owned subsidiary of the Company pursuant to the Contractual Arrangement
“Nanjing Xinchuang”	南京芯創微機電技術有限公司(Nanjing Xinchuang Micro Machinery and Electric Technology Company Limited*), a limited liability company established in the PRC on 14 April 2005 and is deemed to an indirect wholly owned subsidiary of the Company pursuant to the Contractual Arrangement
“New Foreign Investment Law”	the new Foreign Investment Law (《中華人民共和國外國投資法》) to be finally adopted in relation to the foreign investment regime of the PRC

“Original VIE Undertaking”	the undertaking given by Ms. Li Juan and Mr. Cheng Li to the Company in relation to the Contractual Arrangement, details of which are summarized in the section headed “The Original VIE Undertaking” in this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Contractual Entities”	Nanjing Xihui and Nanjing Xinchuang
“PRC Legal Advisers”	King & Wood Mallesons, the legal advisers to the Company as to the PRC laws
“Prime Wish”	Prime Wish Holdings Limited (冠望控股有限公司), a limited liability company incorporated in the BVI on 18 August 2014 and is direct wholly owned by Ms. Li Juan
“Principal Business”	the principal business of the Group of operation of online platform focusing on the CBM market
“Prospectus”	the prospectus of the Company dated 30 June 2015
“Revised Measures”	the measures proposed to be adopted in relation to the Contractual Arrangement, details of which are summarized in the section headed “The Revised Measures” in this announcement
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Victory Glory”	Victory Glory Holdings Limited, a limited liability company incorporated in the BVI on 8 August 2014 and is direct wholly owned by Mr. Cheng Li
“%”	per cent

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

Nanjing, the PRC, 10 October 2018

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.

* *For identification purpose only*