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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)**

### **MAJOR TRANSACTION SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF LOAN**

#### **INTRODUCTION**

On 15 January 2024, the Lender, the Borrower and the Guarantor entered into the Second Supplemental Agreement, pursuant to which, among other things, the maturity date of the Loan is further extended to 29 December 2026.

#### **LISTING RULES IMPLICATIONS**

The Extension of Loan constitutes provision of financial assistance under the Listing Rules. As the relevant percentage ratios under the Listing Rules in respect of the Extension of Loan exceeds 25%, therefore, the Extension of Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As the amount of financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the extension of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

#### **THE EGM**

The EGM will be convened and held, among others, for the Shareholders to consider and, if thought fit, approving the entering into the Second Supplemental Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, no Shareholder or any of its associates has any material interests in the Second Supplemental Agreement and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting on the resolution(s) in respect of the Second Supplemental Agreement at the EGM.

## **GENERAL**

A circular setting out, among others, details of the Second Supplemental Agreement and other information required to be disclosed under the Listing Rules, will be despatched with the notice of the EGM and a proxy form to the Shareholders on or before 5 February 2024.

## **BACKGROUND**

Reference is made to the announcement of Company dated 6 December 2023 in relation to the entering of the Loan Agreement and the First Supplemental Agreement.

On 29 December 2017, the Loan Agreement was entered into between the Lender, the Borrower and the Guarantor, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of RMB12,000,000 for a term of 36 months, with an interest rate of 6.0% per annum. Prior to the maturity date of the Loan, the Lender has the right to convert the outstanding amounts into 20% of the equity interests in the Borrower.

On 29 December 2020, the parties entered into the First Supplemental Agreement to extend the maturity date of the Loan to 29 December 2023. Save as aforesaid, all other terms of the Loan Agreement remained in full force and effect.

## **SECOND SUPPLEMENTAL AGREEMENT**

On 15 January 2024, the Lender, the Borrower and the Guarantor entered into the Second Supplemental Agreement, pursuant to which, among other things, the maturity date of the Loan is further extended to 29 December 2026.

The principal terms of the Second Supplemental Agreement are set out below:

**Maturity date:** the maturity date of the Loan is further extended to 29 December 2026

**Repayment of accrued interests:** interest of RMB4,320,000 was accrued between 29 December 2017 and 29 December 2023. Following the repayment of the Borrower of RMB1,000,000 by 6 January 2024, the Borrower shall repay the remaining RMB3,320,000 on or before 29 December 2024.

**Security:** the right of the Lender to convert the outstanding amounts into 20% of the equity interests in the Borrower shall be revised to 25% of the equity interests in the Borrower.

- Conditions precedent:** The Second Supplemental Agreement is conditional upon:
- (i) the Company having obtained the Shareholders' approval at the EGM in respect of the relevant resolution to approve the Second Supplemental Agreement and the transactions contemplated thereunder; and
  - (ii) the satisfaction of any other requirements under Listing Rules by the Company.

Save as aforesaid, all other terms of the Loan Agreement (as amended and supplemented by the First Supplemental Agreement) shall remain in full force and effect.

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO SECOND SUPPLEMENTAL AGREEMENT**

The Borrower is a major platform for parent-child consumption. Among others, it has developed a family-outing mobile app which allows families to browse and participate in a wide range of parent-child activities. Through leveraging on technology, the Borrower aims to offer innovative solutions for families in the PRC and efficient marketing services to partner organizations. By granting the Loan to the Borrower, the Company aims to contribute to the growth of the mother-child market and enriching the overall consumer experience. This aligns with the Company's business strategy in reinforcing the mother-child industry in the PRC and creating a win-win environment for the Group by achieving external economies of scale.

The Company has received the outstanding interest payment of RMB1 million from the Borrower. Having considered (i) the Second Supplemental Agreement was entered into on normal commercial terms, with reference to prevailing commercial practice and the amount of the Loan; (ii) the business prospect of the Borrower and the intention to promote the development of the mother-child industry; (iii) the right of the Company to convert the outstanding amounts into 25% of the equity interests in the Borrower; (iv) the relatively high interest income to be received by the Company; (v) the guarantee provided by the Guarantor and (vi) the interest payment received by the Company, the Company is of the view that the extension of the Loan is beneficial to the Company such that it will provide time and financial flexibility for the Borrower to turnaround its business and allow the Company to recover the outstanding amount when the market condition improves.

As at 31 December 2022, the Loan was measured at fair value at RMB14,400,135.20. The Company will continue to monitor the financial condition of the Borrower and assess its creditworthiness, and will take appropriate measures in a timely manner, including but not limited to exercising its right of conversion or taking legal action against the Borrower and/or the Guarantor, if necessary.

## **INFORMATION ON THE BORROWER AND GUARANTOR**

The Borrower is Nanjing Qianyu Information Technology Company Limited\* (南京千魚信息技術有限公司), a company incorporated in the PRC with limited liability. It is principally engaged in providing a major platform for parent-child consumption. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the ultimate controller of the Borrower, Mr. Huang Chaozi (黃朝滋) holds 78% of its equity interests, and the 14 other ultimate beneficial owners of the Borrower hold the remaining 22% equity interests and the Borrower and its ultimate beneficial owners are third parties independent and not connected with the Company and any of its connected persons. As at the date of this announcement, the Company does not hold any equity interests in the Borrower.

The Guarantor is Jiangsu Wansheng Weiye Network Information Technology Company Limited\* (江蘇萬聖偉業網絡科技有限公司), an indirect wholly-owned subsidiary of Leo Group Co., Ltd. (利歐集團股份有限公司) (002131.SH). Its principal business is advertisement and marketing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Guarantor and its ultimate beneficial owner, Leo Group Co., Ltd. (利歐集團股份有限公司) (002131.SH) are third parties independent and not connected with the Company and any of its connected persons.

## **INFORMATION ON THE GROUP AND THE LENDER**

The Group is principally engaged in providing users with content, community, news media, e-commerce, smart hardware and other related services through a portfolio of websites and APPs including CI Web, Mama BBS APP, Pregnancy Tracker APP, new media matrix and mother-child online communities, covering areas including new retail, health, education, home entertainment and family travel, etc.

The Lender is Nanjing Xihui Information Technology Company Limited\* (南京砂滙信息技術有限公司), a company incorporated in the PRC with limited liability, the financial results of which have been consolidated and accounted for as a subsidiary of the Group through contractual arrangement. As a result, the Lender is deemed to be a wholly-owned subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

The Extension of the Loan constitutes provision of financial assistance under the Listing Rules. As the relevant percentage ratios under the Listing Rules in respect of the Extension of Loan exceeds 25%, therefore, the Extension of Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As the amount of financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the extension of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## THE EGM

The EGM will be convened and held, among others, for the Shareholders to consider and, if thought fit, approve the Second Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, to the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, no Shareholder or any of its associates has any material interests in the Second Supplemental Agreement and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting on the resolution(s) in respect of the Second Supplemental Agreement at the EGM.

## GENERAL

A circular setting out, among others, details of the Second Supplemental Agreement and other information required to be disclosed under the Listing Rules, will be despatched with the notice of the EGM and a proxy form to the Shareholders on or before 5 February 2024.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Borrower”	Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司), a company incorporated in the PRC with limited liability
“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”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, considering and if thought fit, approving the Second Supplemental Agreement and the transactions contemplated thereunder
“Extension of Loan”	the extension of the Loan under the Second Supplemental Agreement
“First Supplemental Agreement”	the supplemental agreement dated 29 December 2020 entered into between the Lender, the Borrower and the Guarantor to supplement the Loan Agreement, details of which are set out in the announcement of the Company dated 6 December 2023
“Group”	the Company and its subsidiaries

“Guarantor”	Jiangsu Wansheng Weiye Network Information Technology Company Limited* (江蘇萬聖偉業網絡科技有限公司), a subsidiary of Leo Group Co., Ltd. (利歐集團股份有限公司) (002131.SH)
“Lender”	Nanjing Xihui Information Technology Company Limited* (南京矽滙信息技術有限公司), a company incorporated in the PRC with limited liability, the financial results of which have been consolidated and accounted for as a subsidiary of the Group through contractual arrangement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan with principal amount of RMB12,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement (as amended and supplemented by the First Supplemental Agreement and Second Supplemental Agreement)
“Loan Agreement”	the loan agreement dated 29 December 2017 entered into between the Lender, the Borrower and the Guarantor in respect of the Loan
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Agreement”	the supplemental agreement dated 15 January 2024 entered into between the Lender, the Borrower and the Guarantor to supplement the Loan Agreement (as amended and supplemented by the First Supplemental Agreement)
“Shareholder(s)”	holders of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board  
**China Parenting Network Holdings Limited**  
**CHENG LI**  
**CEO**

Nanjing, the People’s Republic of China, 15 January 2024

*As at the date of this announcement, the executive Directors are Mr. Zhang Lake Mozi, Mr. Cheng Li, Mr. Lin Luofeng and Ms. Ng Kwok Ying Isabella; the non-executive Directors are Ms. Li Juan and Mr. Zhang Haihua; and the independent non-executive Directors are Mr. Zhao Zhen, Mr. Ge Ning and Mr. Manley Poon.*

\* for identification purpose only