



Valuation Report
prepared for
China Parenting Network Holdings Limited

Valuation of Block I I, Land Plot B of
Software Valley Headquarter Economic Park, the
Junction of Meiyuan South Road and Dazhou Road,
Yuhuatai District, Nanjing, Jiangsu Province,

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
FWD Financial Centre
No. 308 Des Voeux Road Central
Hong Kong



The Board of Directors

China Parenting Network Holdings Limited
Room 1905, 19/F,
China Resources Building
No. 26 Harbour Road
Wanchai, Hong Kong

28 February 2024

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in The People's Republic of China ("**The PRC**") to be disposed of by China Parenting Network Holdings Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 31 December 2023 (the "**Valuation Date**").

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

VALUATION METHODOLOGY

When valuing the property interests to be disposed of by the Group, we have adopted Market Approach to assess the estimated capital value upon completion of the proposed development, which is then adjusted with considerations of the outstanding development costs, the outstanding development period and the potential profit margin.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by the PRC legal adviser of the Group, Zhi Heng Law Firm, regarding the titles of the property interests in The PRC. As per the opinion issued by the PRC legal adviser, the titles of the property interests have been legally obtained and our valuation has been conducted on the basis of transfer of such vested legal titles. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the title of the property interests in The PRC. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all

other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“**RMB**”).

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of

Vincorn Consulting and Appraisal Limited



Vincent Cheung

*BSc(Hons) MBA FHKIS FRICS RPS(GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Managing Director*

Note:

*Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“**Hong Kong**”), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution*

of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China. He is suitably qualified to carry out the valuation and has over 26 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests for Development to be Disposed of by the Group in The PRC

Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
Block II, Land Plot B of Software Valley Headquarter Economic Park, the Junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC	<p>The property comprises a proposed eight-storey research and development building namely Block II (“the Property”) erected within Land Plot B of Software Valley Headquarter Economic Park (“the Master Site”) located at the junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC.</p> <p>As per a Real Estate Title Certificate, the Master Site has a master site area of approximately 35,664.01 square meters (“sq.m.”). As per information provided by the Group, the property has a proposed gross floor area (“GFA”) of approximately 8,209.55 sq.m..</p> <p>The land use rights of the property were granted for a term expiring on 9 December 2069 for science and education (research and development) uses.</p>	<p>As per our on-site inspection and information provided by the Group, the property is currently undergoing construction works and most of the substructure and superstructure works have been completed.</p> <p>As per information provided by the Group, the development is expected to be fully completed in about June 2024.</p>	<p>RMB29,600,000 (RENMINBI TWENTY NINE MILLION AND SIX HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group Before Disposal:</p> <p>RMB29,600,000 (RENMINBI TWENTY NINE MILLION AND SIX HUNDRED THOUSAND)</p>

Notes:

1. The property was inspected by Noah Liu *BCom MCom Probationer of RICS* on 6 February 2024.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS RPS(GP) MCIREA MHKSI MISCM FHKIoD MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MHKIS MRICS RPS(GP) MHIREA MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to a State-owned Land Use Rights Grant Contract, 3201142019B00212 dated 13 September 2019 and entered into between seller known as Nanjing Planning and Natural Resources Bureau and the purchasers known as Nanjing Wanhui Information Technology Company Limited, Nanjing Maitwang Technology Company Limited, Nanjing Weixun Information Technology Company Limited, Nanjing Aotuo Automation System Company Limited, Jiangsu Tai Lun Electronic Technology Company Limited, Nanjing Pumen Information Technology Company Limited, Jiangsu Yuanjin Investment Group Company Limited, Bozhi Security Technology Limited, Nanjing Baishi Cloud Technology Company Limited and Nanjing Zhiyan Information Technology Company Limited (the “**Purchasers**”), the land use rights of the Master Site with a master site

area of 35,664.01 sq.m. were granted to the Purchasers for a term of 50 years for scientific and education (research and development) uses at a consideration of RMB59,400,000.

Pursuant to a Joint Purchase Commitment dated 26 August 2019 and entered into between the Purchasers, Nanjing Wanhui Information Technology Company Limited (“**Nanjing Wanhui**”) has to share 8.99% of the consideration, implying an amount of RMB5,340,060. As advised by the Group, the amount has been fully settled by Nanjing Wanhui.

4. Pursuant to a Real Estate Title Certificate, Su (2020) Ning Yu Bu Dong Chan Quan Di No. 0014342 dated 19 June 2020 and issued by Nanjing Planning and Natural Resources Bureau, the land use rights of the Master Site with a master site area of 35,664.01 sq.m. were granted to the Purchasers for a term expiring on 9 December 2069 for science and education (research and development) uses.
5. Pursuant to a Construction Land Use Planning Permit, Di Zi Di No. 320114202050003 dated 9 December 2020 and issued by Nanjing Planning and Natural Resources Bureau, the proposed land use of the Master Site was approved.
6. Pursuant to a Construction Project Planning Permit, Jian Zi Di No. 32011420200129 dated 24 September 2020 and issued by Nanjing Planning and Natural Resources Bureau, the proposed development of the Master Site was approved.
7. Pursuant to a Construction Project Work Commencement Permit, 320114202101251101 dated 25 January 2021 and issued by Nanjing Yuhuatai District Administrative Approval Bureau, the construction of the proposed development of the Master Site was approved to commence from the date of the permit.
8. Pursuant to a Notice of Construction Work Commencement and Completion Extension Approval, Ning Gui Hua Zi Yuan Yan [2023] Di 0642 dated 16 June 2023 and issued by Nanjing Planning and Natural Resources Bureau, the completion date of the proposed development of the Master Site was extended to 10 June 2024.
9. Pursuant to a Joint Construction Cost Allocation List, the ownership and interests of the Property with a proposed GFA of approximately 8,209.55 sq.m. was allocated to Nanjing Wanhui as one of the Purchasers.
10. As advised by the Group, Nanjing Wanhui is a wholly owned subsidiary of the Group.
11. The general description and market information of the Property are summarized below:

Location	: The Property is located at the junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC.
Transportation	: Nanjing Lukou International Airport and Nanjing South Railway Station are located approximately 35.7 kilometres and 9.5 kilometres away from the Property respectively.
Nature of Surrounding Area	: The area is predominately a research and development area in Yuhuatai District.
12. We have been provided with a legal opinion regarding the Property by Zhi Heng Law Firm, which contains, inter alia, the following:
 - (a) The Purchasers have obtained the state-owned land use rights of the Master Site in accordance with laws, and are the legal holder of the state-owned land use rights of the Master Site.;

- (b) Each of the Purchasers share the construction cost of the Master Site in accordance with the corresponding GFA of the assigned building as specified on relevant construction contracts. The GFA of the Property assigned to Nanjing Wanhui is approximately 8,209.55 sq.m.
- (c) The proposed development of the Master Site has obtained the legally effective permits from the local government authorities, including Construction Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit; and
- (d) Various portions of the Master Site are subject to six respective mortgages established by six of the Purchasers other than Nanjing Wanhui. Nanjing Wanhui has noticed and agreed with the establishment of such mortgages but has not established a mortgage in relation to the Property. Nanjing Wanhui is not liable to such mortgages.
13. The estimated capital value upon completion of the Property, assuming that it has been completed and it can be freely transferred, as at the Valuation Date was circa RMB89,500,000. According to information provided, the incurred construction cost and outstanding construction cost of the Property as at the Valuation Date were circa RMB10,500,000 and RMB51,900,000 respectively.
14. In the course of our valuation of the estimated capital value upon completion of the Property by Market Approach, we have considered and analysed the research and development building sale comparables in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The unit rates of the adopted comparables are ranging from RMB9,300 to RMB12,500 per sq.m. on the basis of GFA. The following table shows the details of research and development building sale comparables with the adopted adjustments:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Building	Software Valley Technology and Innovation Centre	Yuhua International Intelligence Valley	Yuepu Technology Nanjing Yunchuang Centre	Jiulonghu Zhizao Innovation Centre
District	Yuhuatai	Yuhuatai	Yuhuatai	Yuhuatai
City	Nanjing	Nanjing	Nanjing	Nanjing
Property Type	Research and Development Building	Research and Development Building	Research and Development Building	Research and Development Building
Year of Completion	2016	2022	2023	2024
GFA (sq.m.)	5,500.00	5,000.00	6,000.00	10,000.00
Price (RMB)	68,750,000	56,500,000	55,800,000	98,000,000
GFA Unit Rate (RMB/sq.m.)	12,500	11,300	9,300	9,800
Adjustment				
Discount on Offer Price	-3.0%	-3.0%	-3.0%	-3.0%
Location	0.0%	0.0%	+10.0%	+10.0%

Building Age	3.5%	0.5%	0.0%	-0.5%
Size	-1.4%	-1.6%	-1.1%	+0.9%
Adjusted GFA Unit Rate (RMB/sq.m.)	12,393	10,836	9,848	10,525

After making due adjustments in terms of different attributes to the comparables, we have weighted the adjusted unit rates of comparables evenly to derive the adopted unit rate of RMB10,901 per sq.m. on the basis of GFA for the property. The adopted unit rate is considered as within the range of unit rates of comparables and is then multiplied by the GFA of 8,209.55 sq.m. of the Property to arrive at the estimated capital value upon completion of circa RMB89,500,000.

15. When valuing the Market Value of the Property, the estimated capital value upon completion of the Property is then adjusted with considerations of the outstanding development costs, the outstanding development period and the developer's profit yet to be realised.

The adjustments to the estimated capital value upon completion have been detailed below:

Estimated capital value upon completion:	RMB89,500,000	Please refer to Note 14.
Adjustments:		
Less sales and marketing costs:	Circa RMB2,700,000	The adjustment is based on 3% of the estimated capital value upon completion.
Less outstanding construction cost:	Circa RMB51,900,000	The adjustment is based on the outstanding construction cost of circa RMB51,900,000 provided by the Group.
Less finance cost	Circa RMB553,903	The finance cost is the cost of borrowing of the construction cost. It is calculated on the basis of half of the construction period since construction cost is generally borrowed and settled periodically by stage payments. The adjustment is based on 4.35% over half of the outstanding construction period of 0.25 years for the finance cost.
Less profit margin:	Circa RMB4,133,333	This is the developer's profit to be realised when carrying out development. It forms a component of the estimated capital value upon completion and thus it has to be deducted to arrive at the land value. It is an adjustment and does not involve any forecast.

		The adjustment is based on 5% of the total development and land costs.
Less outstanding development period:	Circa RMB634,468	This is the cost of time from the Valuation Date to the expected completion date of construction works.
		The adjustment is based on based on 4.35% over the outstanding pre-development period of 0.5 years.
Market Value:	RMB29,600,000	The Market Value is deduced after the above due adjustments from the estimated capital value upon completion.

