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)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of China Parenting Network Holdings Limited (the "**Company**", or "**CI Web**") together with its subsidiaries, collectively the "**Group**" or "**we**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2023 (the "**Year**" or "**Reporting Period**").

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

Policy Support and Shifting Consumer Trends Propel Mother-Child Consumption Upgrades

In 2023, several provinces and cities in China implemented a range of policies aimed at supporting families with two or more children, including subsidies for childbirth and child rearing, extended maternity and childcare leave, housing and rental subsidies, tax reductions, and other incentives. Some cities have even extended welfare benefits to all families with newborns, significantly increasing the desire for childbirth and unleashing the unlimited potential of the mother-child market. At the same time, the concepts of self-indulgence and refined child rearing have become mainstream among the young Generation Z, prompting a focus on quality and a willingness to invest in mother-child products, thereby driving the consumption upgrade of the mother-child market.

Generation Z Parents Embrace "Quality over Quantity" Child-Rearing, Favoring Smart and Refined Mother-Child Service Platforms

With the advancement of time, Generation Z (born after 1995) has become a major force in mother-child consumption. Their consumer behavior not only reflects a pursuit of fashion and trends but also showcases distinct characteristics in their approach to mother-child product consumption. Against the backdrop of a declining population, the concept of "quality over quantity" has become a prevailing trend among Generation Z parents. They prioritize personalized and high-quality lifestyles, leading to a preference for a more refined approach to parenting.

Data reveals that 51% of Generation Z parents lean towards purchasing smart mother-child products, viewing them as a means to alleviate the burdens of child-rearing and improve the quality of parenting. As such, young Generation Z families exhibit a willingness to invest in a fast-paced, high-quality lifestyle. Consequently, there is a heightened demand for mother-child platforms that offer comprehensive, intelligent, and refined services encompassing knowledge, shopping, social engagement, and more.

AI Leading the Intelligent Transformation of the Mother-Child Industry, Pioneering a New Era of AI Mother-Child Interaction

The rapid development of artificial intelligence (AI) technology is driving an intelligent transformation in the mother-child industry. From intelligent parenting services to smart mother-child products, AI is ushering in a new era of intelligence for the industry.

AI-powered parenting guidance, personalized mother-child health management, and intelligent parent-child education have become new trends in the mother-child service sector. The intelligent algorithms of AI make parenting services more personalized and scientific, providing parents with more professional support in child-rearing. Generation Z parents, as digital natives, are particularly inclined to explore and embrace new technologies and products that can help them "free up their hands". Reports indicate that 60% of consumers are open to AI services, with health management, daily child care, and education management being areas of high interest. Therefore, in the future, as intelligent technology continues to evolve and be applied, the mother-child industry is poised to introduce more intelligent, convenient, and thoughtful products and services, promising a brighter future for parents and babies alike.

Business Review

CI Web has been deeply involved in the mother-child industry for 18 years, constantly improving its ecosystem layout. In 2023, CI Web continued its strong momentum across all platforms, leveraging three key strengths: comprehensive network traffic reach, scientific content service capability, and advanced digital technology operations. With a user-centric approach, it caters to the diverse needs of users at all stages of parenting. The platform has constructed a comprehensive service ecosystem for expectant mothers, infants, and children, connecting users with brands and fostering collaborative growth with channels and the industry. This strategy has resulted in the creation of a robust and professional mother-child ecosystem.

CI Web has always adhered to providing digital services, committed to using technology to reduce the cost of parenting and improve the experience of child-rearing. To achieve this, CI Web fully utilizes "digitalization + AI" technology, providing users with more intelligent and refined services through four methods: fine services based on Artificial Intelligence Generated Content ("**AIGC**"), comprehensive refinement of content systems, refined service capabilities in co-building scenarios, and refined consumption in co-building scenarios.

To meet the parenting needs of expectant mothers, infants, and children across all stages, CI Web provides refined services through the Mama BBS App, CI Web applet, social groups, MCNs, and other channels for the customer-side ("**C-side**"). For the business-side ("**B-side**"), there are over 20,000 mother-child stores using the Mommy Store SaaS, an education management solution called JWB SaaS, and a professional family and child life platform called Parent-Child Weekend. These services aim to provide users and businesses with more refined services.

Revamped Content System: Collaborating with Professional Institutions for Enhanced Educational Content

By deeply understanding the diverse parenting needs of Generation Z parents, CI Web has restructured its content scenarios accordingly, comprehensively and finely enhancing its three major content capabilities. First, Enhanced Scientific Content and Deepened Integration with Professional Institutions: CI Web, in response to national policies, collaborates with the China Youth Development Research Center of the China National Committee for the Well-being of the Next Generation and the National Health Commission to develop the "Parent School" project, focusing on professional and scientific parenting and education for infants and young children. This collaboration aims to improve the standards and norms of the Parent School curriculum, develop related professional courses, and enhance the professionalism and systematic service capabilities of the Parent School, providing professional guidance services for families with infants aged 0-6. Simultaneously, the "Scientific Parenting" project, which aims to address challenges such as societal reluctance to bear and raise children, continues nationwide through online and offline guidance, support, and promotion, effectively promoting scientific parenting nationwide. Second, Professional Content Upgrades: CI Web is dedicated to developing its professional mother-child MCN platform and enhancing its comprehensive premium membership service system. It is intensifying collaborations with experts and influencers to optimize the quality of partnerships. With over 3,200 high-quality influencers and 800+ authoritative parenting experts, CI Web ensures professional oversight. This includes leveraging endorsements from expert doctors to create services such as pregnancy and parenting Q&A sessions, and expert consultations. Third, IP Content Upgrades: Expanding its portfolio of more than 30 original IPs, CI Web is actively incubating new intellectual properties (IPs) like "Shining Moms", "Institute of Ignorance", and "Magical Human Cubs". These IPs are concurrently distributed across social platforms like Douyin, Xiaohongshu, and various video platforms.

Upgraded AI Parenting Service "Smart Parenting Assistant (智育小助理)" 3.0, Providing Users with More Intelligent Services

CI Web has leveraged its robust in-house digital technology operation capability to develop and launch the AI parenting service "Smart Parenting Assistant (智育小助理)" 3.0. This product is an artificial intelligence conversational chatbot based on a large language model. It simulates a conversation with a real person, generating responses that are smoother, more natural, and more contextually relevant to the user's input.

The “Smart Parenting Assistant (智育小助理)” 3.0 not only engages in free-form conversations with users but also offers various intelligent modes such as Pregnancy Q&A, Ultrasound Interpretation, Name Expert, and Chatting Companion to meet user needs, providing more professional, convenient, and engaging services. In the Pregnancy Q&A mode, users can ask the “Smart Parenting Assistant (智育小助理)” any questions about pregnancy, childbirth, postpartum care, and baby development. Leveraging CI Web’s professional knowledge base and Embedding technology, the Assistant provides authoritative, scientifically sound answers to pregnancy-related questions, and supports viewing relevant references. In the Ultrasound Interpretation mode, users can upload ultrasound photos. The “Smart Parenting Assistant (智育小助理)” utilizes CI Web’s self-developed medical document image recognition technology, combined with Large Language Model, to automatically parse the data from the ultrasound report and provide an intelligent interpretation report. This report includes information such as the baby’s gender, weight, length, position, possible abnormalities, and suggestions, based on data ranges and standards. In the Name Expert mode, users can specify their name preferences, such as surname, gender, style, and meaning. Using big data and algorithms, the “Smart Parenting Assistant (智育小助理)” provides a variety of Chinese and English name options and name analyses. In the Chatting Companion mode, users have a space for venting. The “Smart Parenting Assistant (智育小助理)” acts like a considerate friend, accompanying users through moments of both tears and laughter, listening attentively, and engaging in conversation. The “Smart Parenting Assistant (智育小助理)” will continue to upgrade and optimize, introducing more intelligent modes to make parenting easier.

Enhanced Collaborative Services and Consumer Engagement Across More Scenarios to Drive Business Growth

CI Web collaborates with various channels such as mother-child retail, educational systems, and offline parent-child activities to refine service capabilities. The Mommy Store SaaS system is utilized by over 20,000 mother-child stores, spanning more than 318 cities, with a membership exceeding 5.62 million offline members. Additionally, over 40,000 educational institutions utilize CI Web’s JWB education system. The Parent-Child Weekend platform serves tens of thousands of offline merchants, facilitating over 30 million family trips. Merchants can leverage CI Web’s tools, such as one-click distribution, one-click grouping, and instant shopping, to provide more tailored services to consumers. For instance, the one-click distribution tool facilitates the distribution of group-buying products, offering a product library with over 1 million products for consumer selection. The one-click grouping tool aids mother and baby stores in achieving higher sales conversions. Moreover, CI Web’s instant shopping feature is supported by its 6,000+ mother-child interactive communities, which can significantly boost business growth for brands.

Future Prospects

CI Web has always been dedicated to offering Chinese new parents more scientific, professional, and efficient parenting solutions. To this end, it will continue to improve its ecosystem and utilizes "digitalization + AI" technology to provide more refined services for both mother-child users and brand merchants. Through ongoing innovation and progress, CI Web aims to make parenting easier while ensuring sustained business growth for brands.

Meanwhile, CI Web has always been committed to fulfilling its mission of "serving more mother and baby families with practical solutions", continuously exploring industry frontiers. Through comprehensive research on both online and offline users, CI Web accurately understands consumer needs and the stocking challenges faced by offline mother-child stores. Leveraging the advantages of channel cooperation, CI Web meticulously selects, develops, produces, and controls the quality of products. The goal is to create genuinely safe, high-quality, and affordable mother-child & household products. This range includes essential items such as facial towels, wet wipes, diapers, and toys, providing Chinese families with a reliable physical experience. Furthermore, CI Web will implement an integrated online and offline marketing strategy. Online, the company will reach consumers through private domains, communities, and major platforms for product promotion. Offline, CI Web aims to rapidly expand its own brand presence through a network of over 20,000 mother-child stores.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2023 was approximately RMB57.4 million, representing a decrease of approximately 32.5% over approximately RMB85.0 million for the year ended 31 December 2022, due to the decline in both the marketing and promotional business and sales of goods business of the Company, as affected by the overall economic environment and intensified industry competition.

Cost of sales

The Group's cost of sales for the year ended 31 December 2023 was approximately RMB54.9 million, representing a decrease of approximately 17.6% over approximately RMB66.6 million for the year ended 31 December 2022, primarily due to the decrease in sales revenue.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2023 was approximately RMB2.5 million, representing an decrease of approximately 86.4% over approximately RMB18.4 million for the year ended 31 December 2022. During the year ended 31 December 2023, the Group's gross profit margin decreased from approximately 21.6% for the year ended 31 December 2022 to approximately 4.4%, due to (i) the decline in the gross profit margin of certain marketing and promotion services of the Group as impacted by the intensified competition in the industry, and (ii) the relatively low gross profit margin of the Group's sales of goods business as most of which were wholesale business in 2023.

Other income, gains and losses

The Group's other income, gains and losses for the year ended 31 December 2023 was approximately RMB2.0 million, representing a decrease of approximately 45.9% compared to approximately RMB3.7 million for the year ended 31 December 2022, primarily due to the decrease in government grants provided by the local government.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2023 was approximately RMB13.7 million, representing a decrease of approximately 12.7% over approximately RMB15.7 million for the year ended 31 December 2022, primarily attributable to the decrease in marketing and promotion expenses and the decrease in the number of marketing personnel.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2023 was approximately RMB13.9 million, representing an increase of approximately 51.1% over approximately RMB9.2 million for the year ended 31 December 2022, primarily due to the increase in intermediary fees.

Research and development costs

The Group's research and development ("**R&D**") cost for the year ended 31 December 2023 was approximately RMB8.6 million, representing an increase of approximately 11.7% over approximately RMB7.7 million for the year ended 31 December 2022, primarily attributable to increase in expenditure on technical services purchased externally.

Income tax credit/expense

The Group's income tax credit for the year ended 31 December 2023 was approximately RMB0.27 million, representing an increase of approximately 145% over approximately RMB0.02 million of income tax expense for the year ended 31 December 2022.

Loss for the Year

As a result of the factors described above, the Group's net loss for the year ended 31 December 2023 was approximately RMB48.2 million, representing an increase of approximately 14.8% in loss compared with approximately RMB42.0 million of net loss for the year ended 31 December 2022, primarily due to the decrease in revenue and the decline in gross profit margin.

Loss per share

For the Year, the loss per share was approximately RMB0.197 representing a decrease of approximately 4.4% over approximately RMB0.206 (Restated) of the loss per share in 2022.

Gearing ratio

As of 31 December 2023, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was 68.6% (2022: 39.3%).

Capital expenditure

Our capital expenditure was RMB0.02 million for the year ended 31 December 2023 (2022: RMB0.1 million). The Group's capital expenditures were mainly related to the purchases of servers, computers, office equipment.

Liquidity and capital resources

As at 31 December 2023, the net current liability of the Group was approximately RMB9.0 million (2022: net current liability of the Group approximately RMB13.5 million) and the cash and cash equivalents were approximately RMB9.3 million (2022: approximately RMB8.6 million).

As at 31 December 2023, the Group had borrowings of approximately RMB37.7 million (2022: approximately RMB18.4 million), which included guaranteed bank loan denominated in RMB of approximately RMB17.5 million (2022: approximately RMB13.5 million) and other borrowing of approximately RMB20.2 million (2022: approximately RMB4.9 million), and convertible notes of Nil (2022: approximately RMB13.8 million).

The Group has internal budgeting systems in place to ensure that if and when cash is committed to fund major expenditures there is sufficient cash flow to maintain the Group's daily operations and meet all of its contractual obligations.

The Group funds its operations with revenue from its operating activities. The Group also has cash inflows from interest income and collections. Key drivers in the Group's sources of cash are primarily the Group's sales, and their cash inflows depends on the Group's ability to collect payments. There have been no material changes in the Group's underlying drivers during the Reporting Period.

Foreign exchange exposure

The Group's transactions are mainly denominated in RMB. Part of the cash and bank deposits of the Group are denominated in Hong Kong dollars. During the year ended 31 December 2023, the Group did not experience any material impact or liquidity problems in its operation resulting from the changes in exchange rate nor enter into hedging transaction or forward contract arrangement. However, the management closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this regard, the Group is not exposed to any significant foreign currency exchange risk in its operation.

Capital structure

The shares of the Company were listed on the GEM of the Stock Exchange on 8 July 2015 and the listing of shares of the Company has been transferred to the Main Board of the Stock Exchange on 8 October 2018. The capital structure of the Company comprised ordinary shares and 288,051,953 shares in issue as at 31 December 2023.

Capital commitment

As at 31 December 2023, the Group had capital commitment of approximately RMB40.4 million (including the construction cost of the target land and various government administrative fees and taxes) (2022: RMB49.0 million).

Employees, training and remuneration policy

The remuneration committee of the Company will review and determine the remuneration and compensation packages of Directors with reference to their responsibilities, workload, and the time devoted to the Group and the performance of the Group. In general, the Group determines employees' salaries based on their performance and length of services. The Board believes the salaries and benefits provided to the employees are competitive with local market standards. The Group also contributes to the social insurance in the PRC.

The Group has implemented training for new employees during their course of employment in order to ensure that employees are able to meet the job requirements. In addition, the Group will occasionally arrange internal and external trainings for the Group's employees. For external trainings, external speakers who have extensive experience in information technology may be invited to attend the Group's office to perform the training, and for internal trainings, the topics may include finance, accounting, risk management or information technology and such trainings will be conducted by the relevant department. The Group considers these onjob trainings are necessary for the employees to handle issues which may arise in their day to day operations and can enhance their ethic and morale.

As at 31 December 2023, the Group had a total of 49 employees including executive Directors (2022: 92 employees). Total staff costs were approximately RMB13.0 million for the year ended 31 December 2023 (2022: approximately RMB17.7 million).

Material acquisitions and disposals of subsidiaries

During the year ended 31 December 2023, there was no material acquisition or disposal of subsidiaries by the Group.

Events after the reporting period

(a) On 15 January 2024, Nanjing Wanhui Information Technology Company Limited (南京灣匯信息科技有限公司) ("**Nanjing Wanhui**") (an indirect wholly-owned subsidiary of the Company), Xibai (Nanjing) Information Technology Company Limited (矽柏(南京)信息技術有限公司) (the "**Xibai (Nanjing)**") and Nanjing Zhiye Enterprise Management Co., Ltd. (南京智冶企業管理有限公司) (the "**Nanjing Zhiye**") entered into the conditional disposal agreement (the "**Disposal Agreement**"), pursuant to which Nanjing Zhiye shall conditionally agree to acquire and the Xibai (Nanjing) shall conditionally agree to dispose of the entire issued share capital of Nanjing Wanhui at an aggregate consideration of RMB19,090,000. Details of which are set out in the Company's announcement dated 15 January 2024 and the Company's circular dated 28 February 2024.

(b) On 15 January 2024, Nanjing Xihui Information Technology Company Limited* (南京矽滙信息技術有限公司) (the "**Lender**"), Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司) (the "**Borrower**") and Jiangsu Wansheng Weiye Network Information Technology Company Limited* (江蘇萬聖偉業網絡科技有限公司) (the "**Guarantor**") entered into the second supplemental agreement to the loan agreement (the "**Second Supplemental Agreement**"). Pursuant to the Second Supplemental Agreement, the maturity date of the loan of RMB12,000,000 was further extended to 29 December 2026. As at the date of this announcement, the extension of loan has been approved by the Shareholders, details of which are set out in the Company's announcement dated 15 January 2024 and the Company's circular dated 26 February 2024.

Charges of assets

As at 31 December 2023, the Group did not make any pledged bank deposit (2022: Nil).

Contingent liabilities

As at 31 December 2023, the Group did not have any significant contingent liabilities (2022: Nil).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 9 February 2021 and 15 February 2021, the Company entered into subscription agreements and supplemental agreements with Ellwood International Ltd and nine other subscribers (being individual professional investors or companies ultimately owned by professional investors) (the "**Investors**"), pursuant to which the Company conditionally agreed to issue and Ellwood International Ltd and the other subscribers conditionally agreed to subscribe for convertible notes in an aggregate principal amount not exceeding HK$35,000,000 (the "**Convertible Notes**") at an initial conversion price of HK$0.24 per convertible share. The Company entered into an amendment and restatement deed dated 30 March 2022 (the "**Amendment and Restatement Deed**") with the Investors to extend the maturity date of the Convertible Notes to 30 April 2023 and the initial conversion price amended to HK$0.095 per convertible share with principal amount reduced to HK$14.5 million after partial repayment of the outstanding principal amount of the Convertible Notes, subject to and effective from fulfilment of conditions precedent and conditions subsequent in the Amendment and Restatement Deed. For details of the proposed amendment, please refer to the announcement of the Company dated 30 March 2022.

As the Convertible Notes can only be exercised and converted into Shares during the conversion period, being the first week of June 2022, September 2022 and December 2022 and the maturity date of the Convertible Notes have passed, the Convertible Notes could not be converted into Shares.

The Company is in active negotiation with Convertible Note holder for capitalisation of its debts.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND PROFIT OR LOSS

Breakdown of the Company's financial assets at fair value through other comprehensive income and profit or loss as at 31 December 2023 is set out in note 12 to this announcement. Further details of each invested companies will be disclosed in the 2023 annual report of the Company.

With technological advancement and the changes in needs and behaviors of the new generation consumers in recent years, our investment helps to achieve the upstream and downstream digitalization of the industrial chain. It is also beneficial for us to consolidate new technology and service application scenarios to help brands upgrade their traditional business models, which is in line with our strategic planning direction.

The Group is a vertical online platform for the CBM (children, babies and maternity) market. In relation to its business development, family-related business of the Group refers to business that uses Internet technology to address the needs of new generation home consumers as target customers, such as early education, entertainment, health and services. On the basis of its existing core business, the family-related business of the Group still adheres to the original family-based user groups of its CBM platform, and forms a new maternal and child ecological layout with diversified maternal and child family services. It also extends the traditional and single maternal and child services to several cross-sector segments including health, education and entertainment, further expanding the types of family services and customer reach, prolonging user life-cycle, and meeting the increasing long-tail demands from the mother-child groups.

There have been rapid changes in the Internet industry and the competition in online advertising and e-commerce market and related O2O business is intense. The Group intends to expand into new core sectors such as new socialized retail, family medical, family education and internet technology with external empowerment. Leveraging the investments in the companies engaged in relevant new sectors, the Company will be able to reduce its costs to a certain extent and enter such new sectors in a quicker manner, as well as gain technology reserves and Internet traffic from new resources. The Company targets on investments in entities which are principally engaged in CBM and family related business chain and related technology research and development, which is in line with the principal business and future business development of the Company.

LOANS TO OTHER ENTITIES

The balance represents loans extended to unrelated third parties, bearing interest rates of 6.0% to 8.0% per annum for periods of 12 to 36 months. The entering into these loan facility agreements with these third parties are for the long-term interest of the Group.

Breakdown of the Company's loans to other entities as at 31 December 2023 is set out in notes 11, 12 and 15 to this announcement. Further details of each borrowing companies will be disclosed in the 2023 annual report of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023 and up to the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*4*	**57,444**	84,970
Cost of sales		**(54,943)**	(66,578)
Gross profit		**2,501**	18,392
Other income, gains and losses	*5*	**1,979**	3,716
Selling and distribution expenses		**(13,744)**	(15,718)
Administrative expenses		**(13,893)**	(9,169)
Research and development costs		**(8,615)**	(7,685)
Impairment loss on financial and contract assets, net	*6*	**(1,905)**	(3,620)
Fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")		**(9,629)**	(24,684)
Gain on modification of convertible notes		**–**	801
Loss on extinguishment of financial liabilities by issue of shares		**(347)**	–
Finance costs	*7*	**(4,798)**	(4,014)
Loss before tax	*6*	**(48,451)**	(41,981)
Income tax credit (expense)	*8*	**270**	(24)
Loss for the Year		**(48,181)**	(42,005)
(Loss) profit attributable to:			
Owners of the Company		**(48,181)**	(42,241)
Non-controlling interests		**–**	236
Loss for the Year		**(48,181)**	(42,005)
		RMB cents	*RMB cents* (Restated)
Loss per share attributable to owners of the Company			
Basic and diluted	*10*	**(19.74)**	(20.59)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
Loss for the Year	**(48,181)**	(42,005)
Other comprehensive (expense) income, net of tax:		
Item that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income ("**FVTOCI**"):		
Changes in fair value	**(27,115)**	(126,870)
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(297)**	1,892
Other comprehensive expense for the Year, net of tax	**(27,412)**	(124,978)
Total comprehensive expense for the Year	**(75,593)**	(166,983)
Total comprehensive (expense) income for the Year attributable to:		
Owners of the Company	**(75,593)**	(167,219)
Non-controlling interests	**–**	236
	(75,593)	(166,983)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		**161**	15,060
Right-of-use assets		**582**	7,178
Long-term receivables	*11*	**232**	2,462
Deposit for property, plant and equipment		**–**	2,712
Other financial assets	*12*	**44,127**	88,077
		45,102	115,489
Current assets			
Inventories		**230**	1,187
Trade and bill receivables	*13*	**6,676**	9,971
Contract assets	*14*	**2,314**	6,139
Prepayments, deposits and other receivables	*15*	**18,593**	10,600
Other financial assets	*12*	**5,549**	14,985
Cash and cash equivalents		**9,277**	8,555
		42,639	51,437
Assets classified as held for sale	*19*	**27,312**	–
		69,951	51,437
Current liabilities			
Trade payables	*16*	**5,170**	3,208
Contract liabilities		**3,569**	325
Other payables and accruals	*17*	**13,106**	22,233
Lease liabilities		**703**	1,117
Borrowings	*18*	**37,747**	18,413
Convertible notes		**–**	13,816
Tax payable		**5,598**	5,868
		65,893	64,980
Liabilities associated with assets classified as held for sale	*19*	**13,080**	–
		78,973	64,980
Net current liabilities		**(9,022)**	(13,543)
Total assets less current liabilities		**36,080**	101,946

	Note	2023 RMB'000	2022 RMB'000
Non-current liabilities			
Lease liabilities		**–**	693
NET ASSETS		**36,080**	101,253
Equity			
Equity attributable to owners of the Company			
Share capital	*20*	**11,891**	8,090
Reserves		**24,189**	93,163
		36,080	101,253
Non-controlling interests		**–**	–
TOTAL EQUITY		**36,080**	101,253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 GENERAL INFORMATION

China Parenting Network Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 13 October 2014 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room 1905, China Resource Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in (i) the provision of marketing and promotional services through the Group's platform, including CI Web, mobile CI Web, Mobile Application Software ("**APPs**") and IPTV APPs and (ii) sale of goods in China.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group incurred a net loss attributable to owners of the Company of approximately RMB48,181,000 for the Year, and as at the same date, the Group's current liabilities exceeded its current assets by approximately RMB9,022,000.

For the assessment of going concern, the Directors are of the opinion that the Group would be able to continue as a going concern as the Group has sufficient financial resources to support the operation of the Group in the foreseeable future, after taking into consideration of the followings:

(a) A shareholder of the Company has granted a loan facility to the Group and undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of this announcement. Up to the date of this announcement, the loan facility has not been utilised under the arrangement;

(b) The Group plans to dispose of the financial assets at FVTPL and financial assets designated at FVTOCI to generate operating cash inflow;

(c) The Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of an indirect wholly-owned subsidiary for the consideration of RMB19,090,000, details of which are set out in the Company's announcement dated 15 January 2024 and circular dated 28 February 2024;

(d) The Directors will strengthen and implement measures aiming at improving the working capital and cash flows of the Group, including closely monitoring the general administrative expenses and operating cost; and

(e) The Group will seek to obtain additional new financial support including but not limited to borrowing loans, issuing additional equity or debt securities.

In view of the above measures, the Directors are of the opinion that the Group will have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the date of this announcement.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International tax reform — Pillar Two Model Rules

The application of new and amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of all the amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the provision of marketing and promotional services through the Group's platform and sale of goods.

(i) Disaggregation of revenue

Revenue of the Group are from contracts with customers within the scope of IFRS 15. The amount of each significant category of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Marketing and promotional services	**26,691**	38,378
Sale of goods	**30,753**	46,592
	57,444	84,970

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

Contracts with provision of marketing and promotional services customers always have an original expected duration of less than one year. Contracts with individual customers for sales of goods are always satisfied within one month.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 and therefore the information about remaining performance obligations is not disclosed for contracts that have an original expected duration of one year or less.

(b) Segment information

The Group determines its operating segments based on internal reports reviewed by the chief operating decision makers, who are the executive directors of the Company, for the purpose of allocating resources to the segments and to assess their performance.

The Group's reportable and operating segments have been identified as follows:

(i) Marketing and promotional services; and

(ii) Sale of goods

The amount of each significant category of revenue recognised during the Reporting Period is as follows:

	For the year ended 31 December 2023		
	Marketing and promotional services	**Sale of goods**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Disaggregated by timing of revenue recognition			
Over time	**26,691**	**–**	**26,691**
Point in time	**–**	**30,753**	**30,753**
Segment revenue	**26,691**	**30,753**	**57,444**
Segment results	**2,160**	**341**	**2,501**

	For the year ended 31 December 2022		
	Marketing and promotional services	Sale of goods	Total
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
Over time	38,378	–	38,378
Point in time	–	46,592	46,592
Segment revenue	38,378	46,592	84,970
Segment results	15,301	3,091	18,392

	2023	2022
	RMB'000	*RMB'000*
Segment results	**2,501**	18,392
Unallocated		
Other income, gains and losses	**1,979**	3,716
Selling and distribution expenses	**(13,744)**	(15,718)
Administrative expenses	**(13,893)**	(9,169)
Research and development costs	**(8,615)**	(7,685)
Impairment loss on financial and contract assets, net	**(1,905)**	(3,620)
Fair value changes of financial assets at FVTPL	**(9,629)**	(24,684)
Gain on modification of convertible notes	**–**	801
Loss on extinguishment of financial liabilities by issue of shares	**(347)**	–
Finance costs	**(4,798)**	(4,014)
Loss before tax	**(48,451)**	(41,981)

Segment results during the Year represents the gross profit of each segment without allocation of other income, gains and losses, selling and distribution expenses, administrative expenses, research and development costs, impairment loss on financial and contract assets, net, fair value changes of financial assets at FVTPL, gain on modification of convertible notes, loss on extinguishment of financial liabilities by issue of shares and finance costs. This is the measure reported to the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No segment assets and segment liabilities and other segment information are presented as such amounts are not reviewed by the Group's chief operating decision makers for the purpose of resource allocation and performance assessment or otherwise regularly provided to the Group's chief operating decision makers.

Geographical information

During the Year, the Group operated within one geographical segment because substantially all of its revenue was generated in the Mainland China and all of its long-term assets/capital expenditure were located/incurred in the Mainland China. Accordingly, no geographical information is presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2023	2022
	RMB'000	*RMB'000*
Customer A[1]	**11,999**	10,979
Customer B[2]	**15,238**	–

1 Revenue from marketing and promotional services.

2 Revenue from sale of goods

5 OTHER INCOME, GAINS AND LOSSES

	2023	2022
	RMB'000	*RMB'000*
Bank interest income	**14**	22
Other interest income	**1,310**	1,161
Government grants *(note)*	**456**	1,704
Investment income from bank product investments	**–**	111
Foreign exchange loss, net	**(41)**	(58)
Rent concession income	**–**	232
Loss on disposal of property, plant and equipment	**(54)**	–
Loss on write-off of property, plant and equipment	**(76)**	–
Sundry income	**370**	544
	1,979	3,716

Note:

Government grants were received from the government of the Mainland China mainly to encourage the Group's efforts on development and innovation. There are no unfulfilled conditions or contingencies relating to the grants.

6 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories sold	**30,412**	43,501
Cost of services provided	**24,531**	23,077
Depreciation of property, plant and equipment	**50**	45
Depreciation of right-of-use assets	**1,541**	1,479
Research and development costs:		
Current year expenditure	**8,615**	7,685
Auditor's remuneration	**1,480**	1,480
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**10,417**	16,103
Pension scheme contributions (defined contribution scheme)	**1,042**	1,539
Impairment loss (reversal of impairment loss) on financial and contract assets, net:		
— Trade receivables	**119**	3,243
— Contract assets	**317**	512
— Financial assets included in prepayments, deposits and other receivables	**1,469**	(135)
Fair value changes of financial assets at FVTPL	**9,629**	24,684
Foreign exchange loss, net	**41**	58

7 FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Effective interest on convertible notes	**475**	2,204
Interest on bank loans	**604**	844
Interest on other borrowings	**3,657**	832
Interest on lease liabilities	**62**	134
	4,798	4,014

8 INCOME TAX (CREDIT) EXPENSE

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Under the relevant income tax law, the Mainland China subsidiaries are subject to income tax at a statutory rate of 25% on their respective taxable income, except for one of the subsidiaries has been recognised as high-tech enterprise since 6 December 2019, the subsidiary can enjoy a preferential income tax rate of 15% from 2020 to 2022.

The income tax (credit) expense of the Group are analysed as follows:

	2023	2022
	RMB'000	*RMB'000*
Current tax — Mainland China		
Provision for the year	**–**	–
(Over-) under-provision in respect of prior years	**(270)**	24
Total tax (credit) expense for the Year	**(270)**	24

9 DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the years ended 31 December 2023 and 2022.

10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2023	2022
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(48,181)**	(42,241)

	Number of shares	
	2023	2022
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares	**244,100**	205,132

No adjustment was made in calculating diluted loss per share for the years ended 31 December 2023 and 2022 as the conversion of convertible notes would result in a decrease in loss per share. Accordingly, the diluted loss per share is equivalent to the basic loss per share.

Comparative figures for the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation completed on 19 June 2023.

11 LONG-TERM RECEIVABLES

		2023	2022
	Notes	***RMB'000***	*RMB'000*
Rental deposits		**–**	877
Loans to employees	*(i)*	**168**	1,454
Loans to third parties	*(ii)*	**64**	131
		232	2,462

Notes:

(i) Since September 2016, the Group had begun to offer certain employees interest-free loans which amounted to no more than RMB15,000,000 in aggregate. The employees, including key management personnel, who have served the Group for more than three years can apply for such interest-free loans to purchase home properties. The balance, including interest-free loans to key management personnel of Nil (2022: RMB790,000), represents the interest-free loans to employees which will be repaid within two to five years. The current portion which will be repaid within one year is presented in note 15 to this announcement.

(ii) The loans to third parties are unsecured, bearing interest rates of 6% per annum and repayable within two to five years. The current portion which will be repaid within one year is presented in note 15 to this announcement.

12 OTHER FINANCIAL ASSETS

	Notes	2023 RMB'000	2022 RMB'000
Financial assets designated at FVTOCI			
– Unlisted equity securities	*(i)*	**40,300**	68,926
Financial assets at FVTPL			
– Unlisted equity securities	*(ii)*	**5,549**	14,985
– Convertible loans to third parties	*(iii)*	**3,827**	19,151
		49,676	103,062
Analysed into:			
– Non-current		**44,127**	88,077
– Current		**5,549**	14,985
		49,676	103,062

Notes:

(i) As at 31 December 2023 and 2022, certain equity securities as shown in following table were designated as financial assets at FVTOCI. These equity securities are not held for trading, instead, they are held for long-term strategic purposes. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

	2023 RMB'000	2022 RMB'000
Nanjing Jufeng Engine Information Technology Company Limited*	**10,684**	13,212
Nanjing Xianju Information Technology Co., Ltd.*	**4,424**	6,534
Guangzhou Baxianguohai Information Technology Co., Ltd.*	**4,143**	3,780
Nanjing Free Chain Information Technology Company Limited*	**3,727**	6,192
Guangzhou Muyun Electronic Commerce Co., Ltd.*	**3,268**	3,680
Nanjing Hongdou Information Technology Company Limited*	**3,197**	5,289
Nanjing Duomai Information Technology Company Limited*	**2,839**	2,350
Nanjing Youchao Information Technology Co., Ltd.*	**2,520**	5,700
Nanjing Liqi Information Technology Co., Ltd.*	**1,676**	4,930
Nanjing Baicheng Medical Technology Company Limited*	**1,014**	2,752
Nanjing Duozan Health Technology Company Limited*	**965**	854
Nanjing Youke Workshop Information Technology Co., Ltd.*	**766**	2,064
Nanjing Qianguang Information Technology Co., Ltd.*	**705**	1,548
Shanghai Shijiu Information Technology Co., Ltd.*	**297**	607
Others	**75**	9,434
	40,300	68,926

At the end of the Reporting Period, no dividends were received on these equity securities (2022: Nil).

* The English names referred herein represent management's best effort at translating from the official Chinese names of these companies for identification purposes as no English names have been registered.

(ii) The following financial asset at FVTPL contains put options in which the Group has a right to request investees to repurchase the equity shares in certain situations including investees' failure in meeting specific profits guarantee or developing specific techniques, fundamental change in investees' principal activities and/or investees and original shareholders violated integrity and damaged the investees' interest.

	2023	2022
	RMB'000	*RMB'000*
CCLOUD TECH LIMITED	**5,549**	14,985

(iii) The balance included loans measured at fair value of Nil (2022: approximately RMB14,400,000) and approximately RMB3,827,000 (2022: approximately RMB4,751,000) made to private companies, namely Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司) ("**Nanjing Qianyu**") and Beijing Hongwei Technology Company Limited* (北京宏偉科技有限公司) ("**Beijing Hongwei**"), respectively. The Group has the option to convert the loans into equity shares of Nanjing Qianyu and Beijing Hongwei.

The loan to Nanjing Qianyu was guaranteed by a subsidiary, Jiangsu Wansheng Weiye Network Technology Company Limited* (江蘇萬聖偉業網絡科技有限公司) ("**Jiangsu Wansheng**") of an A-share listed company. On 29 December 2023, the loan to Nanjing Qianyu was matured, the outstanding principal amount of RMB12,000,000 and accrued interest of approximately RMB4,326,000 were not yet settled. The option to convert the loans into equity shares of Nanjing Qianyu was expired on the same date, accordingly, the Group reclassified the loan to Nanjing Qianyu from financial assets at FVTPL into the other receivables included in prepayments, deposits and other receivables and its fair value amount of approximately RMB16,326,000 became the gross carrying amount of other receivables in the consolidated statement of financial position upon its expiry. Details of extension of loan after the reporting period are set out in note 21(b) to this announcement.

* The English names referred herein represent management's best effort at translating from the official Chinese names of these companies for identification purposes as no English names have been registered.

13 TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**10,133**	12,954
Less: Impairment allowance	**(3,457)**	(3,338)
	6,676	9,616
Bills receivables	**–**	355
	6,676	9,971

The Group's trading terms with its customers are mainly on credit. The credit period is generally 90 to 180 days after date of invoices, depending on contracts with individual customers.

An ageing analysis of the trade and bills receivables as at the end of the Reporting Period, based on the date of invoices and net of impairment allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**3,444**	6,090
3 to 6 months	**2,112**	2,406
6 months to 1 year	**324**	1,127
1 to 2 years	**796**	227
2 to 3 years	**–**	121
	6,676	9,971

14 CONTRACT ASSETS

	2023	2022
	RMB'000	*RMB'000*
Contract assets arising from marketing and promotional services	**3,170**	6,678
Less: Impairment allowance	**(856)**	(539)
	2,314	6,139

As at 1 January 2022, contract assets amounted to approximately RMB7,266,000.

Contract assets are initially recognised for revenue earned from the marketing and promotional services as the receipt of consideration is conditional on successful completion of services. Included in contract assets for marketing and promotional services are retention receivables. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

During the Year, impairment losses of approximately RMB317,000 were recognised (2022: approximately RMB512,000) for expected credit losses on contract assets.

The expected timing of recovery or settlement for contract assets as at the end of the Reporting Period is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**2,314**	6,139

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2023	2022
	Notes	***RMB'000***	*RMB'000*
Advance payments to suppliers		**1,230**	2,039
Prepayments	*(i)*	**457**	4,266
Deposits		**1,047**	421
Other receivables	*(ii)*	**16,630**	2,872
Loans to third parties	*11(ii)*	**192**	238
Loans to employees	*11(i)*	**672**	930
		20,228	10,766
Less: Impairment allowance		**(1,635)**	(166)
		18,593	10,600

Notes:

(i) Prepayments included approximately of HK$4,212,000 (equivalent to approximately RMB3,762,000) for technology licensing services as at 31 December 2022.

(ii) Included in other receivables of approximately RMB2,268,000 was the other tax receivables as at 31 December 2022.

On 29 December 2023, as detailed in note 12 to this announcement, the outstanding principal of RMB12,000,000 and its accumulated interest receivables of approximately RMB4,326,000 due from Nanjing Qianyu, were recognised as other receivables included in prepayments, deposits and other receivables, with an interest rate of 6.0% per annum and repayable on demand. Impairment loss of approximately of RMB1,540,000 was recognised for the Year.

16 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**5,068**	2,931
1 to 3 months	**1**	15
Over 3 months	**101**	262
	5,170	3,208

As at 31 December 2023 and 2022, the trade payables are non-interest-bearing and normally settled within 30 days.

17 OTHER PAYABLES AND ACCRUALS

	2023	2022
	RMB'000	*RMB'000*
Other payables and accruals	**9,724**	12,921
Receipt in advance	**212**	655
Other tax payables	**2,409**	7,187
Employee related payables	**761**	1,470
	13,106	22,233

Other payables are non-interest-bearing and repayable on demand.

18 BORROWINGS

	2023	2022
	RMB'000	*RMB'000*
Bank loans *(note (a))*	**17,500**	13,500
Other borrowings *(note (b))*	**20,247**	4,913
	37,747	18,413

	2023	2022
	RMB'000	*RMB'000*
Carrying amounts repayable:		
Within one year or on demand	**37,747**	18,413

Notes:

(a) The bank loans of RMB17,500,000 (2022: RMB13,500,000) are unsecured, repayable within one year and guaranteed by personal guarantees given by an executive director of the Company, Mr. Cheng Li, a non-executive director of the Company, Ms. Li Juan and a former non-executive director of the Company, Mr. Wu Haiming who resigned on 9 August 2023. The relevant directors did not receive any fees for such guarantees from the Group and the Group did not provide any collateral for the aforesaid guarantees to the relevant directors for the years ended 31 December 2023 and 2022. The bank loans carry interest rate ranging from 3.25% to 4.45% (2022: 4.00% to 4.45%) per annum.

The Group's bank facilities amounted to RMB17,500,000 (2022: RMB13,500,000), all of which had been utilised as at the end of the reporting period and will be settled within one year.

(b) The other borrowings of approximately RMB3,250,000 and HK$18,756,000 (equivalent to approximately of RMB16,997,000) (2022: Nil and HK$5,500,000 (equivalent to approximately of RMB4,913,000)) are unsecured and repayable on demand, which carry interest rate at 26% and 23% respectively (2022: Nil and 23% respectively) per annum.

19. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2023, the Group is in the process of disposing its entire equity interests in its indirect wholly-owned subsidiary, Nanjing Wanhui Information Technology Company Limited ("**Nanjing Wanhui**"), that was principally engaged in provision of technical support and consultancy related services. Negotiations with an interested party have already taken place, and the Directors are committed to sell the equity interests in Nanjing Wanhui within twelve months from 31 December 2023. The assets and liabilities of Nanjing Wanhui were classified as "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" respectively in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations as at 31 December 2023 and were presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the carrying amount of the interest in Nanjing Wanhui. Accordingly, no impairment losses have been recognised.

The major classes of assets and liabilities of Nanjing Wanhui classified as held for sale are as follows:

	RMB'000
Construction in progress	**21,796**
Right-of-use assets	**5,071**
Other receivables	**445**
Total assets classified as held for sale	**27,312**
Other payables and accruals	**13,080**
Total liabilities classified as held for sale	**13,080**

Details in relation to the disposal of Nanjing Wanhui subsequent to the end of the reporting period are disclosed in note 21(a) to this announcement.

20. SHARE CAPITAL

	2023			2022		
	Number of shares	*HK$'000*	*Equivalent to RMB'000*	*Number of shares*	*HK$'000*	*Equivalent to RMB'000*
Ordinary shares of HK$0.05 (2022: HK$0.01) each						
Authorised:						
At 1 January	**10,000,000,000**	**100,000**		10,000,000,000	100,000	
Share consolidation *(note c)*	**(8,000,000,000)**	**–**		–	–	
At 31 December	**2,000,000,000**	**100,000**		10,000,000,000	100,000	
Issued and fully paid:						
At 1 January	**1,025,662,000**	**10,257**	**8,090**	1,025,662,000	10,257	8,090
Issue of new shares under subscription agreement *(note a)*	**7,317,073**	**73**	**64**	—	—	—
Issue of new shares under subscription agreement *(note b)*	**14,347,826**	**143**	**128**	—	—	—
Share consolidation *(note c)*	**(837,861,520)**	**—**	**—**	—	—	—
Issue of new shares under subscription agreement *(note d)*	**18,346,750**	**917**	**845**	—	—	—
Issue of new shares under loan capitalisation agreement *(note e)*	**18,346,750**	**917**	**845**	—	—	—
Issue of new shares under subscription agreement *(note f)*	**41,893,074**	**2,095**	**1,919**	—	—	—
As at 31 December	**288,051,953**	**14,402**	**11,891**	1,025,662,000	10,257	8,090

Notes:

(a) On 29 March 2023, the Company entered into a subscription agreement with a third party (the "**Subscriber A**"), pursuant to which the Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 7,317,073 ordinary shares at the subscription price of HK$0.041 per share. Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Details of which are disclosed in the Company's announcements dated 29 March 2023.

(b) On 4 May 2023, the Company entered into a subscription agreement with the Subscriber A, pursuant to which the Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 14,347,826 ordinary shares at the subscription price of HK$0.023 per share. Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Details of which are disclosed in the Company's announcements dated 4 May 2023.

(c) Pursuant to an ordinary resolution passed by shareholders at the annual general meeting held on 15 June 2023, every five issued and unissued ordinary shares with a par value of HK$0.01 each in the authorised and issued share capital of the Company be consolidated into one ordinary share with a par value of HK$0.05 each, which became effective on 19 June 2023. Details of the Share Consolidation are disclosed in the Company's announcements dated 29 March 2023 and circular dated 16 May 2023 respectively.

(d) On 12 June 2023, the Company entered into a subscription agreement with the Subscriber A, pursuant to which the Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 18,346,750 ordinary shares at the subscription price of HK$0.023 per share (or HK$0.115 as adjusted by share consolidation). Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Details of which are disclosed in the Company's announcements dated 12 June 2023.

(e) On 12 June 2023, the Company entered into a loan capitalisation agreement with a third party (the "**Creditor**"), pursuant to which the Creditor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 18,346,750 ordinary shares (at par value of HK$0.05) at the issue price of HK$0.023 per share (or HK$0.115 as adjusted by share consolidation). The subscription amount payable by Creditor under the loan capitalisation agreement shall be satisfied by capitalising the outstanding loan. Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Details of which are disclosed in the Company's announcements dated 12 June 2023.

On 4 July 2023, all of the conditions precedent under the loan capitalisation agreement have been fulfilled and the completion of the share subscription has taken place, whereby 18,346,750 subscription shares were allotted and issued to the Creditor at the subscription price of HK$0.023 per share (or HK$0.115 as adjusted by share consolidation) per subscription share pursuant to the terms of the loan capitalisation agreement. The difference between the fair value of the issued shares based on the market price of HK$0.136 per share on 4 July 2023 and the amount owing by the Company to the Creditor in an aggregate amount of approximately HK$385,000 (equivalent to approximately of RMB347,000) was accounted for as a loss on extinguishment of financial liabilities by issue of shares for the year ended 31 December 2023.

(f) On 11 July 2023, the Company entered into a subscription agreement with the subscribers (the "**Subscribers**"), pursuant to which the Subscribers has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 41,893,074 ordinary shares (at par value of HK$0.05) at the subscription price of HK$0.1525 per share. Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Details of which are disclosed in the Company's announcements dated 11 July 2023.

21 EVENTS AFTER THE REPORTING PERIOD

(a) Pursuant to the Company's announcement dated 15 January 2024 and circular dated 28 February 2024, Xibai (Nanjing) Information Technology Company Limited entered into a sale and purchase agreement with the purchaser, an independent third party, in relation to the sale of the entire issued share capital of Nanjing Wanhui for an aggregate cash consideration of RMB19,090,000 on 15 January 2024. Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 15 March 2024, the transaction was approved.

(b) Pursuant to the Company's announcement dated 15 January 2024 and circular dated 26 February 2024, Nanjing Xihui Information Technology Company Limited as lender entered into the supplemental loan agreement with Nanjing Qianyu as borrower and Jiangsu Wansheng as guarantor, which are the independent third parties, in relation to the extension of loan in an amount of RMB12,000,000 for a term of 36 months with an interest rate of 6.0% per annum on 15 January 2024. Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 13 March 2024, the transaction was approved.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the Year.

"OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2023 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 2 to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately RMB48,181,000 for the year ended 31 December 2023, and as at the same date, the Group's current liabilities exceeded its current assets by approximately RMB9,022,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. The directors, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our audit opinion is not modified in respect of this matter."

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance practices are very essential for maintaining and promoting investor confidence as well as the sustainable growth of the Company. The Board sets appropriate policies and implements relevant corporate governance practices with a view to further develop our business and achieve business growth. The Board is committed to strengthening the Company's corporate governance practices, to ensure transparency and accountability of the Company's operations.

The Group has adopted the code provisions set out in the corporate governance code (the "**CG Code**") contained in Appendix C1 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the year ended 31 December 2023.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors' dealings in securities of the Company. Having made specific enquiry to all the Directors of the Company, the Directors confirmed that they have complied with Model Code during the year ended 31 December 2023.

WRITTEN GUIDELINES FOR RELEVANT EMPLOYEES IN RESPECT OF THEIR DEALINGS IN SECURITIES

The Company has established written guidelines on the employees' dealings in the securities of the Company on terms which are no less exacting than the Model Code (the "**Employees Written Guidelines**") to regulate the dealings in the securities of the Company by employees (including the Directors or employees of the subsidiaries or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any non-compliance of the Employees Written Guidelines by the employees during the year ended 31 December 2023.

Should the Company becomes aware of any restricted period for dealings in the Company's securities, the Directors and relevant employees shall be notified in advance.

AUDIT COMMITTEE

The primary duties of the audit committee of the Company are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of the financial reporting matters; and oversee internal control procedures of the Company. At present, the audit committee of the Company consists of three members, namely the independent non-executive Directors Mr. Poon Manley and Mr. Ge Ning and the non-executive Director Ms. Li Juan. Mr. Poon Manley is the chairman of the audit committee of the Company. Members of the audit committee of the Company comply with Rule 3.21 of the Listing Rules. The written terms of reference of the audit committee of the Company are posted on the Hong Kong Stock Exchange's website and the Company's website.

The audit committee of the Company had reviewed the Company's audited annual results for the year ended 31 December 2023, and was of the opinion that the relevant financial statements have been prepared in accordance with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Group, and the selection and appointment of the external auditor. In addition, based on information furnished to the Board and on its own observations, the audit committee of the Company had reviewed the present risk management and internal control systems of the Company and considers that the Group's risk management and internal control systems for the year ended 31 December 2023 was effective and adequate.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

The figures in respect of the preliminary announcement of the results of the Group for the Year have been agreed to the amounts set out in the financial statements for the Year by the auditor of the Company, Confucius International CPA Limited ("**CICPA**"). The work performed by CICPA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CICPA on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 18 June 2024 (Tuesday). The notice of the AGM and other relevant documents will be published and despatched to the shareholders of the Company in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 12 June 2024 (Wednesday).

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.ci123.com), and the annual report of the Company containing all the information required by the Listing Rules will be published on the websites of the Hong Kong Stock Exchange and the Company and despatch to the shareholders of the Company (if requested) in due course.

By order of the Board
China Parenting Network Holdings Limited
Zhang Lake Mozi
Chairperson

Nan Jing, 28 March 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. Poon Manley, Mr. Zhao Zhen and Mr. Ge Ning.