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China Parenting Network Holdings Limited
中國育兒網絡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8361)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK
EXCHANGE”)**

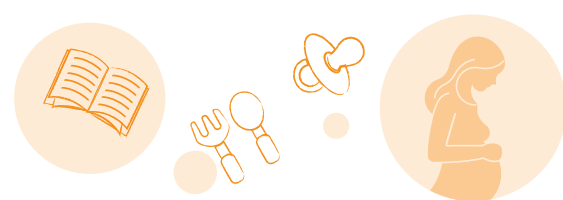
GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of China Parenting Network Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

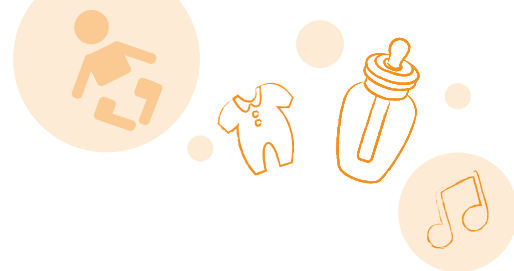
The board of Directors (the “Board”) announces the unaudited consolidated results of the Group for the six months ended 30 June 2016. This announcement, containing the full text of the 2016 Interim Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2016 Interim Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company’s website at www.cil23.com in due course.

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CORPORATE INFORMATION



BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Li
Mr. Hu Qingyang
Mr. Zhang Lake Mozi

Non-Executive Directors

Ms. Li Juan (*Chairperson*)
Mr. Wu Haiming
Mr. Hsieh Kun Tse

Independent Non-Executive Directors

Mr. Wu Chak Man
Mr. Zhao Zhen
Mr. Ge Ning

BOARD COMMITTEES

Audit Committee

Mr. Wu Chak Man (*Chairperson*)
Ms. Li Juan
Mr. Ge Ning

Nomination Committee

Ms. Li Juan (*Chairperson*)
Mr. Zhao Zhen
Mr. Ge Ning

Remuneration Committee

Mr. Ge Ning (*Chairperson*)
Mr. Zhao Zhen
Mr. Cheng Li

COMPLIANCE OFFICER

Mr. Cheng Li

JOINT COMPANY SECRETARIES

Mr. Zhang Lake Mozi
Ms. Ng Wing Shan

AUTHORISED REPRESENTATIVES

Mr. Cheng Li
Ms. Ng Wing Shan

AUDITORS

Ernst & Young

COMPLIANCE ADVISER

China Everbright Capital Limited
24, Lee Garden One
33 Hysan Avenue
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Hong Kong

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong Law

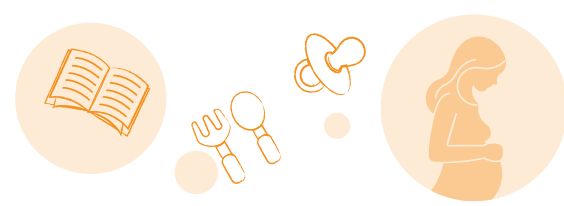
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Cayman Islands



CORPORATE INFORMATION

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
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Hong Kong

PRINCIPAL BANK

Bank of Communication (Xuanwu Branch)
No. 519, Zhujiang Road, Xuanwu District
Nanjing, Jiangsu Province, PRC

STOCK CODE

8361

COMPANY WEB-SITE

www.ci123.com

INVESTOR RELATIONS CONSULTANT

PR Asia Consultants Limited
5/F., Euro Trade Centre
13-14 Connaught Road Central, Hong Kong

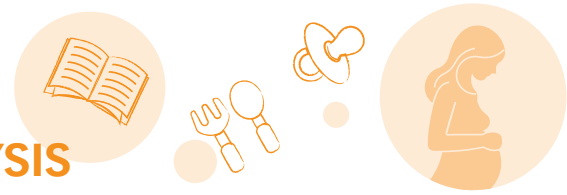
HIGHLIGHTS



The following table sets forth the consolidated statements of profit or loss and other comprehensive income of the Group as at 30 June 2016.

	For the six months ended	
	30 June	
	2016	2015
	RMB'000	RMB'000
Revenue	40,453	36,000
Gross profit	33,861	32,859
Profit for the period	19,169	16,973
Attributable to:		
Owners of the parent	20,597	17,315
Non-controlling interests	(1,428)	(342)
Basic and diluted earnings per share (expressed in RMB per share)	0.0201	0.0216

- The Group's revenue for the six months ended 30 June 2016 (the "Period") was approximately RMB40.5 million, representing an increase of approximately 12.5% over the revenue of approximately RMB36.0 million for the corresponding period in 2015.
- The Group's profit attributable to owners of the parent for the Period was approximately RMB20.6 million, comparing with the profit attributable to the owners of the parent of approximately RMB17.3 million for the corresponding period in 2015.
- The Group's earnings per share attributable to ordinary equity holders of the parent for the Period was approximately RMB0.0201, comparing with earnings per share attributable to ordinary equity holders of the parent of approximately RMB0.0216 for the corresponding period in 2015.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading vertical online platform for the Children-Babies-Maternity (“CBM”) market in China, aiming at providing users with value-added services like new media, contents, community, smart hardware, e-commerce and cross-border services with such platforms as the CI Web (育兒網), mobile CI Web, mobile APPs and the IPTV APP, creating a one-stop mother-child experience platform.

The Group adopted a diversified revenue model. The majority of revenue of the period originated from marketing and promotion services, including advertising agencies, non-advertising agencies and third-party online shopping platforms. The Group has continued to benefit from the fully implementation of the Two Child Policy since it launched, where citizens are increasing their overall investments in childcare, especially the mother-child community which has a long term and high frequency demand. Besides, new generation of parents have consumer demands for the “Good prenatal, good postnatal care and good preschool education”. All of these created a huge market space for the mother-child industry. As clients’ demand for marketing and promotion services increase gradually, the Group leverages on its large user community, exact command of clients’ needs, strong research and development and team advantages to attract long-term and steady cooperation.

As a leading vertical online CBM platform, the CI Web primarily provides personalized solutions for families ranging from those preparing for new born babies to those with 12 years-old kids. During the Period, the Group continued to implement the “Smart Mother-Child Strategy” and committed itself to exploring and extending platforms, services and the industry. Regarding the demand of modern families as the core, the Group is expanding the cross-border mother-child value-added services to comprehensive family services. Cross-border projects under planning and in pipeline include medical, wealth management, intergenerational travels and early childhood education programs. CI Web has been leading calls for a smart family lifestyle which has been widely recognized by markets and families.

As one of the intelligent medical projects, the CI Web has realized the increasing demand for vaccination from both infants and women is increasing in Mainland China. Thus, the Group and Hong Kong’s Town Health International Medical Group Limited (3886.HK) joint launched a cross-border mother-child vaccine service, whence there would be an access to the market of cross-border medical market so as to provide users with advanced medical information and services from overseas. With the advantages of a large user base and multiple platforms, the CI Web has introduced the intelligent household security program on the Mother’s Community and Pregnancy Reminder APP in order to provide appropriate insurance plans to thousands of families with new borns. In this way, those families would prevent accidents and provide guaranteed plans for future health. The service was predictably welcomed by the market since it launched. The Group has energetically explored its O2O e-commerce business model and optimized both online and offline high-quality resources in order to provide customers with better service experience. For example, the Mother-Child Weekend APP provides users with great deals offered by shops nearby, weekend trip packages and other value-added services.

The platform of CI Web will keep providing quality-oriented contents and services to the users mainly taking the form of “PGC (Professionals-Generated Contents) + OGC (Occupation-Generated Contents) + UGC (Users-Generated Contents)”. Also, it has joined hands with professional organizations, maternity and child celebrities, active users and brand accounts to create an influential media alliance of maternity and child which was more widely accessible both within and outside the website where some famous media are eager to cooperate with.

The CI Web fully understands the trend of modern mothers’ behaviors, for instance, interact effectively, think independently, spread widely and perform actively. For this reason, the CI web offers mother-child brands with marketing platforms, content marketing strategies and smart cross-border marketing strategies which are featured with intelligent marketing methods. In order to increase users’ agglutinant and share the latest information about the mother-child industry, the CI Web organized a sharing session named “Mother-Child Future” in Beijing, Guangzhou and Shanghai in April 2016. The participants have explored the development trend of the Internet and the industry through this sharing, as well as the product features of perfect combination of mother-child industry and technology.

MANAGEMENT DISCUSSION AND ANALYSIS



The products and services of the CI Web have gained recognition within the industry. On 5 July 2016, our Mother Community APP and the Pregnancy Reminder APP won the “2016 Best Experience Product in the Mother-Child Industry” (2016母嬰行業最佳產品體驗獎) and the “2016 Most Influential Product in the Mother-Child Industry” (2016母嬰行業最具影響力產品獎) of the “2016 Top List of Categorized APPs in China” (2016中國APP分類排行榜) by the “Internet Weekly” (《互聯網週刊》) of the Chinese Academy of Science, the Information Research Center of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心) and eNet.com.cn.

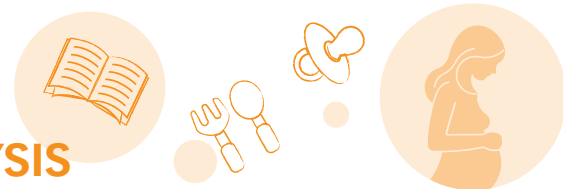
For the near term, the CI Web is planning to publish “Mummy, you should buy”, a book that collects the evaluation result of the “1st CI Web Word-of-Mouth Mothers’ Choice Award” through registered users in CI Web. The book aims to provide real and reliable consumer guide for mothers with objective attitude that is closer to daily life. At the same time, the Group is planning to set up a charity fund for children, which aims to make a contribution to the children’s welfare in Asia and provide social support for the vulnerable children.

The business target and actual business progress comparison

The following table shows the comparison between the business target in the prospectus and the actual business progress during the six months ended 30 June 2016:

Business Target	Particulars	Actual business progress during the period from 1 January 2016 to 30 June 2016
Strengthening research and development capabilities	Increase original contents on platforms and improve user interface;	<ul style="list-style-type: none"> Develop several platform of original knowledge content, mainly in the format of “PGC (Professional Generated Content) + OGC (Occupational Generated Content) + UGC (User Generated Content)”, such as original cartoon clip series and original mother-child columns.
	Develop new web-based and mobile apps of mother-child products in order to maintain market status;	<ul style="list-style-type: none"> Develop all forms of platform as well as continuous maintenance and upgrade of existing apps, such as “Mother-Child Weekend”, “Pregnancy reminder” and “Mother Zone”, and continue to integrate into varies product application module.
	Develop interactive family entertainment system product, early learning and early education centers management system.	<ul style="list-style-type: none"> Expanding to pan-mother-child regions which include parent-child relationship nourishing, children’s early education, and family entertainment, and to develop value-added services with top-tier partners in China.
Enhance the user base and Internet traffic of our Platform	Increase number of visits of our CI Web through securing entrance slots in search engines and navigation sites;	<ul style="list-style-type: none"> Our CI Web has multi-platforms to maintain a certain level of number of user, and maintain a leading status among fellow industry players. According to third-party platform monitoring data, for the period ended 31 December 2015, the average monthly active users (“MAU”) of CI Web reached 32.3 million and the average daily active users (“DAU”) reached 1.3 million. As at 30 June 2016, the average MAU and DAU were 56.4 million and 2.5 million respectively. As at 31 December 2015, the average MAU and DAU of the Group’s mobile APPs altogether were 2.0 million and 0.5 million respectively. By 30 June 2016, the average MAU and DAU were 4.3 million and 1.3 million respectively.
	Increase the number of downloads and use of our Mobile APPs through obtaining entrances slots in online APP stores;	
	Marketing of interactive family entertainment system product and early learning.	

MANAGEMENT DISCUSSION AND ANALYSIS



Business Target	Particulars	Actual business progress during the period from 1 January 2016 to 30 June 2016
Develop our e-commerce business and related O2O business	Expand and diversify our e-commerce platform;	<ul style="list-style-type: none"> The Group sold CBM related services and products through self-developed mobile APP as well as the third party platform and continuously developed e-commerce business through multiple channels.
	Increase the O2O elements in our Mobile APPs;	<ul style="list-style-type: none"> We continued to implement the "Smart Mother-Child Strategy". Regarding the demand of modern families as the core, the Group is expanding mother-child value-added services to comprehensive family services. Cross-border projects under planning and in pipeline include medical, wealth management, intergenerational travels and early childhood education programs.
	Develop and marketing fetal heart monitoring device (胎心儀) and other smart-hardware devices that can connect with our Mobile APP.	<ul style="list-style-type: none"> In addition to the fetal heart monitoring device (胎心儀), the Group is already developing other intelligent devices so as to help the users to obtain, analyze and monitor health data more conveniently.
Acquisition of or investment in other companies engaging in O2O and CBM related businesses	Expand our business through acquisition of or investment in other companies engaging in CBM related business.	<ul style="list-style-type: none"> The Group does not have any confirmed acquisition or investment plan during the Period.
Enhancing marketing and promotional services	Organize more social activities and expand our marketing and promotion team.	<ul style="list-style-type: none"> With the view of increasing our influence towards the customers, users and the industry, the Group continued to organize online and offline events, including major events such as the sharing session named "Mother-Child Future", the major event of 2016 in Beijing, Guangzhou and Shanghai in April 2016.
Working capital and other general corporate purposes	Utilise the working capital according to our needs and for other general corporate purpose.	<ul style="list-style-type: none"> The working capital has been used on daily operation and general corporate purposes.

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 12.5% from approximately RMB36.0 million for the six months ended 30 June 2015 to approximately RMB40.5 million for the Period, primarily due to the increased sales of goods which commenced in November 2015, the increased number of brands placing advertisements on the Group's Platform and the increased average advertising spending by these brands.

Cost of sales

The Group's cost of sales increased by approximately 112.9% from approximately RMB3.1 million for the six months ended 30 June 2015 to approximately RMB6.6 million for the Period, primarily due to (i) the purchase cost of the goods in Group's sales of goods business; and (ii) the increase in the salaries and welfares driven by the annual adjustment of the salary in January 2016.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 3.0%, from approximately RMB32.9 million for the six months ended 30 June 2015 to approximately RMB33.9 million for the Period. The Group's gross profit margin decreased from approximately 91.3% to approximately 83.7% during the same period primary due to lower gross profit of sales of goods which commenced in November 2015.

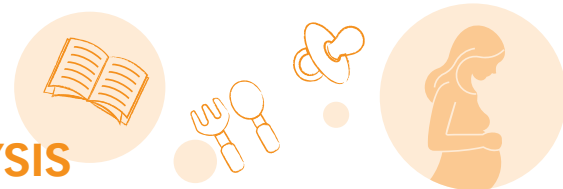
Other income and gains

The Group's other income and gains increased by approximately 1,066.7%, from approximately RMB0.3 million for the six months ended 30 June 2015 to approximately RMB3.5 million for the Period primarily due to the government grants provided by the local government as a development support funds, and the interest income generated from the loan to other entities and financing lease.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately 50.0% from approximately RMB2.6 million for the six months ended 30 June 2015 to approximately RMB3.9 million for the Period, primarily due to that the Group engaged Fan Weiqi, a famous artist in Taiwan, as the spokesperson of website in China for marketing and promotional services.

MANAGEMENT DISCUSSION AND ANALYSIS



Administrative expenses

The Group's administrative expenses decreased by approximately 20.9%, from approximately RMB6.7 million for the six months ended 30 June 2015 to approximately RMB5.3 million for the Period, primarily due to legal and professional expenses incurred from preparation for the Company's listing on GEM in 2015.

Research and development costs

The Group's research and development costs increased by approximately 16.4% from approximately RMB6.7 million for the six months ended 30 June 2015 to approximately RMB7.8 million for the Period, primarily attributable to the increase in the salaries and welfares of staff in research and development department since January 2016.

Income tax expense

The Group's income tax expense increased by approximately 200.0% from approximately RMB0.3 million for the six months ended 30 June 2015 to approximately RMB0.9 million for the Period, primarily attributable to the increase in profit before tax.

Profit for the period

As a result of the factors described above, the Group's net profit increased by approximately 12.9% from approximately RMB17.0 million for the six months ended 30 June 2015 to approximately RMB19.2 million for the Period.

Gearing ratio

As at 30 June 2016, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was 6.4% (31 December 2015: 8.0%).

Liquidity and Capital Resources

As at 30 June 2016, the Group had net current assets of approximately RMB247.2 million, as compared to the net current assets of approximately RMB265.3 million as at 31 December 2015. As at 30 June 2016, the Group had cash and cash equivalents of approximately RMB190.6 million (31 December 2015: approximately RMB247.8 million).

As at 30 June 2016, the Group had bank borrowing of RMB10.0 million (31 December 2015: RMB10.0 million). The Group's bank borrowings were denominated in RMB and unsecured. Please see page 25 to 26 of this report for details of the Group's cash flow during the Period.

Foreign exchange exposure

The Group's income and expenditure during the Period were principally denominated in Renminbi ("RMB"), and most of the assets and liabilities as at 30 June 2016 were denominated in RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the Period.

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, 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 Directors believe 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.

MANAGEMENT DISCUSSION AND ANALYSIS



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 on job 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 30 June 2016, the Group has a total of 169 employees including executive Directors (31 December 2015: 162 employees). Total staff costs were approximately RMB13.3 million for the Period (six months ended 30 June 2015: approximately RMB 11.0 million).

Material acquisitions and disposals of subsidiaries

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries.

Charges of assets

As at 30 June 2016, the Group did not make any pledged bank deposit (31 December 2015: Nil).

Contingent Liabilities

As at 30 June 2016, the Group did not have any significant contingent liabilities (31 December 2015: Nil).

Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

Loan to an Entity

On 26 February 2016, Star Universal Holdings Limited, a wholly-owned subsidiary of the Company as lender (the "Lender") entered into a loan facility agreement ("Loan Agreement") with an independent third party, Lofty Force Limited as borrower (the "Borrower") and the Loan Agreement is guaranteed by an independent third party.

Pursuant to the Loan Agreement, the Lender agreed to grant to the Borrower, a loan facility of HK\$60,000,000 (the "Loan Facility"), bearing interest at a rate of 6.0% per annum for a period of 36 months commencing from the date of the Borrower's receipt of the funds under the Loan Facility (i.e. 3 March 2016) and subject to a renewal of 12 months upon agreement to be entered between the Borrower and Lender.

The Lender can also exercise an option under the Loan Agreement to subscribe for 10% to 51% of the enlarged issued share capital of the Borrower or purchase 10% to 51% of the issued share capital of the Borrower from its sole shareholder, at a consideration to be determined by a valuation to be conducted by an independent professional valuer. The Loan Facility is secured by guarantee and at the request of the Lender, the Loan Facility will be secured by a charge on assets of the Borrower. Details of the Loan Agreement are set out in the announcement of the Company dated 26 February 2016. As at 30 June 2016, the amount due from the Borrower was approximately HK\$61.2 million (inclusive of interest) and the option was not exercised.

CORPORATE GOVERNANCE AND OTHER INFORMATION



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 30 June 2016, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in the shares of the Company

Name of Director	Nature of Interest	Number of Shares or Underlying Shares	Approximate percentage of shareholding
Ms. Li Juan ^{(1) (5)}	Interest in a controlled corporation	409,200,000	
	Interest of concert party	120,000,000	
	Total:	529,200,000	51.55%
Mr. Wu Haiming ^{(1) (5)}	Interest of spouse	529,200,000	51.55%
Mr. Cheng Li ^{(2) (5)}	Interest in a controlled corporation	120,000,000	
	Interest of concert party	409,200,000	
	Total:	529,200,000	51.55%
Mr. Hsieh Kun Tse ⁽³⁾	Interest in a controlled corporation	51,600,000	5.03%
Mr. Zhang Lake Mozi ⁽⁴⁾	Interest in a controlled corporation	84,000,000	8.18%

Notes:

- (1) Each of Loyal Alliance Management Limited ("Loyal Alliance") and Prime Wish Holdings Limited ("Prime Wish") is directly and wholly owned by Ms. Li Juan, who is therefore deemed to be interested in all the shares held by each of Loyal Alliance and Prime Wish. Ms. Li Juan and Mr. Cheng Li entered into a concert party agreement dated 19 June 2015, and are therefore deemed to be interested in the interests of each other. Mr. Wu Haiming, a non-executive Director, is the spouse of Ms. Li Juan, and therefore deemed to be interested in the interests of Ms. Li Juan.
- (2) Victory Glory Holdings Limited ("Victory Glory") is directly and wholly owned by Mr. Cheng Li, who is therefore deemed to be interested in all the shares held by Victory Glory. Ms. Li Juan and Mr. Cheng Li entered into a concert party agreement dated 19 June 2015, and are therefore deemed to be interested in the interests of each other.

CORPORATE GOVERNANCE AND OTHER INFORMATION



- (3) Properous Commitment Holdings Limited (“Properous Commitment”) is directly and wholly owned by Mr. Hsieh Kun Tse, a non-executive Director, who is therefore deemed to be interested in all the shares held by Properous Commitment. The issued share capital of the Company held by Properous Commitment will be used for the implementation of future share incentive schemes for eligible employees of the Group at the direction and pursuant to the instructions of the Board. The share incentive scheme has been adopted on 6 July 2016. The entire issued share capital of Properous Commitment will be transferred at nil consideration to the trustee after publishing the interim results of the Company for the six months ended 30 June 2016.
- (4) Sharp Knight Limited (“Sharp Knight”) holds the shares as trustee for and on behalf of 中誠馬(北京)投資顧問有限公司 (Zhongchengma (Beijing) Investment Consultation Company Limited*) (“Beijing Zhongchengma”), which is wholly owned by Ms. Wang Rong, the spouse of Mr. Zhang Lake Mozi, an executive Director. Sharp Knight is directly and wholly owned by Mr. Zhang Lake Mozi, who is therefore deemed to be interested in all the shares held by Sharp Knight. Mr. Zhang Lake Mozi and Ms. Wang Rong are therefore deemed to be interested in the interests of each other.
- (5) As disclosed in the prospectus dated 30 June 2015 (the “Prospectus”), Ms Li Juan and Mr. Cheng Li, the controlling shareholders of the Company, have undertaken to maintain shareholding interests of not less than 51% in the Company. In view of the dilution effect when the over-allotment option is exercised, Loyal Alliance, which is wholly-owned by Ms. Li Juan, has purchased in aggregate 19,200,000 shares from investors before the exercise of the over-allotment option in order to maintain shareholding interests of not less than 51% in the Company.

Interests in other members of the Group (long position)

Name of Director	Name of Subsidiary	Nature of Interest	Approximate percentage of shareholding
Ms. Li Juan ⁽¹⁾	Nanjing Xihui Information Technology Company Limited* ⁽²⁾ (南京矽滙信息技術有限公司) (“Nanjing Xihui”) ⁽²⁾	Beneficial owner	85%
	Nanjing Xinchuang Micro Machinery and Electronic Technology Company Limited* ⁽²⁾ (南京芯創微機電技術有限公司) (“Nanjing Xinchuang”) ⁽²⁾	Beneficial owner	85%
Mr. Wu Haiming ⁽¹⁾	Nanjing Xihui ⁽²⁾	Interest of spouse	85%
	Nanjing Xinchuang ⁽²⁾	Interest of spouse	85%
Mr. Cheng Li	Nanjing Xihui ⁽²⁾	Beneficial owner	15%
	Nanjing Xinchuang ⁽²⁾	Beneficial owner	15%

Notes:

(1) Mr. Wu Haiming, a non-executive Director, is the spouse of Ms. Li Juan, and therefore deemed to be interested in the interests of Ms. Li Juan.

(2) Pursuant to the contractual arrangement, each of Nanjing Xinchuang and Nanjing Xihui is deemed to be a wholly owned subsidiary of the Company.

Save as disclosed above, as at 30 June 2016, none of the Directors nor chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or were recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2016, the following persons (not being Directors or chief executives of the Company) have or be deemed or taken to have interests and/or short positions in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the shares of the Company

Name	Nature of Interest	Number of Shares or Underlying Shares	Approximate percentage of shareholding
Loyal Alliance ⁽¹⁾⁽⁶⁾	Beneficial owner	193,200,000	18.82%
Prime Wish ⁽¹⁾	Beneficial owner	216,000,000	21.04%
Victory Glory ⁽²⁾	Beneficial owner	120,000,000	11.69%
Properous Commitment ⁽³⁾	Beneficial owner	51,600,000	5.03%
Winner Zone ⁽⁴⁾	Trustee	104,400,000	10.17%
Ms. Guo Minfang ⁽⁴⁾	Interest of controlled corporation	104,400,000	10.17%
Sharp Knight ⁽⁵⁾	Trustee	84,000,000	8.18%
Ms. Wang Rong ⁽⁵⁾	Interest of spouse	84,000,000	8.18%
Shanghai AMVC Culture Investment Management Center (a Limited Partnership)* ⁽⁴⁾ (上海早鳥文化投資管理中心(有限合夥)) ⁽⁴⁾	Beneficiary of a trust	104,400,000	10.17%
Shanghai AMVC Investment Management Center (a Limited Partnership)* ⁽⁴⁾ (上海早鳥投資管理中心(有限合夥)) ⁽⁴⁾	Interest of controlled corporation	104,400,000	10.17%
Beijing Zhongchengma ⁽⁵⁾	Beneficiary of a trust	84,000,000	8.18%

Notes:

- (1) Each of Loyal Alliance and Prime Wish is directly and wholly owned by Ms. Li Juan.
- (2) Victory Glory is directly and wholly owned by Mr. Cheng Li.
- (3) Properous Commitment is directly and wholly owned by Mr. Hsieh Kun Tse.
- (4) Winner Zone, solely owned by Ms. Guo Minfang, holds the shares as trustee for and on behalf of Shanghai AMVC Culture Investment Management Center (a Limited Partnership) (上海早鳥文化投資管理中心(有限合夥)), the general partner of which is Shanghai AMVC Investment Management Center (a Limited Partnership) (上海早鳥投資管理中心(有限合夥)) which is in turn held as to 25% by Ms. Guo Minfang and 50% by Ms. Cao Qiongmeng.
- (5) Sharp Knight holds the shares as trustee for and on behalf of Beijing Zhongchengma, which is wholly owned by Ms. Wang Rong, the spouse of Mr. Zhang Lake Mozi, an executive Director. Sharp Knight is directly and wholly owned by Mr. Zhang Lake Mozi, who is therefore deemed to be interested in all the shares held by Sharp Knight. Mr. Zhang Lake Mozi and Ms. Wang Rong are therefore deemed to be interested in the interests of each other.
- (6) As disclosed in the Prospectus of the Company, Ms Li Juan and Mr. Cheng Li, the controlling shareholders of the Company, have undertaken to maintain shareholding interests of not less than 51% in the Company. In view of the dilution effect when the over-allotment option is exercised, Loyal Alliance, which is wholly-owned by Ms. Li Juan, has purchased in aggregate 19,200,000 shares from investors before the exercise of the over-allotment option in order to maintain shareholding interests of not less than 51% in the Company.

* for identification purposes only

CORPORATE GOVERNANCE AND OTHER INFORMATION



Save as disclosed above, as at 30 June 2016, the Directors were not aware of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 19 June 2015 (the “Share Option Scheme”) for the purpose of providing incentive or rewarding eligible persons (including director or employee (whether full time or part time), consultant or advisor of our Group) for their contribution to, and continuing efforts to promote the interests of our Group and for such other purposes as the Board may approve from time to time. No share option has been granted under the Share Option Scheme since its adoption by the Company.

The Share Option Scheme became effective on the date of the Company’s listing (i.e. 8 July 2015) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 100,000,000 shares, representing 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and 9.74% of the shares of the Company in issue as at the date of this interim report. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Option). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted is determined by the Directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options, which must be a date on which the Stock Exchange is open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2016 was any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or was any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

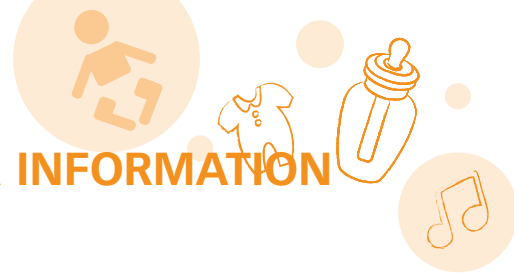
The Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares during the Period.

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Period.

NON-COMPETITION UNDERTAKINGS

The controlling shareholders of the Company, namely Ms. Li Juan, Mr. Cheng Li, Mr. Wu Haiming, Loyal Alliance Management Limited, Prime Wish Holdings Limited and Victory Glory Holdings Limited (the "Controlling Shareholders") have entered into a deed of non-competition (the "Deed of Non-competition") on 19 June 2015. Details of the Deed of Non-competition are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus and the non-competition undertaking has become effective from the listing date. So far as the Directors are aware, as at the date of this report, the Controlling Shareholders have not breached any terms under the Deed of Non-competition.



SHARE AWARD PLAN

As stated in the Prospectus, the Company intends to adopt a share award plan (the “Plan”) within 12 months from the listing date, so as to recognize and appreciate the contribution of any qualified employees towards the growth and development of the Group. The Board has adopted the Plan on 6 July 2016. Mr. Hsieh Kun Tse, the non-executive Director, will transfer the entire issued share capital of Properous Commitment Holdings Limited (“Properous Commitment”) which in turn holds 51,600,000 of the Shares of the Company, to the trustee at nil consideration on such date as permitted by the Listing Rules after publishing the interim results of the Company for the six months ended 30 June 2016. The trustee will hold on trust the award Shares for the benefit of the selected employees in accordance to the terms of the trust deed, until such award Shares are vested in the relevant selected employees in accordance with this Plan.

The plan is discretionary-based, and the Board has authorized the Share Award Plan Committee to manage the Plan, members of which include the controlling shareholder and executive Director Mr. Cheng Li, and the independent non-executive Director Mr. Ge Ning. Subject to the requirements of the Listing Rules and all applicable laws from time to time, the Share Award Plan Committee shall make recommendations for the Board’s approval. The Share Award Plan Committee shall be responsible for the administration of the Plan as well as communication with the trustee and the selected employees, including but not limited to the allocation of the award Shares to the selected employees upon obtaining such approval/authorization from the Board, and purchasing the award Shares on the market, as well as transferring the vested Shares to the selected employees. Before the vesting date, the selected employees have no right or interest in the award Shares (including the right to the dividends).

The maximum number of award Shares shall not exceed 10% of the issued share capital of the Company (including new Shares and existing Shares) from time to time, whereas the maximum number of Shares to be granted to a selected employee shall not exceed one percent (1%) of the issued share capital of the Company from time to time. The Directors have confirmed that the Company does not currently intend to issue any new Shares under the Plan. Therefore, in any event, if new shares are to be issued under the Plan and assuming there are no existing shares to be used under the Plan, the maximum number of new shares to be issued will be 51,050,000 Shares as at the date of this report (taking into account of the current issued share capital of 1,026,500,000 Shares and 51,600,000 Shares held by Properous Commitment), representing approximately 4.97% of the existing issued share capital of the Company. The Company will seek a specific mandate in this regard as the grantees may be connected persons of the Company.

The Plan shall have effect and valid for ten years from the date of adoption to 5 July 2026. As at the date of this report, no Shares have been granted to qualified employees under the Plan.

For details of the Plan, please refer to the announcements of the Company dated 7 July 2016 and 14 July 2016.

COMPLIANCE WITH QUALIFICATION REQUIREMENTS AND CONTRACTUAL ARRANGEMENT

The Group’s primary business is considered to be value-added telecommunications service, a sector where foreign investment is subject to significant restrictions under the current PRC laws and regulations. Accordingly, with the restriction of the current PRC laws and regulations and the implementation of local competent authorities, the Company cannot acquire Nanjing Xihui and Nanjing Xinchuang, which hold certain licenses and permits required for our primary business. As a result, the Group entered into a series of contractual arrangement with Nanjing Xihui and Nanjing Xinchuang and their respective registered shareholders (the “Contractual Arrangement”) in order to conduct the said business, and to assert management control over the operations of and enjoy the economic benefits derived from Nanjing Xihui and Nanjing Xinchuang. For details of the Contractual Arrangement, please refer to the section headed “Contractual Arrangement” of the Prospectus.

In addition, under the current PRC laws and regulations, a foreign investor intending to acquire any equity interest in a value-added telecommunications business in the PRC must also demonstrate a good track record and possess operating experience in providing value-added telecommunications services overseas (“Qualification Requirements”).



CORPORATE GOVERNANCE AND OTHER INFORMATION

So far as the Directors are aware, as at the date of this report, the Company has taken all reasonable steps to ensure that such Qualification Requirements are met if and when the PRC laws and competent authorities substantially allow foreign investors to invest in value-added telecommunications services in the PRC. The Company will continue to communicate with the relevant governmental authorities and provide updates where necessary.

COMPETING INTERESTS

So far as the Directors are aware, as at the date of this report, none of the Directors or the Controlling Shareholders has any interests in a business which competes or may compete with the business of the Group or have any other conflict of interests with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As at the date of this report, save and except for the compliance adviser agreement entered into between the Company and China Everbright Capital Limited (the "Compliance Adviser") dated 16 February 2015, neither the Compliance Adviser nor its directors, employees or close associates had any interest in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual reports and accounts, half-yearly reports and quarterly reports, the financial reporting, risk management and internal control systems of the Group and to provide advice to the Board. The Audit Committee consists of two independent non-executive Directors, namely Mr. Wu Chak Man (chairman of the Audit Committee) and Mr. Ge Ning, and one non-executive Director, namely Ms. Li Juan. The Audit Committee has reviewed this report.

The interim condensed consolidated financial statements for the reporting period have also been reviewed by Ernst & Young, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

RISK AND UNCERTAINTIES

The Group believes that there are certain risks and uncertainties involved in our operations, some of which are beyond our Group's control, such as (i) there is no assurance that the Contractual Arrangement with the PRC Contractual Entities will be deemed by the relevant governmental and judicial authorities to be in compliance with existing PRC laws and regulations or that it will be in compliance with future PRC laws and regulations, including but not limited to the new draft of the Foreign Investment Law of PRC; (ii) we also rely on our major customers during the Period, the continuous development and introduction of new business may not be successful; and (iii) our Group relies on the provision of marketing and promotional service as a significant part of our future revenue, but the provision of such service is subject to many uncertainties which could cause our revenue to decline. In order to protect our business, our board members have formulated security measures accordingly. Meanwhile, the Board will examine the integrity and accuracy of the risk evaluation and report whether they are appropriate or not. On the other hand, in order to broaden our earnings, the Group will develop diversified business and expand the business content actively.

CORPORATE GOVERNANCE AND OTHER INFORMATION



CORPORATE GOVERNANCE CODE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Directors, the Company had complied with all the code provisions as set out in the CG Code during the Period.

By order of the Board

China Parenting Network Holdings Limited

Cheng Li

Executive Director and Chief Executive Officer

Nanjing, the People’s Republic of China, 10 August 2016

As at the date of this report, the executive Directors are Mr. Cheng Li, Mr. Hu Qingyang and Mr. Zhang Lake Mozi; the non-executive Directors are Mr. Wu Haiming, Ms. Li Juan and Mr. Hsieh Kun Tse; and the independent non-executive Directors are Mr. Wu Chak Man, Mr. Zhao Zhen and Mr. Ge Ning.



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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To the board of directors of China Parenting Network Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of China Parenting Network Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 21 to 42, which comprises the interim condensed consolidated statements of financial position as at 30 June 2016, and the interim condensed consolidated statements of profit or loss and other comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the six-month then ended, and explanatory notes. The GEM Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
10 August 2016

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
REVENUE	5	22,638	21,167	40,453	36,000
Cost of sales		(2,203)	(1,573)	(6,592)	(3,141)
Gross profit		20,435	19,594	33,861	32,859
Other income and gains	5	3,108	–	3,462	310
Administrative expenses		(3,288)	(3,090)	(5,270)	(6,652)
Selling and distribution expenses		(2,109)	(1,335)	(3,928)	(2,592)
Research and development costs		(4,271)	(3,771)	(7,821)	(6,677)
Finance costs		(120)	–	(239)	–
Profit before tax	6	13,755	11,398	20,065	17,248
Income tax expense	7	(776)	(162)	(896)	(275)
Profit attributable to:					
Owners of the parent		13,757	11,564	20,597	17,315
Non-controlling interests		(778)	(328)	(1,428)	(342)
		12,979	11,236	19,169	16,973
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted					
– For profit for the period (expressed in RMB per share)	8	0.0134	0.0145	0.0201	0.0216



INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
PROFIT FOR THE PERIOD		12,979	11,236	19,169	16,973
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		–	–	–	–
		4,552	–	3,744	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		17,531	11,236	22,913	16,973
Attributable to:					
Owners of the parent		18,309	11,564	24,341	17,315
Non-controlling interests		(778)	(328)	(1,428)	(342)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



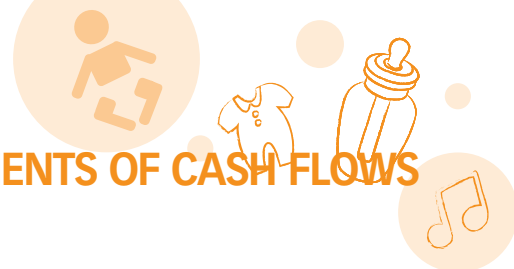
	Notes	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	953	1,052
Long-term receivables	10	62,799	11,505
Finance lease receivables, non-current portion	15	–	10,562
Available-for-sale investments	11	12,375	12,000
Total non-current assets		76,127	35,119
CURRENT ASSETS			
Inventories	12	31	35
Trade receivables	13	38,564	38,934
Prepayments, deposits and other receivables	14	40,156	2,841
Finance lease receivables, current portion	15	–	1,760
Cash and cash equivalents	16	190,622	247,795
Total current assets		269,373	291,365
CURRENT LIABILITIES			
Trade payables	17	385	25
Advances from customers	18	2,456	293
Other payables and accruals	19	7,388	14,440
Tax payable		1,926	1,293
Interest-bearing bank borrowings	20	10,000	10,000
Total current liabilities		22,155	26,051
Net current assets		247,218	265,314
Total assets less current liabilities		323,345	300,433
Net assets		323,345	300,433
EQUITY			
Equity attributable to owners of the parent			
Share capital		8,097	8,097
Reserves		318,623	294,282
Non-controlling interests		(3,375)	(1,946)
Total equity		323,345	300,433



INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						Total	Non-controlling interests	Total
	Share capital	Share premium*	Reserves funds*	Other reserve*	Exchange fluctuation reserve*	Retained profits*			
At 1 January 2016	8,097	226,286	6,994	16,842	13,606	30,554	302,379	(1,946)	300,433
Profit for the period	-	-	-	-	-	20,597	20,597	(1,429)	19,168
Other comprehensive income for the period									
Exchange differences on translation of foreign operations	-	-	-	-	3,744	-	3,744	-	3,744
Total comprehensive income for the period	-	-	-	-	3,744	20,597	24,341	(1,429)	22,912
Appropriation to statutory reserves	-	-	2,922	-	-	(2,922)	-	-	-
At 30 June 2016 (unaudited)	8,097	226,286	9,916	16,842	17,350	48,229	326,720	(3,375)	323,345
At 1 January 2015	-	-	2,968	16,842	-	55	19,865	(130)	19,735
Profit for the period	-	-	-	-	-	17,315	17,315	(342)	16,973
Total comprehensive income for the period	-	-	-	-	-	17,315	17,315	(342)	16,973
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	49	49
Appropriation to statutory reserves	-	-	166	-	-	(166)	-	-	-
At 30 June 2015 (unaudited)	-	-	3,134	16,842	-	17,204	37,180	(423)	36,757

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS



	Notes	For the Six months Ended	
		30 June 2016 (Unaudited) RMB'000	30 June 2015 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	6	20,065	17,248
Adjustments for:			
Finance costs		239	–
Bank Interest income	5	(304)	(10)
Other interest income		(440)	–
Depreciation		280	295
Other income and gains		(238)	–
		19,602	17,533
Increase in long-term receivables	10	–	(12)
Decrease / (Increase) in inventories	12	4	(22)
Decrease in trade receivables	13	370	718
Increase in prepayments, deposits and other receivables	14	(315)	(279)
Increase in trade payables	17	360	62
Increase in advances from customers	18	2,163	345
(Decrease) / Increase in other payables and accruals	19	(5,543)	806
Cash generated from operations		16,641	19,151
Income tax paid	7	(264)	(1,376)
Net cash flows from operating activities		16,377	17,775
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		440	10
Purchases of items of property, plant and equipment	9	(175)	(110)
Purchases of available-for-sale investment		(375)	–
Purchase of short term investment		(25,000)	–
Receipt of sale and finance leaseback		12,560	–
Loan to others		(63,294)	–
Net cash used in investing activities		(75,844)	(100)



INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	For the Six months Ended	
		30 June 2016 (Unaudited) RMB'000	30 June 2015 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to then shareholders		–	(11,699)
Payment for listing expenses		(1,205)	(1,686)
Interest paid		(239)	–
Capital injection from non-controlling interests		–	49
Net cash used in financing activities		(1,444)	(13,336)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(60,911)	4,339
Cash and cash equivalents at beginning of the period		247,795	9,618
Effect of foreign exchange rate changes, net		3,738	–
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		190,622	13,957

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company were listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2015 (the “Listing Date”). Ms. Li Juan, Mr. Cheng Li, Mr. Wu Haiming, Loyal Alliance Management Limited, Prime Wish Holdings Limited and Victory Glory Holdings Limited are the Company’s Controlling Shareholders.

The principal activity of the Company is investment holding. The Group is an online platform focusing on the Children-Babies-Maternity market in China and are mainly engaged in provision of marketing and promotional service and e-commerce business. There has been no significant change in the Group’s principal activities during the period.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2016 has been prepared in accordance with the International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board, and applicable disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with those of the annual report for the year ended 31 December 2015 included in the prospectus dated 30 June 2016.

The unaudited consolidated results for the six months ended 30 June 2016 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group’s annual consolidated financial report for the year ended 31 December 2015, except for the adoption of *Annual Improvements 2012-2014 Cycle and Amendments to IAS 1 Disclosure Initiative* effective as of 1 January 2016. The adoption of new or revised standards, interpretation and amendments has had no material financial effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of marketing and promotional services through the Group's platform and e-commerce business.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

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

Information about major customers

For the six months ended 30 June 2016, revenue of approximately RMB14,043,000 (six months ended 30 June 2015: RMB11,252,000) was derived from sales of marketing and promotional service to top three customers. Details are disclosed as follows:

	For the six months ended	
	30 June 2016 (Unaudited) RMB'000	30 June 2015 (Unaudited) RMB'000
Customer A	7,592	5,909
Customer B	3,552	3,239
Customer C	2,899	2,104
	14,043	11,252

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the value of services rendered and the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gains is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
Revenue				
Marketing and promotional service	22,458	21,002	37,834	35,673
E-commerce	171	165	251	327
Sale of goods	9	–	2,368	–
	22,638	21,167	40,453	36,000
Other income				
Government grants*	2,281	–	2,451	300
Bank interest income	231	–	304	10
Finance lease interest income	220	–	440	–
Exchange gain / (loss)	369	–	(34)	–
Other income	7	–	301	–
	3,108	–	3,462	310

* In 2016, Nanjing Xihui Information Technology Co., Ltd. ("Nanjing Xihui"), a subsidiary of the Company, received government grants with an aggregate amount of RMB2,281,600 which were provided by the local government as development support funds. The government grants did not specify any repayment terms.



6. PROFIT BEFORE TAX

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

	Notes	For the six months ended	
		30 June 2016 (Unaudited) RMB'000	30 June 2015 (Unaudited) RMB'000
Cost of inventories sold		2,350	294
Cost of services provided		2,869	2,714
Depreciation		280	295
Research and development costs		7,821	6,677
Minimum lease payments under operating leases		1,212	469
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		8,583	8,483
Pension scheme contributions (defined contribution scheme)		468	440
Other income	5	3,462	310

7. INCOME TAX 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.

Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the BVI.

Under the relevant income tax law, the PRC subsidiaries are subject to income tax at a statutory rate of 25% on their respective taxable income. Xibai (Nanjing) Information Technology Company Limited ("Nanjing Xibai") has been recognized as software enterprise on 27 May 2016 and filed in local tax bureau. Therefore, it would be exempted from income tax for its first two profitable years (i.e. 2015 and 2016) followed by a preferential income tax rate of 12.5% from 2017 to 2019.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



7. INCOME TAX EXPENSE (CONTINUED)

The income tax expenses of the Group are analysed as follows:

	For the three months Ended 30 June		For the Six months Ended 30 June	
	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
Group:				
Current — PRC	776	162	896	275
Total tax charge for the period	776	162	896	275

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the respective profit attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares of 1,026,500,000 (2015: 800,000,000) in issue during the three months and six months ended 30 June 2016 and 2015.

There were no potentially dilutive ordinary shares in issue during the three months and six months ended 30 June 2016 and 2015, and therefore the diluted earnings per share amount is equivalent to the basic earnings per share.

The calculations of basic and diluted earnings per share are based on:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Profit attributable to ordinary equity holders of the parent (RMB'000)	13,757	11,564	20,597	17,315
Weighted average number of ordinary shares in issue	1,026,500,000	800,000,000	1,026,500,000	800,000,000
Basic and diluted earnings per share (expressed in RMB per share)	0.0134	0.0145	0.0201	0.0216



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired assets with a cost of RMB175,000 (six months ended 30 June 2015: RMB110,000) on additions to property, plant and equipment.

No assets were disposed of by the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

10. LONG-TERM RECEIVABLES

	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Loan to others*	51,280	–
Contract deposit**	10,750	10,750
Rental deposit	769	755
	62,799	11,505

* The balance represents loan to Lofty Force Limited with annual interest rate of 6% due in March 2019. The loan was further guaranteed by an independent individual.

** Contract deposits represent funds supporting the research and development of cooperation parties, including RMB10,000,000 deposit to be deducted as purchase price of future services from the investee and RMB750,000 to be refunded upon the completion of research and development project.

11. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Non-current Unlisted investments, at cost	12,375	12,000

As at 30 June 2016, the unlisted equity investments were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably.



12. INVENTORIES

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Finished goods	31	35
	31	35

13. TRADE RECEIVABLES

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Trade receivables	38,564	38,934
Impairment	-	-
	38,564	38,934

The Group's trading terms with its customers are mainly on credit. The credit period is generally 60-90 days after completion of the service contract. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to customers with a good track record, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. TRADE RECEIVABLES (CONTINUED)

An aged analysis of the trade receivables as at 30 June 2016 and 31 December 2015, based on the date of the service rendered, is as follows:

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Within 3 months	21,420	20,473
4-6 months	12,215	10,495
7 months-1 year	4,886	7,434
1-2 years	30	532
2 years above	13	—
	38,564	38,934

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Loans and other receivables*	37,311	452
Prepaid expense	1,448	1,175
Deductible sales tax	810	565
Employee advance	501	587
Rental deposits	18	18
Prepayment	68	44
	40,156	2,841

* Loans and other receivables includes loans and receivables of RMB12,000,000 with annual interest rate of 10% due in January 2017, and short term investment of RMB25,000,000, that can be redeemed on demand with value preserved, which has been redeemed on 11 July 2016 (RMB5,000,000) and 2 August 2016 (RMB20,000,000) respectively.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.



15. FINANCE LEASE RECEIVABLES

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Sale and finance leaseback receivables, current portion	–	1,760
Sale and finance leaseback receivables, non-current portion	–	10,562
	–	12,322

At 30 June 2016, the sale and finance leaseback receivables have been early repaid by the lessee.

16. CASH AND CASH EQUIVALENTS

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Cash and bank balances	190,622	247,795

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB48,601,393 (31 December 2015: RMB32,782,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE PAYABLES

An aged analysis of the trade payables as at the end of 30 June 2016 and 31 December 2015, based on the invoice date, is as follows:

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Within three months	385	25
	385	25

The trade payables are non-interest-bearing and are normally settled within terms of 30 to 120 days

18. ADVANCES FROM CUSTOMERS

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Advances from customers	2,456	293

Advances from customers are non-interest-bearing and are normally recognized in the profit or loss within 90 days.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Other tax payables	3,204	3,351
Other payables*	1,050	6,552
Employee related payable	3,134	4,537
Total	7,388	14,440

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



20. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans-unsecured	4.60%	2016	5,000
Bank loans-unsecured	4.85%	2016	5,000
		30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Analysed into:			
Bank loans:			
Within one year or on demand		10,000	10,000

21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets, held by the Group as at 30 June 2016 and 31 December 2015:

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Loans and receivables		
Long-term receivables	62,030	10,750
Finance lease receivables, non-current portion	–	10,562
Trade receivables	38,564	38,934
Financial assets included in prepayments, deposits and other receivables	37,812	972
Finance lease receivables, current portion	–	1,760
Cash and cash equivalents	190,622	247,795
Available-for-sale investments	12,375	12,000
Total Current	266,998	289,461
Total non-current	62,030	21,312



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Set out below is an overview of financial liabilities held by the Group as at 30 June 2016 and 31 December 2015:

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Financial liabilities at amortized cost		
Interest-bearing bank borrowings	10,000	10,000
Financial liabilities included in other payables and accruals	1,050	5,681
Trade payables	385	25
Total current	11,435	15,706

Fair values

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2016 RMB'000	31 December 2015 RMB'000	30 June 2016 RMB'000	31 December 2015 RMB'000
Financial assets				
Long-term receivable	62,030	10,750	61,559	8,496
Finance lease receivables, non-current portion	–	10,562	–	10,562
Finance lease receivables, current portion	–	1,760	–	1,760
	62,030	23,072	61,559	20,818



21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	Carrying amounts		Fair values	
	30 June 2016 RMB'000	31 December 2015 RMB'000	30 June 2016 RMB'000	31 December 2015 RMB'000
Financial liabilities				
Interest-bearing bank borrowings	10,000	10,000	10,000	10,000

Management has assessed that the fair values of cash and cash equivalents, trade receivables, deposits and other receivables, trade payables and other payables, based on their notional amounts, reasonably approximate to their carrying amounts largely due to the short term maturities of these instruments.

The available-for-sale investments are unlisted equity investments stated at cost less impairment and their fair value cannot be measured reliably as described in note 11.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the long term receivables and finance lease receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2016 was assessed to be insignificant.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial assets and liabilities for which fair values are disclosed:

Assets for which fair values are disclosed:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at June 30, 2016:				
Financial assets measured at fair value				
Long-term receivables	–	–	61,559	61,559
Financial liabilities measured at fair value				
Interest-bearing bank and other borrowings	–	10,000	–	10,000
As at 31 December 2015:				
Financial assets measured at fair value				
Finance lease receivables, non-current portion	–	–	10,562	10,562
Finance lease receivables, current portion	–	–	1,760	1,760
Long-term receivables	–	–	8,496	8,496
Financial liabilities measured at fair value				
Interest-bearing bank and other borrowings	–	10,000	–	10,000



22. CONTINGENT LIABILITIES

As at 30 June 2016, neither the Group nor the Company had any significant contingent liabilities.

23. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At 30 June 2016 and 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Within one year	1,689	1,781
In the second to fifth years, inclusive	1,518	1,932
	3,207	3,713

24. RELATED PARTY TRANSACTIONS

- (a) There was no related party transaction between the Group and its related party during the period ended 30 June 2016 and 30 June 2015.
- (b) Compensation of key management personnel of the Group:

	For the six months ended	
	30 June 2016 (Unaudited) RMB'000	30 June 2015 (Unaudited) RMB'000
Short term employee benefits	1,656	1,499
Pension scheme contributions	139	147
	1,795	1,646



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. SUBSEQUENT EVENTS

On 8 July 2016, the Company announced that it has adopted the Share Award Scheme (“Scheme”) to recognise and reward the contributions of any employee (including without limitation any directors) of the Company and its Subsidiaries and/or invested entities, who, in the opinion of the Board, will contribute to the development and growth of the Group (“Eligible Employees”) from time to time to the growth and development of the Group. Mr. Hsieh Kun Tse, a non-executive director of the Company, will transfer the entire issued share capital of Properous Commitment Holdings Limited (富承控股有限公司) (“Properous Commitment”), which in turn holds 51,600,000 Shares, representing up to approximately 5.03% of the issued share capital as of the date of the announcement, to the Trustee, an independent and professional trustee, at nil consideration after the release of the interim results of the Company for the six months ended 30 June 2016 and on such day which is allowed under the Listing Rules.

Up to the date of this report, no Shares have been granted to Eligible Employees under this scheme.

26. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were approved and authorised for issue by the board of directors on 10 August 2016.

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

Nanjing, the People's Republic of China, 10 August 2016

As at the date of this announcement, the executive Directors are Mr. CHENG Li, Mr. HU Qingyang, and Mr. ZHANG Lake Mozi; the non-executive Directors are Ms. LI Juan, Mr. WU Haiming and Mr. HSIEH Kun Tse; and the independent non-executive Directors are Mr. WU Chak Man, Mr. ZHAO Zhen and Mr. GE Ning.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.ci123.com>.