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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 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 GEM made by 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 interim condensed consolidated results of the Group for the six months ended 30 June 2018. This announcement, containing the full text of the 2018 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 2018 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

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Ernst & Young

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Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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Hong Kong

PRINCIPAL BANK

Bank of Communication (Xuanwu Branch)
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Nanjing, Jiangsu Province, PRC

STOCK CODE

8361

COMPANY WEB-SITE

www.ci123.com

HIGHLIGHTS

	For the six months ended	
	30 June 2018	30 June 2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue	**46,320**	45,848
Gross profit	**35,501**	40,475
Profit for the Period	**17,977**	20,873
Attributable to:		
Owners of the parent	**18,167**	16,522
Non-controlling interests	**(190)**	4,351
Basic and diluted earnings per share (expressed in RMB per share)	**0.0177**	0.0161

— The Group's revenue for the six months ended 30 June 2018 (the "Period") was approximately RMB46.3 million, representing an increase of approximately 1.1% over the revenue of approximately RMB45.8 million for the corresponding period in 2017.

— The Group's gross profit for the Period was approximately RMB35.5 million, comparing with the gross profit of approximately RMB40.5 million for the corresponding period in 2017.

— The Group's profit for the Period was approximately RMB18.0 million, comparing with the profit of approximately RMB20.9 million for the corresponding period in 2017.

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. According to third-party platform monitoring data, during the Period, the monthly active users ("MAU") and daily active users ("DAU") of the Group's CI web were 118.11 million and 4.91 million respectively, representing a year-on-year increase of 25.78% and 18.89%. The MAU and DAU of the Company's mobile APPs altogether (total data volume of mobile APPs is the sum of the two APPs under CI Web, namely "Pregnancy Reminder" and "Mother Zone",) were 11.69 million and 2.50 million respectively, representing an increase of 6.56% and 3.73% respectively as compared to that of last year.

The mother-child market continued to expand. According to the estimation made by iResearch, the number of mother-child families in China will reach 290 million by the end of 2018, representing an increase of 21.2% as compared with that of 2010. The market size of mother-child market will be over RMB3 trillion, and the growth will accelerate at an additional RMB30 billion per year. As a leading Internet mother-child platform in China, the Group has formed a new mother-child ecology driven by its diversified mother-child family services. Based on its existing core business, the Group extended its traditional and single maternal and child services to several cross-sector segments including health, education, industry chain and entertainment. The Group will continue to increase the types of family services, expand user coverage, and extend the user life cycle to meet the increasing long-tail demands of mother-child groups.

The Group has accumulated numerous data from its core products. During the Period, products were upgraded and replaced to better serve the users. This is prompted by information technology such as data mining and data analysis. Meanwhile, the Group empowered the brand by leveraging its BBV big data accumulation and state-of-the-art technology. The Group upgraded the brand membership system in different aspects including the user interface, interactive experience and website function.

Due to the strong attachment to social network, the relationship between contents and platforms and users is closer. Content is an important and starting point for user accumulation and user communication. The Group started from matching the most suitable contents to users according to mother-child groups' needs and took the form of "PGC (Professionals-Generated Contents) + OGC (Occupation-Generated Contents) + UGC (Users-Generated Contents) ". Also, the Group joined hands with maternity and child KOL (key opinion leaders), active users, brand accounts, e-commerce platforms, video platforms and media alliances to form an extremely influential MCN (multi-channel network) and contents could be distribute vertically, more quality-oriented and commercialised.

During the Period, the CI Web made use of its own content advantages and integrated into the e-commerce ecosystem. It developed customized mother-child shopping guide programs with well-known e-commerce platforms such as Tmall (天猫) and JD.com (京東) to recommend maternal and child products. The CI Web provided brands with comprehensive marketing solutions from consumer scenarios to consumer decisions.

During the Period, the Group acquired or invested in companies engaging in CBM and family related business chains and related technology research and development. For details, please refer to the section headed "Financial assets at fair value through other comprehensive income". The Directors consider that, through such investments, technical reserves relating to CBM and family related business chains could be obtained and industry layout could be implemented to expand the services of the Group, therefore it is in the interest of the Company and its shareholders as a whole.

OUTLOOK

The Group will expand the mother-child ecology with family as the core, increase the offering of services, and to expand the coverage of mother-child family users based on the existing product structure of "Community+Content+Services". The Group will make use of its advanced technology and outstanding operational capabilities to construct diversified users' life scenarios and enhance interactive experience with users in order to provide them with safe, convenient and quality services. The Group will also continue to make use of the advantages of BBV (maternal and child vertical platform) and achieve external empowerment to provide brands with precise solutions to create more value for users and the industry together with brand owners.

The business target and actual business progress comparison

The following table shows the comparison between the actual business progress during the six months ended 30 June 2018 and the plans in the prospectus as at 30 June 2015:

Business Target	Particulars	Actual business progress during the period from 1 January 2018 to 30 June 2018
Strengthening research and development capabilities of contents and service products	• Increase original contents on platforms and improve user interface; • Develop new web-based and mobile apps of mother-child products in order to maintain market share; • Develop interactive family entertainment system product, early learning and early education centers management system.	• The Group continued to strengthen its capability of producing original content and increasing content volume and quality output. Particularly, its original cartoon series "All about parenting" ("育兒你造嗎") has been listed in the "2017–2018 Top 10 Temperament Audio-Visual Programs for Scientific and Early Education" (2017–2018十大最具科學早教氣質視聽節目榜單) held by 2018 Science and Early Education Conference (2018科學早教大會). During the Period, the Group continued production innovation. Adventurous online comics "All about comics" ("漫畫你造嗎") and "Adventures of Baby Bear" ("熊寶奇遇記") incubated by "All about parenting" have been launched recently, focusing on sharing experience and knowledge on parenting. The Group also attached great importance to constructing a knowledge system for mother-child groups. During the Period, active users and participants could answer systematic random questions for "Super Mum" online quiz via the event page. Questions are based on mother-child knowledge and interesting topics. The quiz not only provided entertainment to participants but also developed their common sense and enabled participants to share and interact with friends, thus attracting a lot of popularity.

Business Target	Particulars	Actual business progress during the period from 1 January 2018 to 30 June 2018
		• The Group's hot product "Mother Zone" continued to upgrade and innovate, optimizing user experience in interaction, highlighting key contents and reducing functions not used regularly. "Mother Zone" adopted big data technology to recommend customized contents directly to users, creating a customized user content system for thousands of different users. • "Pregnancy Reminder" focuses on user needs. A customized consultation service has been launched recently with hundreds of well-known doctors and experts. Mother Classroom and Expert Q&A sessions have been set up, with its contents radiating multiple platforms. • Provided more scenic experience by innovative advertising and marketing services and multi-dimensional targeting groups to enhance the effectiveness of advertising.

Business Target	Particulars	Actual business progress during the period from 1 January 2018 to 30 June 2018
Enhancing user loyalty and Internet traffic of our Platform	• Increase number of visits of the CI Web through securing entrance slots in search engines and navigation sites; • Increase the number of downloads and mobile APPs usage through obtaining entrances slots in online APP stores; • Marketing of interactive family entertainment system product and early learning.	• The Group has multi-platforms to maintain a certain number of users, and maintain a leading status among fellow industry players. According to third-party platform monitoring data, as at 30 June 2018, the monthly active users ("MAU") of CI Web of the Company and the daily active users ("DAU") reached 118.11 million and 4.91 million respectively, representing an increase of 25.78% and 18.89% respectively as compared to that of last year. The MAU and DAU of the Company's mobile APPs altogether (figure of mobile APPs altogether is the sum of 2 APPs under CI Web, namely "Pregnancy Reminder" and "Mother Zone") were 11.69 million and 2.50 million respectively, representing an increase of 6.56% and 3.73% respectively as compared to that of last year. • The marketing plan of interactive family entertainment system product and early learning is under continuous development.
Developing e-commerce business and related O2O business	• Expand e-commerce platform; • Increase the O2O elements in mobile APPs; • Develop and marketing fetal heart monitoring device (胎心儀) and other smart-hardware devices that can connect with Mobile APP.	• The Group sold CBM related services and products through self-developed mobile APP as well as third party platforms. • During the Period, the Group provided business intelligence solutions through mother-child shops, aiming at tapping into offline new retailing to divert online resources to offline terminals.

Business Target	Particulars	Actual business progress during the period from 1 January 2018 to 30 June 2018
Acquisition of or investment in other companies engaging in O2O and CBM related businesses	• Expand business through acquisition of or investment in other companies engaging in CBM related business.	• For details of the Group's investment in certain entities and loans, please refer to the section of Management Discussion and Analysis. The Group believes that it is in line with the long-term goals of diversified development of the Group.
Enhancing marketing and promotional services	• Organize more social activities and expand marketing and promotion team.	• The Group targeted young families of the new generation as its major users, aiming to meet the growing specialized demand for quality and smart products and services. During the Period, the Group launched a series of brand activities and product marketing activities to enhance brand influence. • The Group continued to cooperate with other parties in the mother-child industry. In 2018, as a repeated strategic mother-child media partner for the 2018 Mother-child Health Mile Walk (母嬰健康萬里行), the Group fully took part in the walk activities. As of June 2018, activities were organized in Shanghai, Beijing, Suzhou and Nanjing. • 28 June 2018 is the sixth anniversary of "Mother Zone". The "Mother Zone" team organized a series of anniversary events with "Thank You" (感恩有你) as its main theme, showing the growth of each user by tracing back at past times. • The Group increased its cooperation with complex media, artists and celebrities and web celebrities to increase its exposure and influence.
Working capital and other general corporate purposes	• Utilise the working capital according to our needs and for other general corporate purpose.	• The working capital were used on daily operation and general corporate purposes.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 1.1% from approximately RMB45.8 million for the six months ended 30 June 2017 to approximately RMB46.3 million for the Period, primarily due to the rapid development in CBM industry which created a large demand for online advertising of CBM products and the enhanced traffic and reputation of users encouraged customers to put more budgets in brand displaying on the platform.

Cost of sales

The Group's cost of sales increased by approximately 100% from approximately RMB5.4 million for the six months ended 30 June 2017 to approximately RMB10.8 million for the Period mainly due to the increase in related promotional expenses as a result of enhanced promotional efforts made for CI Web and its related APPs.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 12.3% from approximately RMB40.5 million for the six months ended 30 June 2017 to approximately RMB35.5 million for the Period. The Group's gross profit margin decreased from approximately 88.3% to 76.6% during the same period, primarily due to the increase of cost of sales.

Other income and gains

The Group's other income and gains decreased by approximately 78.7% from approximately RMB6.1 million for the six months ended 30 June 2017 to approximately RMB1.3 million for the Period, primarily due to the fact that the Group has not received government grants provided by the local government as development support funds for the Period.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by 17.9% from approximately RMB5.6 million for the six months ended 30 June 2017 to approximately RMB4.6 million for the Period, primarily due to the decrease in related employee bonus of sales department as a result of sales receipts.

Administrative expenses

The Group's administrative expenses increased by approximately 20.3% from approximately RMB6.4 million for the six months ended 30 June 2017 to approximately RMB7.7 million for the Period, primarily due to the increase in overall salary level of employees of the Company as well as the number of employees during the Period.

Research and development costs

The Group's research and development costs decreased by approximately 31.9% from approximately RMB9.4 million for the six months ended 30 June 2017 to approximately RMB6.4 million for the Period, primarily due to the decrease in headcount in research and development department.

Income tax expense

The Group's income tax expense decreased by approximately 91.7% from approximately RMB2.4 million for the six months ended 30 June 2017 to approximately RMB0.2 million for the Period, primarily due to the decrease in profit before tax of the Group during the Period, resulting in a decrease in income tax expense.

Profit for the Period

As a result of the factors described above, the Group's net profit decreased by approximately 13.9 % from approximately RMB20.9 million for the six months ended 30 June 2017 to approximately RMB18.0 million for the Period.

Gearing ratio

As at 30 June 2018, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was 5.0% (31 December 2017: 4.7%).

Liquidity and Capital Resources

As at 30 June 2018, the Group had net current assets of approximately RMB253.9 million, as compared to the net current assets of approximately RMB260.5million as at 31 December 2017. As at 30 June 2018, the Group had cash and cash equivalents of approximately RMB74.8 million (31 December 2017: approximately RMB198.2 million).

As at 30 June 2018, the Group had bank borrowing of RMB2.0 million (31 December 2017: nil). The Group's bank borrowings were denominated in RMB while cash and cash equivalents were primarily held in RMB and Hong Kong dollars ("HK$"). As at 30 June 2018, the Group's outstanding loans were unsecured and at fixed interest rates. The Group plans to maintain an appropriate mix of share capital and debt to ensure an efficient capital structure during the Period. Please see page 27 to 28 of this report for details of the Group's cash flow during the Period.

Capital commitments

The Group did not have any capital commitments as at 30 June 2018 and 31 December 2017.

Foreign exchange exposure

The Group's income and expenditure during the Period were principally denominated in RMB and HK$, and most of the assets and liabilities as at 30 June 2018 were denominated in RMB except that cash balance amounted to RMB45.6 million was dominated in HK$. 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.

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 2018, the Group has a total of 170 employees including executive Directors (31 December 2017: 168 employees). Total staff costs were approximately RMB13.4 million for the Period (six months ended 30 June 2017: approximately RMB17.5 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 2018, the Group did not make any pledged bank deposit (31 December 2017: Nil).

Contingent Liabilities

As at 30 June 2018, the Group did not have any significant contingent liabilities (31 December 2017: Nil).

Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

Financial assets at fair value through other comprehensive income

As at 31 December 2017, the Group made investment of RMB15.0 million on the equity of a private company, named Nanjing Hongdou Information Technology Company Limited ("Hongdou Information"). As at 30 June 2018, the Group accounted for 12.3% of Hongdou Information's registered capital. H5 games "Her Majesty" (女皇陛下) and "National Palace" (全民宮斗) developed by Hongdou Information successfully landed on Tencent QQ Games and Qzone Gaming Platform.

As at 7 November 2017, the Group made investment of RMB10.0 million on the equity of Shanghai Baiyi Animation Cultural Broadcasting Company Limited ("Baiyi"). The change in industrial and administration registration was completed in April 2018. As at 30 June 2018, the Group accounted for 10.0% of Baiyi's registered capital. Baiyi owns professional animation team and can develop, produce, and communicate 2D/3D cartoon and accompanying toys. Sales channels cover all 1st and 2nd tier of cities in PRC with more than 100 distributors, covering thousands of primary schools and terminal sales outlet.

In June 2018, the Group has entered into the following investment agreements with an investment amount of RMB78.0 million. The change of shareholder registration of the target companies have been approved, and the respective consideration, shareholding and business scopes of those companies are set out below:

The Group acquired 10% equity interest of Nanjing Depth Element Artificial Intelligence Technology Development Company Limited* (南京深度元素人工智能技術研發有限公司) ("Depth Element") from a third party at the consideration of RMB5.0 million. The principal activities of Depth Element are the provision of artificial intelligence-based technology: item identification, human body identification, path recognition, behavior recognition; and the provision of analysis services based on the above identification technologies: crowd analysis, business analysis, personalized recommendation and marketing, intelligent shopping guide.

The Group acquired 10% equity interest of Nanjing Shenkong Vision Artificial Intelligence Technology Development Company Limited* (南京深空視線人工智能技術研發有限公司) ("Shenkong Vision") from a third party at the consideration of RMB5.0 million. The principal activities of Shenkong Vision are the provision of auto-cruise, path planning and other functions for robots with the use of self-developed vSLAM system combined with artificial intelligence technology; and human tracking and educational interaction with natural language understanding with the use of monocular camera.

The Group acquired 10% equity interest of Nanjing Duozan Health Technology Company Limited* (南京多贊健康科技有限公司) ("Duozan Health") from a third party at the consideration of RMB5.0 million. Duozan Health is committed to establish the best healthy pregnancy management and knowledge service platform in China. It provides the best paid knowledge and online medical services to Chinese families, enabling the provision of paid knowledge and medical services to more families by the national obstetricians and pediatricians with the removal of institutional constraints.

The Group acquired 10% equity interest of Nanjing Zhiren Cloud Information Technology Company Limited* (南京智人雲信息技術有限公司) ("Zhiren Cloud") from a third party at the consideration of RMB5.0 million. The principal activities of Zhiren Cloud are the provision of container cloud management platform, artificial intelligence cloud platform, public cloud and private cloud services based on microservices.

The Group acquired 10% equity interest of Nanjing Shen Jufeng Engine Information Technology Company Limited* (南京深颶風引擎信息技術有限公司) ("Jufeng Engine") from a third party at the consideration of RMB5.0 million. The principal activities of Jufeng Engine are the operation of distributed applications with the support of new blockchain, and the provision of high-performance computing with low cost and high yield by establishing a distributed cloud infrastructure.

The Group acquired 10% equity interest of Nanjing Free Chain Information Technology Company Limited* (南京自由鏈信息技術有限公司) ("Free Chain") from a third party at the consideration of RMB5.0 million. The principal activities of Free Chain are the establishment of interconnections between internet devices in different regions with its unique solutions, construction of decentralized transmission network to achieve independent collaboration and the expansion of business scale. Such kind of internet is not subject to the limitation of computing power and storage, thus empowering the internet with strong expansion capabilities to achieve true decentralization, openness, self-motivation, privacy and security.

The Group acquired 12% equity interest of Nanjing Duomai Information Technology Company Limited* (南京多麥信息科技有限公司) ("Duomai Information") from a third party at the consideration of RMB8.0 million. Duomai Information is a service company for mother-child businesses. It provides assistance for privatized customer assets during the Internet era, expanding the Internet customer base and improving operational efficiency through its products and services. In particular, through the provision of integrated solutions such as micromalls, new retailing and mini programs, it provides assistance for the transformation and upgrade towards smart business for small and medium-sized mother-child enterprises, thus helping those enterprises achieve smart business with technology-driven business innovation. Duomai Information is able to expand effectively the online and offline retailing channels of customers focusing big babies on the CI Web, therefore playing an important role in securing the existing business customer base on the CI Web.

The Group acquired 15% equity interest of Nanjing Luobo Information Technology Company Limited* (南京蘿播信息技術有限公司) ("Luobo Information") from a third party at the consideration of RMB12.0 million. The principal activities of Luobo Information are the provision of educational, marketing and social services to its customers across the network for baby-children businesses through the distribution of audio and video contents and the management capabilities of the communities, effectively expanding and making up for the service capabilities of major customers of CI Web under the pan-network conditions.

The Group acquired 10% equity interest of Nanjing Baicheng Medical Technology Company Limited* (南京柏橙醫療科技有限公司) ("Baicheng Medical") from a third party at the consideration of RMB8.0 million. The principal activities of Baicheng Medical are the provision of one-stop integrated information system construction for hospitals, and the construction of end-to-end medical service platform covering pre-diagnosis, in-diagnosis and post-diagnosis stages. Having leading system capabilities and product advantages in cloud-based family medical and smart medical areas, Baicheng Medical is able to assist CI Web to better connect and serve the mother-child families through the Internet.

The Group acquired 10% equity interest of Nanjing Suichuang Xiupu Information Technology Company Limited* (南京速創秀普信息科技有限公司) ("Suichuang Xiupu") from a third party at the consideration of RMB10.0 million. The principal activities of Suichuang Xiupu are the provision of microservice cloud application platform, which is a one-stop PaaS platform service designed for mother-child enterprises, providing application cloud hosting solutions to assist enterprises simplify application lifecycle management such as deployment, control, operation and maintenance; and the provision of microservice framework, compatible mainstream open source ecosystem, specific development framework and platform without binding. Suichuang Xiupu is able to assist the small and medium-sized mother-child enterprises that are connected to CI Web to speedily establish distributed applications based on microservice structure.

The Group acquired 10% equity interest of Nanjing Yunqulu Network Technology Company Limited* (南京雲曲率網絡科技有限公司) ("Yunqulu") from a third party at the consideration of RMB5.0 million. Yunqulu is a leading mother-child business incubator company with branches in Australia and the United States. Its core role is to provide effective incubator services for startup mother-child enterprises on the CI Web. Similar to the innovative factory in the mother-child industry, Yunqulu provides angel funding, technical support and staff training for the startup mother-child enterprises.

The Group acquired 10% equity interest of Nanjing Xinmenghui Education Technology Company Limited* (南京芯萌匯教育科技有限公司) ("Xinmenghui") from a third party at the consideration of RMB5.0 million. Xinmenghui is a leading service provider for online baby and children education. It provides interactive learning systems and contents to families with babies and children through a combination of unique contents, technology and system, effectively extending the online educational service capabilities of CI Web to those families.

In June 2018, the Group has also entered into agreements to invest in the following two companies. The considerations have been settled in June 2018. The change of shareholder registration of the companies is subject to approval, and the respective consideration, shareholding and business scopes of those companies are set out below:

The Group acquired 19.5% equity interest of Beijing Changsheng Clinic Company Limited* (北京昌盛門診部有限公司) ("Changsheng") from a third party at the consideration of RMB5.0 million. The principal activity of Changsheng is the provision of family and general medical services with an aim to serving patients in the city center.

The Group acquired 19.5% equity interest of Beijing Chengjiyuan Clinic* (北京誠濟源診所) ("Chengjiyuan") from a third party at the consideration of RMB5.0 million. The principal activity of Chengjiyuan is the provision of family and general medical services with an aim to serving patients in the new suburban residential areas.

Loan to an entity

The balance represents loans extended to unrelated third parties, bearing interest rates of 6.0% to 8.0% per annum for periods of 18 to 36 months. The aim of entering into these loan facility agreements with these third parties are for the long-term interest of the Group. In future, by evaluating the performance of these third parties over a period, the Group has the option to invest in shares of these companies in priority.

In October 2017, Nanjing Xihui Information Technology Company Limited ("Nanjing Xihui") a wholly-owned subsidiary of the Company, as lender entered into a loan facility agreement with a third party. The third party operates a platform for parent-child consumption. The amount of the loan facility agreement is up to RMB12.0 million, bearing interest at a rate of 6.0% per annum for a period of 36 months. The loan was guaranteed by a subsidiary of an A share company.

In October 2017, Xibai (Nanjing) Information Technology Company Limited, a wholly-owned subsidiary of the Company, as lender entered into a loan facility agreement with a third party. The main business for the third party is providing equipment support to medical institution and developing online platform for health consultation. The amount of the loan facility agreement is up to RMB5.0 million, bearing interest at a rate of 8.0% per annum for a period of 18 months. As at 30 June 2018, the loan made to the Borrower under the facility agreement amounted to RMB4.0 million.

In November 2017, Xibai (Nanjing) Information Technology Company Limited, a wholly-owned subsidiary of the Company, as lender entered into a loan facility agreement with a third party. The third party provides video stream media technology and service to other security organizations. The amount of the loan facility agreement is up to RMB2.0 million, bearing interest at a rate of 6.0% per annum for a period of 36 months. As at 30 June 2018, the loan made to the Borrower under the facility agreement amounted to RMB1.0 million.

Use of proceeds

The Company's net proceeds from the Placing amounted to approximately HK$276.4 million after taking into account the partial exercise of the Over-allotment Option (the "Net Proceeds").

Details of the intended allocation of the Net Proceeds as stated in the Prospectus and the revised allocation of the Net Proceeds as at the date of this report are set out as follows:

Use of Net Proceeds	Intended allocation (HK$ million)	Revised allocation announced on 26 February 2016 (HK$ million)	Revised allocation announced on 15 December 2017 (HK$ million)	Revised allocation announced on 2 May 2018 (HK$ million)	Revised allocation announced on 3 July 2018 (HK$ million)	Proceeds utilized as at 30 June 2018 (HK$ million)	Unutilized proceeds as at 30 June 2018 (HK$ million)
Strengthening research and development capabilities	55.3	52.8	52.8	44.8	–	–	–
Enhancing the user base and Internet traffic of the platform	55.3	49.6	49.6	49.6	–	–	–
Developing e-commerce business and related O2O business	55.3	44.9	44.9	–	–	–	–
Acquisition of or investment in other companies engaged in O2O and CBM related businesses	55.3	19.3	19.3	–	–	–	–
Enhancing marketing and promotional services	27.6	24.9	24.9	24.9	24.9	–	24.9
Working capital and other general corporate purposes	27.6	24.9	24.9	24.9	24.9	–	24.9
Providing loan facilities	–	60	–	–	–	–	–
Acquisition of property or land for the construction of the Company's headquarters	–	–	60	60	60	–	60
Acquisition of or investment in the companies engaged in CBM and family related industrial chains and business related to technology research and development	–	–	–	72.2	166.6	68.8	62.2
Total	276.4	276.4	276.4	276.4	276.4	68.8	172

As stated in the announcement dated 3 July 2018, the Directors consider that there have been rapid changes in the Internet industry and the competition in the e-commerce market and related O2O business is intense. Taking into account the Subscription as well as further capital needed for potential acquisition of or investment in companies engaging in CBM and family related business chains and related technology research and development, the Directors decided to adjust the allocation of the Net Proceeds. The Directors consider that (i) where necessary, the internal resources of the Group are sufficient to support the originally proposed uses of strengthening research and development capabilities and enhancing user base and Internet traffic of the Group's platform; and (ii) enhancement of research and development capabilities can be achieved to a certain extent through acquisition of or investment in CBM and family related business chains which possess relevant technologies. The Directors consider that the above change of use of the Net Proceeds is in line with the Group's continuous focus on the mother-child and parenting family business and is beneficial to the Company and in the interests of the Company and its shareholders as a whole.

On 3 July 2018, Star Universal, an indirect wholly-owned subsidiary of the Company, entered into the subscription agreement to subscribe 18% of the enlarged issued share capital of the CCLOUD TECH LIMITED at a consideration of HK$50,000,000. CCLOUD TECH LIMITED is an independent third party and will be principally engaged in the research and development of technology and operations by combining blockchain technology with the entity economy. The consideration is settled on 30 July 2018.

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 2018, 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)	Interest in a controlled corporation		409,200,000	
	Interest of concert party		120,000,000	
		Total:	529,200,000	51.60%
Mr. Wu Haiming(1)	Interest of spouse		529,200,000	51.60%
Mr. Cheng Li(2)	Interest in a controlled corporation		120,000,000	
	Interest of concert party		409,200,000	
		Total:	529,200,000	51.60%

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.

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 2018, 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.

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 2018, 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)]	Beneficial owner	193,200,000	18.84%
Prime Wish[(1)]	Beneficial owner	216,000,000	21.06%
Victory Glory[(2)]	Beneficial owner	120,000,000	11.70%
Properous Commitment[(3)]	Beneficial owner	51,600,000	5.03%
TMF Trust (HK) Limited[(3)]	Trustee	51,600,000	5.03%

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 held by TMF Trust (HK) Limited, a professional trustee engaged by the Company for the operation of the Share Award Plan.

Save as disclosed above, as at 30 June 2018, 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 the Group) for their contribution to, and continuing efforts to promote the interests of the Group and for such other purposes as the Board may approve from time to time.

The Share Option Scheme became effective on the date of the Company's listing (i.e. 8 July 2015) (the "Listing Date") and, unless other wise 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 the Company's listing. It represents approximately 9.75% 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.

No share option has been granted under the Share Option Scheme since its adoption by the Company and as at the date of this report. Therefore, no share options were outstanding under the Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2018 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 OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities 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

The Board has adopted a share award plan (the "Plan") on 6 July 2016 so as to recognize and appreciate the contribution of any qualified employees towards the growth and development of the Group. On 8 September 2016, Mr. Hsieh Kun Tse, the non-executive Director, had transferred 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 TMF Trust (HK) Limited at nil consideration. The trustee holds 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. For details of the Plan, please refer to the announcements of the Company dated 7 July 2016 and 14 July 2016. To the best knowledge of the Directors, as at the date of this report, both Properous Commitment and TMF Trust (HK) Limited have complied with the terms of the trust deed.

As at the date of this report, no Shares have been granted to qualified employees under the Plan.

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").

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

The Company has appointed Innovax Capital Limited ("Innovax Capital") as compliance adviser to the Company as required pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 1 February 2017 until the date, pursuant to Rule 6A.19 of the GEM Listing Rules, on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the Company's financial results for the second full financial year commencing after the date of initial listing of the Company (being the financial year ending 31 December 2017), or until the compliance adviser agreement entered into between the Company and Innovax Capital is terminated in accordance with its terms, whichever is earlier. Innovax Capital is a licensed corporation to carry out types 1 (dealing in securities) and types 6 (advising on corporate finance) regulated activities under the SFO. Pursuant to the above compliance adviser agreement, given the expiry of the date of the results for the second full financial year of the Company after the Listing Date, the compliance adviser agreement with Innovax Capital was automatically expired on 31 March 2018. Therefore, from 1 April 2018, the Company ceased to appoint a compliance adviser.

During the period from 1 January 2018 to 31 March 2018, save and except for the compliance adviser agreement entered into between the Company and Innovax Capital, neither Innovax Capital nor its directors, employees involved in providing advice to the Company or their close associates had any interests in relation to the Group 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 the unaudited quarterly results of the Group for the Period and this report. During the Period, the interim condensed consolidated financial statements have not been audited.

RISK AND UNCERTAINTIES

The Group believes that there are certain risks and uncertainties involved in the Group's operations, some of which are beyond the 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) the Group also relies on the Group's major customers during the Period, the continuous development and introduction of new business may not be successful; (iii) the Group relies on the provision of marketing and promotional service as a significant part of the Group's future revenue, but the provision of such service is subject to many uncertainties which could cause the Group's revenue to decline. In order to protect the Group's business, the 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 the Group's earnings, the Group will develop diversified business and expand the business content actively; and (iv) as the Company's investment scale is expanding, failure to carry out timely and effective management may affect realization of investment expectations. The Company pays close attention to investment risks and has established an investment team to make recommendations on investment matters. Relevant risks and follow-up of post-investment control are managed by a professional team focusing on financial, legal and other related matters. The Company has established an investment management system to implement relevant risk management and internal control measures. The Company also obtains relevant professional experience and knowledge by consulting external experts.

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, 13 August 2018

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.

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

(Expressed in thousands of Renminbi)

The board of directors (the "Board") of China Parenting Network Holdings Limited (the "Company") hereby presents the unaudited interim report of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2018 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**	2017 (Unaudited) RMB'000
Revenue	5	**31,585**	27,085	**46,320**	45,848
Cost of sales		**(8,824)**	(3,533)	**(10,819)**	(5,373)
Gross profit		**22,761**	23,552	**35,501**	40,475
Other income and gains	5	**1,494**	2,944	**1,333**	6,099
Other expenses		**(3)**	(1,810)	**(3)**	(1,810)
Administrative expenses		**(5,276)**	(2,918)	**(7,711)**	(6,430)
Selling and distribution expenses		**(3,068)**	(2,590)	**(4,580)**	(5,621)
Research and development costs		**(3,307)**	(5,164)	**(6,378)**	(9,420)
Finance costs		**(23)**	(22)	**(34)**	(44)
Profit before tax	6	**12,578**	13,992	**18,128**	23,249
Income tax expense	7	**802**	(1,174)	**(151)**	(2,376)
Profit for the period		**13,380**	12,818	**17,977**	20,873
Other comprehensive income/ (expense)					
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations		**6,309**	(4,018)	**565**	(5,399)
Total comprehensive income for the period		**19,689**	8,800	**18,542**	15,474
Profit/(loss) for the period attributable to:					
Owners of the parent		**13,088**	10,244	**18,167**	16,522
Non-controlling interests		**292**	2,574	**(190)**	4,351
		13,380	12,818	**17,977**	20,873
Total comprehensive income/(expense) for the period attributable to:					
Owners of the parent		**19,397**	6,226	**18,732**	11,123
Non-controlling interests		**292**	2,574	**(190)**	4,351
		19,689	8,800	**18,542**	15,474
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	**0.0128**	0.0100	**0.0177**	0.0161

The accompanying notes are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of Renminbi)

	Note	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	9	**866**	556
Long-term receivables	10	**30,041**	33,129
Available-for-sale investments	11	**–**	15,000
Financial assets at fair value through other comprehensive income	11	**103,000**	–
Deposit for property, plant and equipment	12	**–**	60,101
Prepayment for an available-for-sale investment		**–**	10,000
Prepayment for financial assets at fair value through other comprehensive income		**10,000**	–
		143,907	118,786
Current assets			
Inventories		**119**	123
Trade receivables	13	**60,943**	54,636
Prepayments, deposits and other receivables	14	**6,440**	3,434
Time deposits with original maturity over three months	15	**132,425**	23,000
Cash and cash equivalents	15	**74,847**	198,152
		274,774	279,345
Current liabilities			
Trade payables		**30**	463
Contract liabilities		**6,223**	–
Advances from customers		**–**	3,232
Other payables and accruals	16	**8,990**	11,373
Tax payable		**3,596**	3,763
Interest-bearing bank borrowings	17	**2,000**	–
		20,839	18,831
Net current assets		**253,935**	260,514
Total assets less current liabilities		**397,842**	379,300
Net assets		**397,842**	379,300
Equity			
Equity attributable to owners of the parent			
Share capital		**8,090**	8,090
Reserves		**391,436**	372,704
		399,526	380,794
Non-controlling interests		**(1,684)**	(1,494)
Total equity		**397,842**	379,300

Cheng Li
Director

Zhang Lake Mozi
Director

The accompanying notes are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of Renminbi)

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Reserves funds RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2018	8,090	–	224,688	16,176	16,842	14,175	100,823	380,794	(1,494)	379,300
Profit for the period	–	–	–	–	–	–	18,167	18,167	(190)	17,977
Other comprehensive income for the period Exchange differences on translation of foreign operations	–	–	–	–	–	565	–	565	–	565
Total comprehensive income for the period	–	–	–	–	–	565	18,167	18,732	(190)	18,542
Appropriation of statutory reserves	–	–	–	3,172	–	–	(3,172)	–	–	–
At 30 June 2018 (unaudited)	8,090	–	224,688	19,348	16,842	14,740	115,818	399,526	(1,684)	397,842
At 1 January 2017	8,094	(4)	224,688	12,184	16,842	25,664	70,231	357,699	(4,857)	352,842
Profit for the period	–	–	–	–	–	–	16,522	16,522	4,351	20,873
Other comprehensive expense for the period Exchange differences on translation of foreign operations	–	–	–	–	–	(5,399)	–	(5,399)	–	(5,399)
Total comprehensive income for the period	–	–	–	–	–	(5,399)	16,522	11,123	4,351	15,474
Appropriation of statutory reserves	–	–	–	1,234	–	–	(1,234)	–	–	–
Cancellation of shares repurchased	(4)	4	–	–	–	–	–	–	–	–
At 30 June 2017 (unaudited)	8,090	–	224,688	13,418	16,842	20,265	85,519	368,822	(506)	368,316

The accompanying notes are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Renminbi)

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	30 June 2017 (Unaudited) RMB'000
Cash flows from operating activities			
Profit before tax		**18,128**	23,249
Adjustments for:			
Allowance for doubtful accounts	6	**–**	10
Finance costs		**34**	44
Bank interest income	5	**(103)**	(195)
Other interest income	5	**(555)**	(1,200)
Depreciation	6	**189**	145
Loss on disposal of property, plant and equipment		**3**	–
Net foreign exchange differences	6	**135**	(365)
		17,831	21,688
(Increase)/decrease in long-term receivables		**(144)**	773
Decrease/(increase) in inventories		**4**	(114)
Decrease in trade receivables		**(6,307)**	(7,230)
Increase in prepayments, deposits and other receivables		**(3,506)**	(499)
Decrease in trade payables		**(433)**	(396)
Increase in advances from customers		**2,991**	234
Decrease in other payables and accruals		**(2,386)**	(681)
Cash generated from operations		**8,050**	13,775
Income tax paid		**(318)**	(868)
Net cash flows generated from operating activities		**7,732**	12,907
Cash flows from investing activities			
Interest received		**658**	1,395
Increase in time deposits with original maturity over three months		**(109,425)**	–
Loan to employees		**(1,953)**	–
Repayment of loan to employees		**2,500**	–
Loan to others		**(2,000)**	–
Repayment of loan to others		**5,015**	54,420
Purchases of items of property, plant and equipment		**(502)**	(2)
Purchases of financial assets at fair value through other comprehensive income		**(88,000)**	–
Disposal of an available-for-sale investment		**–**	10,000
Disposal of short term investment		**–**	22,000
Refund of deposit paid for property, plant and equipment		**60,101**	–
Net cash (used in)/generated from investing activities		**(133,606)**	87,813

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Renminbi)

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	30 June 2017 (Unaudited) RMB'000
Cash flows from financing activities			
Proceeds from borrowings		**2,000**	–
Interest paid		**(34)**	(44)
Net cash generated from/(used in) financing activities		**1,966**	(44)
Net (decrease)/increase in cash and cash equivalents		**(123,908)**	100,676
Cash and cash equivalents at beginning of the period		**198,152**	230,447
Effect of foreign exchange rate changes, net		**603**	(5,034)
Cash and cash equivalents at end of the period	15	**74,847**	326,089

The accompanying notes are an integral part of this condensed consolidated interim financial information.

(Expressed in thousands of Renminbi)

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 of the Stock Exchange of Hong Kong Limited on 8 July 2015. In the opinion of the directors of the Company, as of the date of approval of these financial statements, 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 Company and its subsidiaries (collectively referred to as the "Group") are 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 2018 have been prepared in accordance with the International Accounting Standards ("IAS") 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with those of the annual report for the year ended 31 December 2017.

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual report for the year ended 31 December 2017, except for the accounting policy changes that are expected to be reflected in the annual report for the year ended 31 December 2018. Details of any changes in accounting policies are set out in note 3.

The unaudited consolidated results for the six months ended 30 June 2018 have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3 CHANGES IN 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 2017, except as the adoption of new standards effective as of 1 January 2018 as noted below.

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has been impacted by IFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by IFRS 15 in relation to standalone selling prices, volume rebates and presentation of contract assets and contract liabilities. Details of the changes in accounting policies are discussed in note 3(a) for IFRS 9 and note 3(b) for IFRS 15.

(Expressed in thousands of Renminbi)

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of IFRS 9 and IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by IFRS 9 and IFRS 15.

	At 31 December 2017 RMB'000	Impact on initial application of IFRS 9 RMB'000	Impact on initial application of IFRS 15 RMB'000	At 1 January 2018 RMB'000
Non-current assets				
Property, plant and equipment	556	–	–	556
Long-term receivables	33,129	–	–	33,129
Available-for-sale investments	15,000	(15,000)	–	–
Financial assets at fair value through other comprehensive income	–	15,000	–	15,000
Deposit for property, plant and equipment	60,101	–	–	60,101
Prepayment for an available-for-sale investment	10,000	(10,000)	–	–
Prepayment for financial assets at fair value through other comprehensive income	–	10,000	–	10,000
	118,786	–	–	118,786
Current assets				
Inventories	123	–	–	123
Trade receivables	54,636	–	–	54,636
Prepayments, deposits and other receivables	3,434	–	–	3,434
Time deposits with original maturity over three months	23,000	–	–	23,000
Cash and cash equivalents	198,152	–	–	198,152
	279,345	–	–	279,345
Current liabilities				
Trade payables	463	–	–	463
Contract liabilities	–	–	3,232	3,232
Advances from customers	3,232	–	(3,232)	–
Other payables and accruals	11,373	–	–	11,373
Tax payable	3,763	–	–	3,763
	18,831	–	–	18,831

(Expressed in thousands of Renminbi)

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

	At 31 December 2017 RMB'000	Impact on initial application of IFRS 9 RMB'000	Impact on initial application of IFRS 15 RMB'000	At 1 January 2018 RMB'000
Net current assets	260,514	–	–	260,514
Total assets less current liabilities	379,300	–	–	379,300
Net assets	379,300	–	–	379,300
Equity				
Equity attributable to owners of the parent				
Share capital	8,090	–	–	8,090
Reserves	372,704	–	–	372,704
	380,794	–	–	380,794
Non-controlling interests	(1,494)	–	–	(1,494)
Total equity	379,300	–	–	379,300

Further details of these changes are set out in as below.

(a) IFRS 9 Financial instruments ("IFRS 9")

IFRS 9 replaces IAS 39 Financial instruments: recognition and measurement ("IAS 39"). It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied IFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under IAS 39.

(i) Classification of financial assets and financial liabilities

IFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) IFRS 9 Financial instruments ("IFRS 9") (continued)

(i) Classification of financial assets and financial liabilities (continued)

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

- FVOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The measurement categories for all financial assets and financial liabilities remain the same, except for available-for-sale investment. Under IAS 39, equity securities not held for trading were classified as available-for-sale financial assets as these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. These equity securities are classified as at FVPL under IFRS 9, unless they are eligible for and designated at FVOCI by the Group. At 1 January 2018, the Group designated its equity investment on 1 January 2018 at FVOCI (non-recycling), as the investment is held for strategic purposes.

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) IFRS 9 Financial instruments ("IFRS 9") (continued)

(ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with the "expected credit losses" ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

The Group applies the new ECL model to trade and other receivables, loans to employees and others, cash and cash equivalents and time deposits with original maturity over three months.

The Group revised its impairment methodology under IFRS 9 for each of these classes of assets.

For trade and other receivables, the Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. ECL are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of reporting period. As there is only minimal credit loss history, the directors of the Company are of the opinion that the impact of the change in impairment methodology regarding to trade and other receivables on the Group's retained earnings and equity is immaterial.

For loans to employees and others, the Group has determined that reliably assessing the probability of default at the initial recognition of each loan to employees and others would result in undue cost and effort. As permitted by IFRS 9, the credit provision will be determined based on whether credit risk is low only at each end of reporting period, until the loan is derecognised. As the Group has only begun to offer loans to employees since September 2016 and there is no record of default up to date, the probability of default is considered as low. In addition, the loans to others are entered in December 2017 and during the current period and not yet due up to date, there is no identified impairment loss.

While cash and cash equivalents and time deposits with original maturity over three months are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

(b) IFRS 15 Revenue from contracts with customers ("IFRS 15")

IFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS 15 replaces IAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and IAS 11, Construction contracts, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under IAS 11 and IAS 18. As allowed by IFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 15 Revenue from contracts with customers ("IFRS 15") (continued)

Previously, revenue arising from provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that best reflects the entity's performance; or at a point in time, when control of the goods or services is transferred to the customers.

The primary revenue sources for the Group was the provision of marketing and promotional services on its own website or APPs in the PRC.

In preparing to adopt IFRS 15, the Group considers the following:

(i) *Standalone selling prices*

The majority of the online advertising contracts are entered into with a lump-sum consideration covering multiple deliverables of marketing and promotional services for a fixed period of time with no guaranteed minimum number of clicks. The lump-sum consideration for and timing of rendering each deliverable have been pre-agreed and evidenced by written contracts entered into between the Group and its customers. Upon the adoption of IFRS 15, the consideration is allocated into each deliverable based on their best estimated selling price, and the related revenue is recognised over the period during which the service for the relevant deliverable is provided. Significant assumptions and estimates have been made in estimating the selling price of each unit of deliverable, and changes in judgements on these assumptions and estimates could materially impact the timing of advertising revenue recognition. In all contracts, there are no future obligations after the completion of the contract and no rights of refund related to the number of clicks. If collectability from the customers cannot be assessed as reasonably assured at the outset of the contracts, revenue is only recorded until cash is received from the customers.

Under IFRS 15, the Group would continue to recognise revenue for these service contracts over time, and allocate the consideration into different deliverables. Adoption of IFRS 15 is expected to have no material impact on the Group's revenue and profit or loss.

(ii) *Volume rebates*

The Group provides retrospective volume rebates to certain of its customers on the marketing and promotional services purchased by the customer once the total amount of service payable during the period exceeds a threshold specified in the contract. Currently, the Group recognises revenue from the provision of service measured at the fair value of the consideration received or receivable, net of allowances and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Under its existing accounting policy, the Group estimates the most likely amount of volume rebates and includes them as reduction from trade receivables.

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 15 Revenue from contracts with customers ("IFRS 15") (continued)

(ii) Volume rebates (continued)

Under IFRS 15, retrospective volume rebates give rise to variable consideration, which need to be estimated at contract inception and updated thereafter. To estimate the variable consideration to which it will be entitled, the Group considered that the most likely amount method can well predicts the amount of variable consideration for contracts with volume rebates. IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group applied the requirements in IFRS 15 on constraining estimates of variable consideration and concluded that no adjustment to revenue from provision of services would be needed.

(iii) Presentation of contract assets and contract liabilities

Under IFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Previously, the Group's contract liabilities for progress billing recognised in relation to the provision of marketing and promotional services were presented in the statement of financial position under "advances from customers". Following the adoption of IFRS 15, these contract liabilities are separately disclosed under "contract liabilities".

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 Mainland China and all of its long-term assets/capital expenditure were located/incurred in the Mainland China. Accordingly, no geographical segment information is presented.

(Expressed in thousands of Renminbi)

4 OPERATING SEGMENT INFORMATION (CONTINUED)

Information about major customers

For the six months ended 30 June 2018, revenue of approximately RMB15,982,000 (six months ended 30 June 2017: RMB21,644,000) 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 2018 (Unaudited) RMB'000	30 June 2017 (Unaudited) RMB'000
Customer A	**5,944**	10,117
Customer B	**5,830**	6,957
Customer C	**4,208**	4,570
	15,982	21,644

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	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Revenue				
Marketing and promotional service	**31,499**	26,859	**46,228**	45,443
E-commerce	**86**	226	**92**	405
	31,585	27,085	**46,320**	45,848
Other income and gains				
Government grants (note)	**465**	2,670	**465**	4,386
Bank interest income	**54**	72	**103**	195
Other interest income	**555**	–	**555**	1,200
Exchange gain/(loss)	**76**	202	**(135)**	318
Other income	**344**	–	**345**	–
	1,494	2,944	**1,333**	6,099

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

(Expressed in thousands of Renminbi)

6 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Note	For the six months ended 30 June 2018 (Unaudited) RMB'000	30 June 2017 (Unaudited) RMB'000
Cost of inventories sold		**7**	33
Cost of services provided		**2,745**	1,903
Depreciation		**189**	145
Loss on disposal of property, plant and equipment		**3**	–
Research and development costs		**6,378**	9,420
Allowance for doubtful accounts		**–**	10
Minimum lease payments under operating leases		**984**	1,310
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		**11,183**	11,587
Pension scheme contribution (defined contribution scheme)		**665**	623
Other income	5	**1,333**	6,099

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.

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 Nanjing Xibai, Nanjing Xile and Khorgos Xizhi.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Policies for Further Encouraging the Development of Software and Integrated Circuit Industries (《財政部、國家税務總局關於進一步鼓勵軟件產業和集成電路產業發展企業所得税政策的通知》) promulgated by the State Council on 20 April 2012, if a corporate enterprise is recognised as a software enterprise, from tax filing at its first profitable year, the corporate enterprise can enjoy a preferential treatment (i.e., 2-year exemption and 3-year half payment). Nanjing Xibai and Nanjing Xile have been recognised as software enterprises on 27 May 2016 and filed in local tax bureau. Therefore, Nanjing Xibai would be exempted from income tax for their first two profitable years (i.e., 2015 and 2016) followed by a preferential income tax rate of 12.5% from 2017 to 2019. Nanjing Xile would be exempted from income tax for their first two profitable years (i.e., 2017 and 2018) followed by a preferential income tax rate of 12.5% from 2019 to 2021.

(Expressed in thousands of Renminbi)

7 INCOME TAX EXPENSE (CONTINUED)

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Policies for Xinjiang Uygur Autonomous Region and Xinjiang Kashgar Autonomous Region (《財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知》) promulgated by the State Council on 29 November 2011, if a corporate enterprise is newly established within calendar years 2010 to 2020 in two specific regions with business fallen in the scope of the Catalogue of Preferred Enterprise Income Tax for Key Encouraged Industries in Poor Areas of Xinjiang (《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》), the corporate enterprise can enjoy a preferential treatment (i.e., 5-year exemption) from the first year when the entity begins to generate revenue. Khorgos Xizhi is exempted from income tax from calendar years 2017 to 2020 upon an approval by the State Taxation Bureau of the Xinjiang Uygur Autonomous Region in October 2017.

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	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	RMB'000	RMB'000	**RMB'000**	RMB'000
Group:				
Current — Mainland China	**(802)**	1,174	**151**	2,376
Total tax charge for the period	**(802)**	1,174	**151**	2,376

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 1,025,662,000 (2017: 1,025,662,000) in issue during the three months and six months ended 30 June 2018 and 2017. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

There were no potentially dilutive ordinary shares in issue during the three months and six months ended 30 June 2018 and 2017, and therefore the diluted earnings per share amount is equivalent to the basic earnings per share.

(Expressed in thousands of Renminbi)

8 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

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	
	2018 (Unaudited)	2017 (Unaudited)	**2018 (Unaudited)**	2017 (Unaudited)
Profit attributable to ordinary equity holders of the parent (RMB'000)	**13,088**	10,244	**18,167**	16,522
Weighted average number of ordinary shares in issue	**1,025,662,000**	1,025,662,000	**1,025,662,000**	1,025,662,000
Basic and diluted earnings per share (expressed in RMB per share)	**0.0128**	0.0100	**0.0177**	0.0161

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired assets with a cost of approximately RMB502,000 (six months ended 30 June 2017: RMB2,000) on additions to property, plant and equipment.

Assets with a cost of approximately RMB50,000 were disposed of by the Group during the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

10 LONG-TERM RECEIVABLES

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Rental deposit	**893**	754
Loans to employees (note (i))	**11,593**	12,360
Loan to others (note (ii))	**17,555**	20,015
Total	**30,041**	33,129

(Expressed in thousands of Renminbi)

10 LONG-TERM RECEIVABLES (CONTINUED)

Notes:

(i) In September 2016, the Group had begun to offer certain employees interest-free loans amounted to no more than RMB15.0 million 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 balances including interest-free loans to key management personnel of approximately RMB4,700,000 (2017: RMB7,350,000), represent the interest-free loans to employees which will be repaid within two to five years.

(ii) As at 30 June 2018, included in the balances was a loan of RMB12,000,000 made to a private company, Nanjing Qianyu Information Technology Company Limited ("南京千魚信息技術有限公司") established and held by a former employee, Huang chaozi of the Group at interest rate of 6.0% per annum for a period of 36 months. The loan 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") of an A share company.

The balances as at 30 June 2018 also included loans of RMB4,000,000 and RMB1,000,000 extended to two third parties, Beijing Hongwei Technology Company Limited ("北京宏偉科技有限公司") and Shenzhen Feishikang Technology Company Limited ("深圳飛視康科技有公司"), respectively, bearing interest rates of 6.0% to 8.0% per annum for periods of 18 to 36 months.

As at 31 December 2017, the loan extended to an unrelated third party, Yueyi Group ("悅益集團有限公司"), on 29 December 2017 amounting to HKD6,000,000 with annual interest of 6% for period of 36 months was early repaid on 2 March 2018 and the interest was waived.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Non-current		
Unlisted investments	**103,000**	15,000

As at 31 December 2017, the unlisted equity investments were stated at cost less impairment loss. Upon the initial application of IFRS 9 at 1 January 2018, the unlisted equity investments are stated at fair value. As at 30 June 2018, the fair value of the unlisted equity investments approximates to the transaction price paid as the directors are of the opinion that all unlisted equities were purchased within eight months and there were no factors or events that have occurred after the purchase date and could have affected the fair value at the end of reporting period. Details of changes in accounting policies are disclosed in note 3.

12 DEPOSIT FOR PROPERTY, PLANT AND EQUIPMENT

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Deposit for acquisition of property, plant and equipment	**–**	60,101

(Expressed in thousands of Renminbi)

12 DEPOSIT FOR PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

On 15 December 2017, the Group entered into a Commodity Property Purchase Agreement ("Preliminary Agreement") with an independent property developer ("the Vendor"), Nanjing Shimao New Development Property Company Limited ("南京世茂新發展置業有限公司") for the acquisition of certain commodity properties at a consideration of RMB60,101,000. In accordance with the Preliminary Agreement, a pre-sale contract will be entered into between the Group and the Vendor before 31 December 2017, the Vendor was expected to deliver the ownership of properties to the Group on 30 June 2019 and if the Vendor was not able to obtain the permit for pre-sale before 31 December 2017, the Preliminary Agreement will expire automatically.

As the Vendor failed to obtain the permit for pre-sale, the Group announced to terminate the acquisition of the commodity properties with the Vendor on 27 March 2018 and the deposit of RMB60,101,000 was refunded to the Group on 28 March 2018.

13 TRADE RECEIVABLES

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Trade receivables	**60,943**	54,636
Impairment	**–**	–
	60,943	54,636

The Group's trading terms with its customers are mainly on credit. The credit period is generally 60 to 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 minimise 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.

An aged analysis of the trade receivables as at 30 June 2018 and 31 December 2017, based on the date of the service rendered and net of provision, is as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within 3 months	**32,932**	24,219
3 to 6 months	**9,571**	15,883
6 months to 1 year	**14,906**	11,908
1 to 2 years	**2,929**	2,576
2 to 3 years	**605**	50
	60,943	54,636

(Expressed in thousands of Renminbi)

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Deposits	**12**	9
Prepaid expenses	**636**	299
Other receivables	**2,914**	827
Prepayments	**302**	228
Employee advances	**1,066**	781
Current portion of loans to employees (note)	**1,510**	1,290
	6,440	3,434

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.

Note: As disclosed in note 10, the Group had begun to offer certain employees interest-free loans since September 2016. The balances, including interest-free loans to key management personnel of RMB350,000 (2017: RMBnil), represent the interest-free loans to employees which will be repaid within one years.

15 CASH AND CASH EQUIVALENTS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Total cash and bank balances	**207,272**	221,152
Less: Time deposits with original maturity over three months (note (ii))	**132,425**	23,000
Cash and cash equivalents (note (i))	**74,847**	198,152

Notes:

(i) At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB21,914,000 (31 December 2017: RMB27,731,000). 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 authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

(ii) Time deposits with original maturity over three months are made for varying periods of three to six months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The time deposits are deposited with creditworthy banks with no recent history of default.

(Expressed in thousands of Renminbi)

16 OTHER PAYABLES AND ACCRUALS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Accruals	75	1,955
Other payables	2,885	1,240
Other tax payables	3,989	4,950
Employee related payables	2,041	3,228
	8,990	11,373

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

17 INTEREST-BEARING BANK BORROWINGS

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans, unsecured	4.35%	2019	2,000	–	–	–

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Analysed into:		
Bank loans:		
Within one year or on demand	2,000	–

(Expressed in thousands of Renminbi)

18 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets, held by the Group as at 30 June 2018 and 31 December 2017:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Financial assets at amortised cost/loan and receivables		
Long-term receivables	**29,148**	32,375
Trade receivables	**60,943**	54,636
Financial assets included in prepayments, deposits and other receivables	**5,490**	2,898
Time deposits with original maturity over three months	**132,425**	23,000
Cash and cash equivalents	**74,847**	198,152
	302,853	311,061
Financial assets at fair value through other comprehensive income/ available-for-sales investments		
Financial assets at fair value through other comprehensive income/available-for-sale investments	**103,000**	15,000
Prepayment for financial assets at fair value through other comprehensive income	**10,000**	10,000
	113,000	25,000
Total	**415,853**	336,061
Total current	**273,705**	278,686
Total non-current	**142,148**	57,375

Set out below is an overview of financial liabilities held by the Group as at 30 June 2018 and 31 December 2017:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Financial liabilities at amortised cost		
Interest-bearing bank borrowings	**2,000**	–
Financial liabilities included in other payables and accruals	**2,885**	1,240
Trade payables	**30**	463
Total current	**4,915**	1,703

(Expressed in thousands of Renminbi)

18 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000	**30 June 2018 (Unaudited) RMB'000**	31 December 2017 (Audited) RMB'000
Financial assets				
Long-term receivables	**29,148**	32,375	**26,550**	30,766
Financial assets at fair value through other comprehensive income	**103,000**	–	**103,000**	–
Prepayment for financial assets at fair value through other comprehensive income	**10,000**	–	**10,000**	–
Total	**142,148**	32,375	**139,550**	30,766

	Carrying amounts		Fair values	
	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000	**30 June 2018 (Unaudited) RMB'000**	31 December 2017 (Audited) RMB'000
Financial liabilities				
Interest-bearing bank borrowings	**2,000**	–	**2,000**	–
Total	**2,000**	–	**2,000**	–

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 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 end of reporting period, 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 financial assets and financial liabilities 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:

The fair values of the long term 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.

(Expressed in thousands of Renminbi)

18 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair values (continued)

The fair values of the financial assets at fair value through other comprehensive income have been calculated by using market approach where transaction price paid are adjusted for the market factors and events that have occurred and would have affected the Group's growth prospects or expected milestones. The market factors and events that have occurred as at 30 June 2018 were assessed to have insignificant effect to the Group.

The fair values of the interest-bearing bank 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 borrowings as at 30 June 2018 was assessed to be insignificant.

Fair value hierarchy

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

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	significant observable inputs (Level 2) RMB'000	significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2018:				
Financial assets measured at fair value:				
Long-term receivables	**–**	**–**	**26,550**	**26,550**
Financial assets at fair value through other comprehensive income	**–**	**–**	**103,000**	**103,000**
Prepayment for financial assets at fair value through other comprehensive income	**–**	**–**	**10,000**	**10,000**
	–	**–**	**139,550**	**139,550**
Financial liabilities measured at fair value:				
Interest-bearing bank borrowings	**–**	**2,000**	**–**	**2,000**
As at 31 December 2017:				
Financial assets measured at fair value:				
Long-term receivables	–	–	30,766	30,766
Financial liabilities measured at fair value:				
Interest-bearing bank borrowings	–	–	–	–

(Expressed in thousands of Renminbi)

19 CONTINGENT LIABILITIES

As at 30 June 2018, neither the Group nor the Company had any significant contingent liabilities.

20 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 2018 and 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within one year	**2,042**	1,347
In the second to fifth years, inclusive	**3,171**	–
Total	**5,213**	1,347

21 RELATED PARTY TRANSACTIONS

Material transactions with key management personnel:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
For the period/year		
Maximum aggregate amount of loans	**7,350**	7,350
At the period/year-end		
Loans to key management personnel	**5,050**	7,350

The loans granted to key management personnel who are not directors of the Company are interest-free housing loans and have fixed terms of repayment of five years, which are included in loans to employees in notes 10 and 14.

(Expressed in thousands of Renminbi)

21 RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel of the Group:

	For the six months ended	
	30 June 2018 (Unaudited) RMB'000	30 June 2017 (Unaudited) RMB'000
Short term employee benefits	**1,500**	1,825
Pension scheme contributions	**65**	148
Total	**1,565**	1,973

22 SUBSEQUENT EVENTS

There was no material subsequent event during the period from 30 June 2018 to the approval date of these interim condensed consolidated financial statements.

23 COMPARATIVE FIGURES

The Group has initially applied IFRS 9 and IFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

24 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 13 August 2018.

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

Nanjing, the People's Republic of China, 13 August 2018

As at the date of this announcement, the executive Directors are Mr. CHENG Li, Mr. HU Qingyang, and Mr. ZHANG Lake Mozi; the non-executive Directors are 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 www.ci123.com.