Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1736)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of China Parenting Network Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**" or "**we**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2021 (the "**Year**" or "**Reporting Period**").

SUMMARY

— In 2021, the total MAU and DAU of the company's mobile APPs (total number from two main APPs: Pregnancy Tracker and Mama BBS) were 16.00 million and 3.58 million, respectively, an increase of 4.81% and 8.42% from the previous year.

— During the period, in the face of the rapid development and change of the industry, CI Web continued to upgrade its products and services based on the strategy of "new generation, new contacts, and new growth", and was committed to providing personalized smart home solutions for young Chinese families. CI Web took "**APP + applet + community**" as its core, using multiple online and offline networks to obtain the traffic of pregnant and infant groups, and build an in-depth communication link between mother-child users; using multi-sales channels to create a trusting mother-child group with high conversion rate.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is a leading mother-child platform in China, providing users with content, community, new media, e-commerce, smart hardware and other related services through a portfolio of websites and APPs including CI Web, Mama BBS APP, Pregnancy Tracker APP, new media matrix and mother-child online communities, covering areas including new retail, health, education, home entertainment and family travel, etc, committed to providing personalized smart home solutions for young Chinese families. CI Web advocates a confident, free and natural attitude toward life, leads an advanced, practical and scientific parenting method, and accompanies parents and children to grow together.

In 2021, the total MAU and DAU of the company's mobile APPs (total number from two main APPs: Pregnancy Tracker and Mama BBS) were 16.00 million and 3.58 million, respectively, an increase of 4.81% and 8.42% from the previous year.

Industry Review

China's mother-child market meets a new generation, with significant changes in parenting concepts and behaviors

China's mother-child market has ushered in a new mainstream group. The post-90s have become the main force of the mother-child group, closely followed by the post-00s. The consumption ability and education level of the new generation of mother-child group have generally improved, and the concept of parenting has become more scientific, refined and personalized. At the same time, as the "**aboriginals**" of the Internet, the parents of the new generation have increased their dependence and trust on the Internet, and are willing to obtain professional, convenient, and diverse services and experiences online. The user behavior has undergone major changes, and online consumption has grown significantly. Under the trend of second/third childbirth, the life cycle of mother-child group is prolonged. In addition to mothers, more family members participate in childcare. The size of mother-child families expands, and the segmented demands have grown rapidly. Mother-child groups in third- and fourth-tier cities have higher birth rates, and their spending power and willingness continue to increase.

Consumption upgrade drives the growth of the mother-child consumption market, segmented markets emerge to meet diversified needs

According to the Analysys report, in 2020, due to the decrease in mother-child users and the impact of the pandemic, the market size of mother-child products have declined slightly. In June 2021, the three-child policy was implemented, which will alleviate the continued decline in the new birth population to a certain extent. In March 2022, the PRC government listed nursing expenses for infants under three years old as special additional deductions from individual income tax for encouraging child birth and supporting the three-child policy. Based on domestic economic growth, the iteration of mother-child groups and future consumption upgrades, it is estimated that the market size of China's mother-child products will reach RMB1,257.2 billion in 2025. In addition to the safety and quality factors that parents of the post-90s generation are concerned about, mother-child products are developing towards innovative, segmented and high-end. The economy of beauty and self-satisfaction also followed, China-Chic becomes popular with the new generation. New consumption tracks and sub-categories continue to emerge.

Traffic decentralization tests the ability to deploy in all scenarios, private domain operation has become an important exploration direction

With the increasing diversification of communication channels, the trend of traffic decentralization has become more obvious. With the rapid development of mobile internet technology and big data technology, more scenarios are connected to the traffic portal, such as home consumption scenarios, mobile shopping scenarios, parenting and early education scenarios, parent-child travel scenarios, social circles, and offline mother-child store consumption scenarios, etc. This further tests the full-scenario customer acquisition ability of mother-child brands. Meanwhile, dividends of traffic are declining, users' mentality are changing rapidly, and customer acquisition costs are increasing, forcing brands to pay more attention to convert public domain traffic to private domain traffic. Especially for new brands, they usually have DTC attributes. Through private domain operations, they can deeply dig user value, enhance user stickiness, extend user life cycle, and increase user fission, conversion rate, and repurchase rate. It is an important exploration direction for efficiency and cost reduction. At present, WeChat communities and applets are the main user carriers for private domain operations.

The influence of content on the minds of users continues to increase, the vertical maternal platform has obvious advantages in user value conversion

With the continuous upgrading of content creation and promotion methods, content can reach user information acquisition and influence user consumption decisions in multiple scenarios. Content empowers brands to continuously promotes brand information and value, and strengthen the emotional connection between brands and users. The mother-child groups, especially the early-stage mother-child group, has higher requirements for accurate content. According to the Analysys report, the vertical maternal APP is an important channel for users to obtain professional mother-child knowledge and information, and it is a community for mother-child groups. The vertical mother-child platform has gained recognition among the mother-child groups due to its differentiation, specialization and intensification of content and services, with the advantages of high user stickiness and high conversion rate.

Business Review

During the period, in the face of the rapid development and change of the industry, CI Web continued to upgrade its products and services based on the strategy of "**new generation, new contacts, and new growth**", and was committed to providing personalized smart home solutions for young Chinese families. CI Web takes "**APP + applet + community**" as its core, using multiple online and offline networks to obtain the traffic of pregnant and infant groups, and build an in-depth communication link between mother-child users; using multi-sales channels to create a trusting mother-child group with high conversion rate.

Built a multi-service network for pregnant and infant groups, and deployed extended service scenarios across industries

CI Web took "**APP + applet + community**" as its core, using multiple online and offline networks to obtain the traffic of pregnant and infant groups, build an in-depth communication link between mother-child users, and increase the monetization channels of the industrial chain. During the period, from the four values of knowledge service, emotional connection, decision-making guide, and user self-improvement, we continued to build a more professional and open mother-child lifestyle sharing and communication platform. The Mama BBS APP accessed the live channel, interacted and communicated with users in real time on knowledge popularization, female empathy, talent sharing, etc., and brought shopping discounts to users in multiple sessions and at multiple times. Relying on the matrix of existing pregnancy content and applets, as well as the self-developed S-CRM SaaS system based on WeChat Enterprise, Pregnancy Tracker launched the "**Mama Planet**" community service, providing one-on-one online real time consults for pregnant users. During the period, CI Web accelerated the layout of the community ecology, and synchronously introduced the platform traffic into the private domain environment of the community. Not only can the existing platform traffic be fully transformed, but at the same time, through mutual coordination, the whole platform ecology can be expanded, and a large growth space has been released. The community is centered on the mother-child communication group, and has incubated local life groups, mommy shop owner groups, IP fan groups, and distribution groups, and subdivided more service groups based on different dimensions such as pregnancy/newborn/region/community, covering 1st, 2nd, 3rd and 4th tier cities. With the community as the business carrier, a high-trust group atmosphere has been developed to achieve efficient fission and conversion. Focusing on the needs of pregnant and infant families, CI Web has deployed a full-scenario SaaS system to expand the ability to obtain traffic. Based on the full-scenario service architecture, segmented service scenarios have been created , such as new retail health, education, travel and other fields. The Mommy Store invested by CI Web provided a customized near-field retail service system for small and medium-sized mother-child stores, and promoted the consumption upgrade of mother-child groups in the sinking market; Hongdou Games created popular female-oriented games and expanded to the female population; CI Web also reached more mother-child/mother-child-related application scenarios by empowering smart devices, mobile phone hardware, offline shopping malls and airport maternity rooms.

High-quality IP matrix strengthened MCN capabilities, content co-creation enhanced user participation and interactive experience

CI Web is driven by high-quality content interaction, with refined management of big data as the underlying operation model, using multi-channel, multi-touch and precise MCN to realize global reach, continuously upgrade the content ecology, and provide brand customers with a good commercial content supply system. At present, most content online lacks creativity, and high-quality resources of authoritative professions are scarce. With its 16 years of experience in mother-child content, CI Web continuously output professional editors, authoritative experts, and KOLs as its core content, creating a knowledge service system for all childbearing age groups and an IP-based matrix of diverse content. Based on the user portraits of the new-generation mother-child/mother-child-related groups, CI Web invited professionals in related fields to incubate personalized accounts for different pain points, including doctors, lawyers, teachers, etc., for more scientific, efficient and accurate communication and sharing. CI Web has upgraded and launched five short videos and animation columns, focusing on hot topics of pregnancy, to meet the needs of post-90s users and brands for the current vertical short video content for mother-child groups. CI Web shifted its focus from one-way transmission to interactive communication, inspired users to co-create, and guided users to every small topic in a more timely and content aggregated way. For example, a series of activities were carried out around the theme of "the ordinary glory" and other self-pleasing themes, which resonated with users and set off a sharing craze. In order to help the younger generation of mother-child groups to show their self-worth, CI Web has created a new "Mother Creator Program". Through training, incentives and other operational methods, it discovered content creators on the site and continued to enhance the creators' sense of identity and value. CI Web continued to promote the TOP V partner program, and established a matrix of influencers from the mid-level to the top of the entire network. The popular influencers were selected by the professional selection of CI Web and the fan votes, through signing, support and extensive cooperation, their professional influences will be promoted, bringing more high-quality content and interactive experience to the mother-child users.

Linked multiple sales channels and transaction scenarios to create a high-trust conversion ecosystem for mother-child groups

During the period, CI Web strengthened the advantages of user value conversion, deployed transactions and sales, focused on the recommendation channel, small bizzar APP shopping guide, community e-commerce, group purchase, and channel supply to meet the needs of multi-scenario, multi-mode, high-frequency, fast-sales conversions.

With the advantage of the long-term accumulation in vertical mother-child platforms, CI Web has achieved rapid penetration in the field of social communities. Using the self-developed S-CRM SaaS system based on WeChat Enterprise, CI Web launched the "Mama Planet" community service, improved the socialization, scenario-based, and service-based management capabilities of the community, optimized the matching of supply and demand, reached users more efficiently, and achieved rapid user fission and transaction conversion; Developed the mode of selling goods by the mother group leader, and supported the user's self-pricing mode; Provided one-on-one online real-time knowledge Q&A and life services for users, such as providing real and reliable local hospital departments and related obstetric care services for people at different stages of pregnancy, providing free parenting expert library courses and mother-child product samples. At the same time, within the community, shared real word-of-mouth and experience through user exchanges; stimulated purchase through KOL/KOC, MCN.

CI Web has strategically cooperated with retail platforms such as JD Mother and Child. Through the efficient integration of all-platform transaction conversion touchpoints and access to the e-commerce supply chain, we used a variety of social media marketing methods to in-depth communicate with the new generation of mother-child groups, and create an innovative sales path for the whole platform and the whole link.

CI Web cooperated with brand customers to create multi-scenario and multi-objective conversions on the entire platform to achieve effective expansion of users and sustainable growth of sales. Through multi-scenario mental cultivation to assist purchasing decisions; multi-festival influence to drive the resonance with daily operation and promotion, and promote the continuous conversion of internal and external transactions; strengthen content shopping guide and repurchase, and activate continuous shopping demand. CI Web has established a full-category mother-child product library, selected through online mother-child group recommendation, brand self-recommendation, CI Web invitation, and media nomination. Being selected means a higher degree of reputation and recognition. The mother-child product library provides users with one-stop viewing of good products, distributes trial invitations to users, recommends with real user experiences, and reviews and compares from multiple dimensions. CI Web launched a new IP "BOSS has something new", and teamed up with the Bosses to create a powerful recommendation and selling mode of "short video + live broadcast + trial".

The pandemic accelerated the industrial chain digitalization, the digital business solutions empowered the brands

The normalization of the pandemic has accelerated the digitalization of the retail industry. CI Web provided customers with digital business solutions for pregnancy, infants and children. We in-depth explored the direction of consumer demand, and achieved brand reach, penetration, conversion, loyalty and technology-driven marketing links in all scenarios. Facing the competition in the decentralized traffic field, we used high-viscosity private domain traffic pools and all-scenario accurate traffic pools to meet the needs of brands to reach user groups at multiple points; With service capabilities in digital scene content, we penetrated users in terms of deepened brand awareness, mental occupation, extensive interaction, and word-of-mouth cultivation; Based on mature private domain operation experience and big data insight capabilities, we operated the user life cycle for brands, revitalized brand CRM data assets, and cultivated brand loyalty; Strengthened the advantages of transaction shopping guide, arranged transaction sales, and meet the needs of transaction conversion. Relying on the strong technical driving force of CI Web, we helped brands solve technical problems, improve the efficiency of digital upgrades, and expand SaaS system customization services for businesses such as education and playgrounds with zero-code, multi-scene, cross-platform technical system architecture. During the period, we provided APP development and operation for the ski track project of Zhangjiakou Miyuan Cloud Top Ski Resort in Beijing Winter Olympics.

During the period, the outbreak of the pandemic brought challenges, changes and opportunities to the mother-child industry market. Based on user big data and in-depth cooperation with industry partners, we have dived into the market and continuously output industry research reports.For example, in response to the significant increase in health and hygiene concerns among mother-child groups after the pandemics, CI Web has released the *2021 Mother-Child Family Nutrition Trend Report*, and *2021 China Infants and Children Care Report*. The accurate research and detailed data have provided valuable guidance for brands to quickly adapt to changes and seize new opportunities.

Future Prospects

2021 is the first year of the 14th Five-Year Plan, and it is also the first year to return to development after the pandemic. In terms of improving people's livelihood and well-being, policies and measures such as encouraging third-child births have been continuously improved. The scale of consumption continues to expand, and the national economy is improving steadily. "Creating an open, healthy and safe digital ecosystem" is included in the 14th Five-Year Plan. Looking into the future, various industries have entered the track of high-quality development and transformation, and innovation-driven is still the core driving force for growth. CI Web will continue to work with industry partners to create a win-win environment, build an interconnected ecosystem of the industry chain, enrich intelligent scene experience and segmented services for mother-child families, and meet the growing emotional connection and high-quality life needs of mother-child families.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2021 was approximately RMB93.7 million, representing an increase of approximately 1.6% over approximately RMB92.3 million for the year ended 31 December 2020, which remained relatively stable.

Cost of sales

The Group's cost of sales for the year ended 31 December 2021 was approximately RMB88.5 million, representing an increase of approximately 42.5% over approximately RMB62.2 million for the year ended 31 December 2020, primarily due to the increased efforts put into the promotion and technological support on CI Web and its related APPs, and the increased cost of sales of goods business.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2021 was approximately RMB5.2 million, representing a decrease of approximately 82.8% over approximately RMB30.1 million for the year ended 31 December 2020. During the year ended 31 December 2021, the Group's gross profit margin decreased from approximately 32.6% for the year ended 31 December 2020 to approximately 5.5%, due to higher promotion and technical supporting cost, and the lower gross profit margin of the sales of goods business, while the proportion of the sales of goods business increased, which has a lower gross profit as compared to the advertising business.

Other income and gains

The Group's other income and gains for the year ended 31 December 2021 was approximately RMB7.3 million, representing a decrease of approximately 26.7% compared to approximately RMB10.0 million for the year ended 31 December 2020, primarily due to the government grants provided by the local government was reduced.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2021 was approximately RMB27.3 million, representing a decrease of approximately 45.7% over approximately RMB50.3 million for the year ended 31 December 2020, primarily attributable to the decrease in marketing and promotion expenses and the decrease in the number of marketing personnel.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2021 was approximately RMB12.5 million, representing a decrease of approximately 28.4% over approximately RMB17.5 million for the year ended 31 December 2020, primarily due to the decrease in expenses including professional fee and rent.

Research and development costs

The Group's research and development ("**R&D**") cost for the year ended 31 December 2021 was approximately RMB15.3 million, representing a decrease of approximately 21.5% over approximately RMB19.5 million for the year ended 31 December 2020, primarily attributable to the decrease in the number of R&D personnel and the decrease in investment in technological development.

Income tax credit

The Group's income tax credit for the year ended 31 December 2021 was approximately RMB0.7 million, representing a decrease of approximately 94.2% over approximately RMB11.5 million of income tax credit for the year ended 31 December 2020, primarily due to the absence of reclassification of financial assets in the current year.

Loss for the year

As a result of the factors described above, the Group's net loss for the year ended 31 December 2021 was approximately RMB55.1 million, representing a decrease of approximately 42.9% over approximately RMB96.5 million of net loss for the year ended 31 December 2020, primarily due to the decrease of marketing and promotion expenses and the loss resulting from the absence of deemed derecognition of financial assets.

Loss per share

For the Year, the loss per share was approximately RMB0.0502 representing a decrease of approximately 46.5% over approximately RMB0.0938 of the loss per share in 2020.

Gearing ratio

As of 31 December 2021, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was 22.3% (31 December 2020: 12.4%).

Capital expenditure

Our capital expenditure was RMB0.1 million for the year ended 31 December 2021 (31 December 2020: RMB7.7 million). The Group's capital expenditures were mainly related to the purchases of servers, computers, office equipment.

Liquidity and capital resources

As at 31 December 2021, the net current assets of the Group was approximately RMB36.6 million (31 December 2020: approximately RMB47.3 million) and the cash and cash equivalents were approximately RMB27.9 million (31 December 2020: approximately RMB44.1 million).

As of 31 December 2021, the bank borrowings of the Group denominated in RMB were approximately RMB22.5 million (31 December 2020: approximately RMB19.0 million). The Group's bank borrowings as at 31 December 2021 were denominated in RMB and the loans of RMB22.5 million (31 December 2020: approximately RMB10.0 million) were guaranteed by personal guarantees, details are set out in note 18.

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

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

Foreign exchange exposure

The Group's transactions are mainly denominated in RMB. Part of the cash and bank deposits of the Group are denominated in Hong Kong dollars. During the year ended 31 December 2021, the Group did not experience any material impact or liquidity problems in its operation resulting from the changes in exchange rate nor enter into hedging transaction or forward contract arrangement. However, the management closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this regard, the Group is not exposed to any significant foreign currency exchange risk in its operation.

Capital structure

The shares of the Company were listed on the GEM of the Stock Exchange on 8 July 2015 and the listing of shares of the Company has been transferred to the Main Board of the Stock Exchange on 8 October 2018. The capital structure of the Company comprised ordinary shares and 1,025,662,000 shares in issue as at 31 December 2021.

Capital commitment

As at 31 December 2021, the Group had capital commitment of approximately RMB49.0 million (including the construction cost of the target land and various government administrative fees and taxes) (31 December 2020: RMB52.3 million).

Employees, training and remuneration policy

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

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

As at 31 December 2021, the Group had a total of 118 employees including executive Directors (31 December 2020: 216 employees). Total staff costs were approximately RMB28.7 million for the year ended 31 December 2021 (31 December 2020: approximately RMB28.6 million).

Material acquisitions and disposals of subsidiaries

During the year ended 31 December 2021, there was no material acquisition or disposal of subsidiaries by the Group.

Event after the reporting period

On 30 March 2022, the Company entered into an amendment and restatement deed (the "**Amendment and Restatement Deed**") with the convertible note holders to extend the maturity date to 30 April 2023 for convertible notes with principal amount of HK$14,500,000 (equivalent to RMB11,855,000) and amend relevant terms of such convertible notes, subject to and effective from fulfilment of conditions precedent and conditions subsequent in the Amendment and Restatement Deed signed on 30 March 2022. The Company will repay an agreed portion of the convertible notes by 30 April 2022. For details, please refer to the announcement dated on 30 March 2022.

Charges of assets

As at 31 December 2021, the Group did not make any pledged bank deposit (31 December 2020: Nil).

Contingent liabilities

As at 31 December 2021, the Group did not have any significant contingent liabilities (31 December 2020: Nil).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (year ended 31 December 2020: nil).

ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

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

Upon the proposed amendment becomes effective and assuming the full exercise of the Convertible Notes, the Company will allot and issue up to 152,631,579 conversion shares based on the conversion price which will be calculated in accordance with the general mandate granted to the Directors at the annual general meeting held on 11 June 2021.

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

Breakdown of the Company's financial assets at fair value through other comprehensive income and profit or loss as at 31 December 2021 is set out in note 12 of the consolidated financial statements. Further details of each invested companies will be disclosed in the 2021 annual report of the Company.

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

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

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

LOANS TO OTHER ENTITIES

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

Breakdown of the Company's loans to other entities as at 31 December 2021 is set out in note 11, note 12 and note 15 of the consolidated financial statements. Further details of each borrowing companies will be disclosed in the 2021 annual report of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021 and up to the date of this results announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Revenue	4	**93,744**	92,267
Cost of sales		**(88,549)**	(62,151)
Gross profit		**5,195**	30,116
Other income and gains	5	**7,323**	9,984
Selling and distribution expenses		**(27,279)**	(50,262)
Administrative expenses		**(12,535)**	(17,510)
Research and development costs		**(15,302)**	(19,497)
Reversal of (impairment loss) on financial and contract assets, net	6	**763**	(713)
Fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")		**(9,417)**	(12,049)
Loss on disposal of financial assets at FVTPL		**–**	(1,886)
Loss on deemed derecognition of financial assets		**–**	(45,105)
Loss on restructuring of other receivable		**(236)**	–
Other expenses		**(1,253)**	(216)
Finance costs	7	**(3,066)**	(916)
Loss before tax	6	**(55,807)**	(108,054)
Income tax credit	8	**670**	11,536
Loss for the year		**(55,137)**	(96,518)
Loss attributable to:			
Owners of the Company		**(51,455)**	(96,175)
Non-controlling interests		**(3,682)**	(343)
		(55,137)	(96,518)
		RMB cents	*RMB cents*
Loss per share attributable to owners of the Company			
Basic and diluted	10	**(5.02)**	(9.38)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	RMB'000	*RMB'000*
Loss for the year	**(55,137)**	(96,518)
Other comprehensive (expense) income, net of tax:		
Items that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income ("**FVTOCI**"):		
Changes in fair value	**(6,056)**	(15,635)
Tax effect	**2,576**	(4,046)
	(3,480)	(19,681)
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(452)**	(2,703)
Other comprehensive expense for the year, net of tax	**(3,932)**	(22,384)
Total comprehensive expense for the year	**(59,069)**	(118,902)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(55,387)**	(118,559)
Non-controlling interests	**(3,682)**	(343)
	(59,069)	(118,902)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31 December 2021 RMB'000	31 December 2020 RMB'000
Non-current assets			
Property, plant and equipment		**8,002**	8,067
Right-of-use assets		**8,479**	7,665
Long-term receivables	*11*	**2,917**	4,237
Deposit for property, plant and equipment		**2,712**	2,712
Other financial assets	*12*	**211,149**	259,217
		233,259	281,898
Current assets			
Inventories		**1,465**	2,806
Trade and bills receivables	*13*	**15,620**	14,244
Contract assets	*14*	**7,266**	18,306
Prepayments, deposits and other receivables	*15*	**20,112**	5,424
Other financial assets	*12*	**39,820**	4,958
Cash and cash equivalents		**27,851**	44,090
		112,134	89,828
Current liabilities			
Trade payables	*16*	**1,745**	2,201
Contract liabilities		**600**	339
Other payables and accruals	*17*	**16,695**	13,685
Lease liabilities		**1,755**	1,447
Interest-bearing bank borrowings	*18*	**22,500**	19,000
Convertible notes	*19*	**26,378**	–
Tax payable		**5,868**	5,868
		75,541	42,540
Net current assets		**36,593**	47,288
Total assets less current liabilities		**269,852**	329,186

	31 December 2021	31 December 2020
	RMB'000	*RMB'000*
Non-current liabilities		
Lease liabilities	**1,616**	663
Deferred tax liabilities	**–**	2,720
	1,616	3,383
NET ASSETS	**268,236**	325,803
Equity		
Equity attributable to owners of the Company		
Share capital	**8,090**	8,090
Reserves	**260,382**	314,267
	268,472	322,357
Non-controlling interests	**(236)**	3,446
TOTAL EQUITY	**268,236**	325,803

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 CORPORATE AND GROUP INFORMATION

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

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

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.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for other financial assets which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

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

(a) The convertible notes with an aggregate principal amount of HK$14,500,000 (equivalent to RMB11,855,000) has been extended to 30 April 2023 on 30 March 2022;

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

(c) As at 31 December 2021, the contracted capital expenditure committed by the Group amounted to approximately RMB49.0 million. The management of the Company expected the construction will not be completed during 2022 and no payment is expected to be settled in the coming twelve months from the date of this announcement. These commitments are related to the construction of headquarter in Yuhuatai District. The directors will undertake close monitoring process to control the magnitude and timing of the expected cash outlays associated with these capital projects;

(d) The directors are of the opinion that the Group will have adequate funds to meet its liabilities as and when they fall due for at least twelves months from the date of this announcement after reviewing the cash flow forecast. The directors will strengthen and implement measures aiming at improving the working capital and cash flows of the Group, including closely monitoring the general administrative expenses and operating cost;

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

(f) The directors has also undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approving the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for annual periods beginning on 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2

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

3.2 IFRSs ISSUED BUT NOT YET EFFECTIVE IN CURRENT YEAR

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

IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020[2]

[1] Effective for annual periods beginning on or after 1 April 2021.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after 1 January 2023.
[4] Effective date to be determined.

The directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

(i) Disaggregation of revenue

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

	2021	2020
	RMB'000	*RMB'000*
Marketing and promotional services	**47,998**	61,779
Sale of goods	**45,746**	30,488
	93,744	92,267

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

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

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

(b) Segment information

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

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

(i) Marketing and promotional services; and

(ii) Sale of goods

The amount of each significant category of revenue recognised during the reporting period is as follows:

	For the year ended 31 December 2021		
	Marketing and promotional services	**Sale of goods**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Disaggregated by timing of revenue recognition			
Over time	**47,998**	**–**	**47,998**
Point in time	**–**	**45,746**	**45,746**
Segment revenue	**47,998**	**45,746**	**93,744**
Segment results	**4,703**	**492**	**5,195**

	For the year ended 31 December 2020		
	Marketing and promotional services	Sale of goods	Total
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
Over time	61,779	–	61,779
Point in time	–	30,488	30,488
Segment revenue	61,779	30,488	92,267
Segment results	32,358	(2,242)	30,116

	2021	2020
	RMB'000	*RMB'000*
Segment results	**5,195**	30,116
Unallocated		
Other income and gains	**7,323**	9,984
Selling and distribution expenses	**(27,279)**	(50,262)
Administrative expenses	**(12,535)**	(17,510)
Research and development costs	**(15,302)**	(19,497)
Reversal of (impairment loss) on financial and contract assets, net	**763**	(713)
Fair value changes of financial assets at FVTPL	**(9,417)**	(12,049)
Loss on disposal of financial assets at FVTPL	**–**	(1,886)
Loss on deemed derecognition of financial assets	**–**	(45,105)
Loss on restructuring of other receivable	**(236)**	–
Other expenses	**(1,253)**	(216)
Finance costs	**(3,066)**	(916)
Loss before tax	**(55,807)**	(108,054)

Segment results during the year represents the gross profit of each segment without allocation of other income and gains, selling and distribution expenses, administrative expenses, research and development costs, reversal of impairment loss/impairment losses on financial and contract assets, net, fair value changes of financial assets at FVTPL, loss on disposal of financial assets at FVTPL, loss on deemed derecognition of financial assets, loss on restructuring of other receivable, other expenses and finance costs. This is the measure reported to the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

Geographical information

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

Information about major customers

For the year ended 31 December 2021 and 2020, no revenue from transactions with a single customer amounted to 10% or more of the Group's sales.

5 OTHER INCOME AND GAINS

	2021	2020
	RMB'000	*RMB'000*
Bank interest income	**136**	1,203
Other interest income	**1,313**	1,455
Government grants *(note)*	**3,729**	6,506
Investment income from bank product investments	**361**	753
Gain on early termination of leases	**–**	19
Foreign exchange gain, net	**1,195**	–
Other income	**589**	48
	7,323	9,984

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 conditions or contingencies relating to the grants.

6 LOSS BEFORE TAX

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

	2021 *RMB'000*	2020 *RMB'000*
Cost of inventories sold	**45,254**	32,730
Cost of services provided	**43,295**	21,633
Depreciation of property, plant and equipment	**121**	300
Depreciation of right-of-use assets	**2,345**	2,431
Research and development costs:		
Current year expenditure	**15,302**	19,497
Auditor's remuneration	**1,480**	1,800
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**24,784**	24,833
Pension scheme contributions (defined contribution scheme)	**2,029**	1,461
(Reversal of) impairment losses on financial and contract assets, net:		
— Trade receivables	**(41)**	(33)
— Contract assets	**(83)**	(178)
— Financial assets included in deposits and other receivables	**(639)**	924
Fair value changes of financial assets at FVTPL	**9,417**	12,049
Loss on disposal of financial assets at FVTPL	**–**	1,886
Loss on disposal of items of property, plant and equipment	**–**	75
Loss on deemed derecognition of financial assets	**–**	45,105
Write-off of trade and other receivables	**276**	65
Write-down of inventories to net realisable value	**977**	6,540
Foreign exchange (gain) loss, net	**(1,195)**	218

7 FINANCE COSTS

	2021 *RMB'000*	2020 *RMB'000*
Imputed interest on convertible notes	**2,025**	–
Interest on bank borrowings	**836**	761
Imputed interest on lease liabilities	**205**	155
	3,066	916

8 INCOME TAX CREDIT

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 and Nanjing Xile.

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、國家稅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稅政策的通知》) 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 tax treatment (i.e., 2-year exemption and 3-year half payment). Nanjing Xibai and Nanjing Xile have been recognised as software enterprises since 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 and Nanjing Xibai has been recognised as high-tech enterprise since 6 December 2019, the corporate enterprise can enjoy a preferential income tax rate of 15% from 2020 to 2022. Nanjing Xile would be exempted from income tax for their first two profitable years (i.e., 2019 and 2020) followed by a preferential income tax rate of 12.5% in 2021.

In addition to the recognised identification of high-tech enterprise and entitlement of a preferential income tax rate of 15%, if an enterprise is approved and certified by relevant regulatory authorities as "Important Software Enterprise" under the National Planning Layout for the year, it can further enjoy a preferential tax rate of 10%. According to the relevant regulations, the difference between the tax amount paid at the rate of 15% and the tax amount calculated at the preferential corporate income tax rate of 10% will be refunded to the relevant enterprises after the relevant period, and will be correspondingly reflected in the profit or loss account of the enterprise when it is refunded. There was no application for a preference tax rate of 10% regarding to the "Important Software Enterprise" for years ended 31 December 2021 and 2020. Thus, Nanjing Xibai has calculated the enterprise income tax expense at the preferential tax rate of 15% for years ended 31 December 2021 and 2020.

The income tax of the Group are analysed as follows:

	2021 ***RMB'000***	2020 *RMB'000*
Current tax — Mainland China		
Provision for the year	**–**	20
Over-provision in respect of prior years	**(526)**	(1,218)
	(526)	(1,198)
Deferred tax		
Current year	**(144)**	(10,338)
Total tax credit for the year	**(670)**	(11,536)

9 DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the years ended 31 December 2021 and 2020.

10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss attributable to owners of the Company, and the numbers of ordinary shares of 1,025,662,000 shares in issue during the years ended 31 December 2021 and 2020.

No adjustment was made in calculating diluted loss per share for the year ended 31 December 2021 as the conversion of convertible notes would result in decrease in loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

There was no potentially dilutive ordinary shares in issue during the years ended 31 December 2020, and therefore the diluted loss per share amount is equivalent to the basic loss per share.

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

	2021	2020
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the Company	**(51,455)**	(96,175)

	Number of shares	
	2021	2020
Shares		
Number of ordinary shares in issue	**1,025,662,000**	1,025,662,000

	2021	2020
	RMB cents	*RMB cents*
Loss per share attributable to owners of the Company		
– Basic and diluted	**(5.02)**	(9.38)

11 LONG-TERM RECEIVABLES

	Notes	2021 RMB'000	2020 RMB'000
Rental deposits		**841**	57
Loans to employees	*(i)*	**1,756**	4,180
Loans to third parties	*(ii)*	**320**	–
		2,917	4,237

Notes:

(i) Since September 2016, the Group had begun to offer certain employees interest-free loans which amounted to no more than RMB15,000,000 in aggregate. The employees, including key management personnel, who have served the Group for more than three years can apply for such interest-free loans to purchase home properties. The balance, including interest-free loans to key management personnel of RMB880,000 (2020: RMB1,511,000), represents the interest-free loans to employees which will be repaid within two to five years. The current portion which will be repaid within one year is presented in note 15.

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

12 OTHER FINANCIAL ASSETS

	Notes	2021 RMB'000	2020 RMB'000
Financial assets designated at FVTOCI			
– Unlisted equity securities	*(i)*	**195,790**	201,818
Financial assets at FVTPL			
– Unlisted equity securities	*(ii)*	**39,820**	45,527
– Convertible loans to third parties	*(iii)*	**15,359**	16,830
		250,969	264,175
Analysed into:			
– Non-current		**211,149**	259,217
– Current		**39,820**	4,958
		250,969	264,175

(i) As at 31 December 2021 and 2020, certain equity securities as shown in following table were designated as financial assets at FVTOCI. These equity securities are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

	2021	2020
	RMB'000	*RMB'000*
Nanjing Mengmiao Education Technology Co., Ltd.*	**16,020**	13,320
Nanjing Shen Jufeng Engine Information Technology Company Limited*	**15,565**	12,669
Nanjing Hongdou Information Technology Company Limited*	**14,637**	16,851
Nanjing Youke Workshop Information Technology Co., Ltd.*	**14,620**	11,008
Nanjing Qianguang Information Technology Co., Ltd.*	**14,448**	11,352
Nanjing Shenkong Vision Artificial Intelligence Technology Development Company Limited*	**12,212**	9,804
Nanjing Duomai Information Technology Company Limited*	**11,571**	12,837
Nanjing Luobo Information Technology Company Limited*	**10,200**	7,950
Nanjing Free Chain Information Technology Company Limited*	**9,288**	9,288
Nanjing Yuanhui Information Technology Co., Ltd.*	**8,600**	7,568
Hangzhou Xianju Information Technology Co., Ltd.*	**8,465**	7,800
Nanjing Duozan Health Technology Company Limited*	**8,023**	13,315
Nanjing Yunqulu Network Technology Company Limited*	**7,052**	9,116
Suzhou Youchao Information Technology Co., Ltd.*	**6,270**	6,080
Nanjing Baicheng Medical Technology Company Limited*	**5,332**	15,308
Guangzhou Baxianguohai Information Technology Co., Ltd.*	**5,220**	5,400
Others	**28,267**	32,152
	195,790	201,818

At the end of the reporting period, no dividends were received on these equity securities (2020: RMB Nil).

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

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

	2021	2020
	RMB'000	*RMB'000*
CCLOUD TECH LIMITED	**39,820**	45,527

(iii) The balance included convertible loans measured at fair value of RMB11,304,000 (2020: RMB11,872,000) and RMB4,055,000 (2020: RMB4,958,000) made to private companies, namely Nanjing Qianyu Information Technology Company Limited (「南京千魚信息技術有限公司」) ("**Nanjing Qianyu**") and Beijing Hongwei Technology Company Limited (「北京宏偉科技有限公司」) ("**Beijing Hongwei**"), respectively. In future, by evaluating the performance of Nanjing Qianyu and Beijing Hongwei over a period, the Group has the option to convert the loans into equity shares of Nanjing Qianyu and Beijing Hongwei.

The loan to Nanjing Qianyu was guaranteed by a subsidiary, Jiangsu Wansheng Weiye Network Technology Company Limited (「江蘇萬聖偉業網絡科技有限公司」) of an A-share listed company.

13 TRADE AND BILLS RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables	**14,884**	13,280
Less: Impairment allowance	**(95)**	(136)
	14,789	13,144
Bills receivables	**831**	1,100
	15,620	14,244

The Group's trading terms with its customers are mainly on credit. The credit period is generally 90 to 180 days after date of invoices, depending on contracts with individual customers. 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 receivable balances. Trade receivables are non-interest-bearing.

Bills receivables are those bills not yet due at the end of the reporting period and the management considers the default rate is low as the Group did not encounter any default on bills receivables based on past experience. All bills received by the Group are with a maturity period of less than one year.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the date of invoices and net of loss allowance, is as follows:

	2021	2020
	RMB'000	*RMB'000*
Within 3 months	**7,274**	7,769
3 to 6 months	**2,631**	1,205
6 months to 1 year	**5,566**	2,346
1 to 2 years	**149**	281
2 to 3 years	**–**	2,643
	15,620	14,244

14 CONTRACT ASSETS

	2021	2020
	RMB'000	*RMB'000*
Contract assets arising from marketing and promotional services	**7,293**	18,416
Less: Impairment allowance	**(27)**	(110)
	7,266	18,306

As at 1 January 2020, contract assets amounted to RMB23,527,000.

Contract assets are initially recognised for revenue earned from the marketing and promotional services as the receipt of consideration is conditional on successful completion of services. Included in contract assets for marketing and promotional services are retention receivables. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The significant change in contract assets in 2021 and 2020 was the result of the decrease in the ongoing provision of marketing and promotional services at the end of each of the years.

During the year ended 31 December 2021, impairment losses of RMB83,000 were reversed (2020: impairment losses of RMB178,000 were reversed) for expected credit losses on contract assets.

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

	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**7,266**	18,306

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	**2021** **RMB'000**	2020 RMB'000
Advance payments to suppliers		**589**	503
Prepayment	*(i)*	**12,755**	514
Employee advances		**95**	74
Rental deposits		**38**	865
Other receivables	*(ii)*	**4,672**	487
Loans to third parties	*11(ii)*	**240**	1,180
Loans to employees	*11(i)*	**2,008**	2,725
		20,397	6,348
Less: Impairment allowance		**(285)**	(924)
		20,112	5,424

Notes:

(i) Prepayment included HK$7,000,000 (equivalent to approximately RMB5,723,000) for technology licensing service and HK$8,600,000 (equivalent to approximately RMB7,031,000) for health product service.

(ii) Included in other receivables of approximately RMB3,988,000 is the other tax receivables at 31 December 2021.

16 TRADE PAYABLES

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

	2021 **RMB'000**	2020 RMB'000
Within 1 month	**1,745**	2,201

At 31 December 2021, the trade payables are non-interest-bearing and normally settled within 30 days.

17 OTHER PAYABLES AND ACCRUALS

	2021	2020
	RMB'000	*RMB'000*
Other payables	**3,461**	3,939
Accruals	**21**	23
Other tax payables	**8,701**	5,308
Employee related payables	**4,512**	4,415
	16,695	13,685

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

18 INTEREST-BEARING BANK BORROWINGS

		2021			2020	
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loan, guaranteed	**4.35-4.65**	**2022**	**22,500**	4.35	2021	10,000
Bank loan, unsecured	**–**	**–**	**–**	4.05–4.35	2021	9,000
			22,500			19,000

	2021	2020
	RMB'000	*RMB'000*
Carrying amounts repayable:		
Within one year or on demand	**22,500**	19,000

Notes:

(a) The loans of RMB22,500,000 (2020: RMB10,000,000) are guaranteed by personal guarantees given by an executive director, Mr. Cheng Li, and non-executive directors, Ms. Li Juan and Mr. Wu Haiming, of the Company. The relevant directors did not receive any fees for such guarantees from the Group and the Group did not provide any collateral for the aforesaid guarantees to the relevant directors.

(b) The Group's bank facilities amounted to RMB22,500,000 (2020: RMB19,000,000), all of which had been utilised as at the end of the reporting period and will be settled within one year.

(c) The loans are denominated in RMB.

19 CONVERTIBLE NOTES

The Company issued HK$32,000,000 (approximately RMB27,046,000), 5% convertible notes at a par value of HK$0.24 each. The convertible notes are denominated in Hong Kong dollars. The notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date at a conversion price of HK$0.24 per convertible note.

At initial recognition, the equity component of the convertible notes was separated from the liability component. The equity element is presented in equity heading "convertible notes equity reserve" of HK$1,776,000 (approximately RMB1,502,000). The effective interest rate of the liability component is 11.58%.

The movement of the liability component of the convertible notes for the year is set out below:

	Total
	RMB'000
At 1 January 2021	–
Issue of the convertible notes	25,207
Effective interest expense	2,025
Exchange gains	(854)
At 31 December 2021	26,378

20 EVENT AFTER THE REPORTING PERIOD

On 30 March 2022, the Company entered into an amendment and restatement deed (the "**Amendment and Restatement Deed**") with the convertible note holders to extend the maturity date to 30 April 2023 for convertible notes with principal amount of HK$14,500,000 (equivalent to RMB11,855,000) and amend relevant terms of such convertible notes, subject to and effective from fulfilment of conditions precedent and conditions subsequent in the Amendment and Restatement Deed signed on 30 March 2022. The Company will repay an agreed portion of the convertible notes by 30 April 2022. For details, please refer to the announcement dated on 30 March 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Group has adopted the code provisions set out in the corporate governance code (version up to 31 December 2021) (the "**CG Code**") contained in Appendix 14 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the year ended 31 December 2021.

Furthermore, the Board will adopt the new CG Code (version with effect from 1 January 2022), the requirement under which shall apply to the Company's corporate governance report for the financial year ending 31 December 2022.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Listing Rules as its code of conduct regarding the Directors' dealings in securities of the Company. Having made specific enquiry to all the Directors of the Company, the Directors confirmed that they have complied with Model Code during the year ended 31 December 2021.

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

The Company has established written guidelines on the employees' dealings in the securities of the Company on terms which are no less exacting than the Model Code (the "**Employees Written Guidelines**") to regulate the dealings in the securities of the Company by employees (including the Directors or employees of the subsidiaries or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any non-compliance of the Employees Written Guidelines by the employees during the year ended 31 December 2021.

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

AUDIT COMMITTEE

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

The audit committee of the Company had reviewed the Company's audited annual results for the year ended 31 December 2021, and was of the opinion that the relevant financial statements have been prepared in accordance with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Group, and the selection and appointment of the external auditor. In addition, based on information furnished to the Board and on its own observations, the audit committee of the Company had reviewed the present risk management and internal control systems of the Company and considers that the Group's risk management and internal control systems for the year ended 31 December 2021 was effective and adequate.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 10 June 2022 (Friday). The notice of the AGM and other relevant documents will be published and despatched to the shareholders of the Company in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from 7 June 2022 (Tuesday) to 10 June 2022 (Friday), both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 54th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 6 June 2022 (Monday).

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

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

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

Nan Jing, 31 March 2022

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