THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Parenting Network Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF INTEREST IN A SUBSIDIARY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of China Parenting Network Holdings Limited to be held at Room 1304, 13/F, Building J, Cloud Security City, No. 19 Ningshuang Road, Nanjing, Jiangsu Province, the People's Republic of China on Friday, 15 March 2024 at 12:30 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. by Wednesday, 13 March 2024, at 12:30 p.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

28 February 2024

CONTENTS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"APP(s)"	mobile application software
"Board"	the board of the Directors
"Convertible Notes"	the redeemable fixed coupon convertible notes issued by the Company pursuant to the amended convertible note instrument dated 29 March 2022 with an outstanding principal of HK$18.8 million, which was matured on 30 April 2023
"Company"	China Parenting Network Holdings Limited 中國育兒網絡控股有限公司, an exempted company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1736)
"Consideration"	the consideration for the Disposal payable by the Purchaser to the Vendor under the Disposal Agreement, being RMB19,090,000
"Director(s)"	director(s) of the Company from time to time
"Disposal"	the sale of the entire interest in the Target Company by Nanjing Xibai to Nanjing Zhiye pursuant to the Disposal Agreement
"Disposal Agreement"	the conditional agreement dated 15 January 2024 entered into among the Nanjing Xibai, Nanjing Zhiye and Nanjing Wanhui in relation to the sale and purchase of the Disposal Shares
"Disposal Shares"	the entire issued share capital of the Target Company
"EGM"	the extraordinary general meeting of the Company to be convened to seek the approval of the Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder
"Existing Loan"	the outstanding amount to be repaid by the Company under the terms of the loan agreements entered into between the Group and the creditors dated 18 August 2023 with an aggregate outstanding principal of RMB3.25 million
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Independent Third Party(ies)"	an individual(s) or a company(ies) who is/are or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries or any of their respective associates and not connected person(s) of the Company
"Latest Practicable Date"	20 February 2024, being the latest practicable date for the purpose of ascertaining information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nanjing Wanhui" or "Target Company"	Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Nanjing Xibai
"Nanjing Xibai"	Xibai (Nanjing) Information Technology Company Limited* (矽柏(南京)信息技術有限公司), a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of the Company
"Nanjing Zhiye"	Nanjing Zhiye Enterprise Management Co., Ltd.* (南京智冶企業管理有限公司), a limited liability company established in the PRC
"PRC"	the People's Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"Purchaser"	Nanjing Zhiye, being the purchaser of the Disposal Shares pursuant to the Disposal Agreement
"Remaining Group"	the Group immediately after completion of the Disposal Agreement
"Share(s)"	ordinary share(s) of HK$0.05 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Valuer"	Vincorn Consulting and Appraisal Limited
"Vendor"	Nanjing Xibai, being the vendor of the Disposal Shares pursuant to the Disposal Agreement

* *for identification purpose only*

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)

Executive Directors:
Mr. Zhang Lake Mozi *(Chairperson)*
Mr. Cheng Li
Mr. Lin Luofeng
Ms. Ng Kwok Ying Isabella

Non-executive Directors:
Ms. Li Juan
Mr. Zhang Haihua

Independent non-executive Directors:
Mr. Zhao Zhen
Mr. Ge Ning
Mr. Manley Poon

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Room 1905
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

28 February 2024

To the Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF INTEREST IN A SUBSIDIARY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The Board announced that on 15 January 2024, Nanjing Wanhui (an indirect wholly-owned subsidiary of the Company), Nanjing Xibai (as vendor) and Nanjing Zhiye (as purchaser) entered into the Disposal Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Disposal Shares.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Disposal Agreement; (ii) financial information of the Target Company; (iii) unaudited pro forma financial information of the Remaining Group; (iv) a valuation report of the Property; and (iv) a notice convening the EGM to be convened for the purpose of considering and approving the Disposal Agreement and the transactions contemplated thereunder.

THE DISPOSAL AGREEMENT

On 15 January 2024 (after trading hours), Nanjing Wanhui (an indirect wholly-owned subsidiary of the Company), Nanjing Xibai (as vendor) and Nanjing Zhiye (as purchaser) entered into the Disposal Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Disposal Shares. The key terms of the Disposal Agreement are set out as follows:

Date

15 January 2024 (after trading hours)

Parties

Vendor: Nanjing Xibai

Purchaser: Nanjing Zhiye

Nanjing Zhiye is a PRC-incorporated company principally engaged in provision of property management. Nanjing Zhiye is owned as to 99.0% and 1.0% by Zhou Peng (周鵬) and Zhang Chao (張超). Zhou Peng is also the executive director of Nanjing Zhiye and the largest shareholder of Nanjing Naiyun Technology Co., Ltd.* (南京鼐雲信息技術有限公司), a company principally engaged in the provision of information technology services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Nanjing Zhiye and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Assets to be disposed of

Subject to the terms and conditions of the Disposal Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to dispose of, the Disposal Shares, which represent the entire issued share capital of the Target Company.

Consideration

The Consideration for the Disposal was RMB19,090,000.

The Consideration shall be paid in cash and deposited into the escrow bank account by the Purchaser in the following manners:

(i) an amount of RMB1,000,000 (the "**Deposit**") shall be deposited into the escrow bank account on the date of the Disposal Agreement; and

(ii) an amount of RMB18,090,000 (representing the Consideration deducted by the Deposit) shall be deposited into escrow bank account within three days from the passing of the necessary resolution(s) by the Shareholders approving the Disposal Agreement and the transactions contemplated thereunder.

The Consideration shall be transferred from the escrow account to the Vendor in the following manners:

(i) an amount of RMB17,181,000 (representing 90% of the Consideration) shall be payable within one business day from the completion of the change of registration record of the Industrial and Commercial Registration Department;

(ii) an amount of RMB954,500 (representing 5% of the Consideration) shall be payable within one month after the completion of the change of registration record of the Industrial and Commercial Registration Department; and

(iii) an amount of RMB954,500 (representing 5% of the Consideration) shall be payable within three months after the completion of the change of registration record of the Industrial and Commercial Registration Department.

The Consideration of RMB19,090,000 was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) registered capital of the Target Company of RMB20,000,000 as at the date of the Disposal Agreement which was the initial investment cost paid by the Group, (ii) the cost paid by the Target Company for the acquisition of land on 13 September 2019 and the construction of the Property (as defined below) of approximately RMB16.0 million (comprising acquisition cost of the land of RMB5.5 million, construction cost of RMB10.5 million), and (iii) the Adjusted NAV (as defined below) of the Target Company.

Such Consideration represents a premium of approximately 32.6% to the sum of the net assets value of the Target Company of RMB14.4 million as at 31 December 2023 and a premium approximately 11.6% to the sum of the adjusted net assets value (the "**Adjusted NAV**") of the Target Company attributable to the Company of approximately RMB17.1 million. The Adjusted NAV attributable to the Company was determined based on the unaudited net assets value of the Target Company attributable to the Company of approximately RMB14.4 million as at 31 December 2023 adjusted by the appreciation in the value of property under the development (the "**Property**") of the Target Company attributable to the Company (which the appreciation in turn is estimated based on 10.0% of the increment of the fair value of the Property as at 31 December 2023 of RMB2.7 million as valued by the Valuer as compared with the book value of the Property of approximately RMB26.9 million as at 31 December 2023) and having taken into account the book value of the outstanding progress payments for the Target Company of approximately RMB13.1 million as at 31 December 2023. For details of the valuation of the Property as appraised by the Valuer, please refer to the valuation report as set out in Appendix V to this circular.

Conditions precedent

Completion is subject to the following conditions having been fulfilled:

(i) the passing of the necessary resolution(s) by the Shareholders approving the Disposal Agreement and the transactions contemplated thereunder;

(ii) the Deposit shall be paid to an escrow bank account; and

(iii) the passing of the resolutions of the shareholders of Nanjing Wanhui or Nanjing Xibai (where appropriate) approving (a) the Disposal Agreement and the transactions contemplated thereunder; (b) the removal of Mr. Cheng Li from his position as executive director and legal representative of Nanjing Wanhui and the appointment of Mr. Zhou Peng as the aforesaid positions; (c) the removal of Ms. Li Juan from her position as supervisor of Nanjing Wanhui and the appointment of Mr. Zhang Chao as supervisor; and (d) amendment of articles of association of Nanjing Wanhui.

The above conditions are not capable of being waived.

Furthermore, the Disposal Agreement shall become unconditional upon the following conditions are fulfilled (or waived by the Vendor):

(i) the approval of shareholders of Nanjing Wanhui approving the Disposal;

(ii) the representation from Nanjing Wanhui and Nanjing Xibai that the Disposal Shares will not be subject to any restrictions on rights, such as mortgage, pledge, custody, transfer, donation, cooperation with third parties, nor has it involved disputes such as litigation, arbitration, seizure;

(iii) the approval of shareholders of Nanjing Xibai approving the Disposal;

(iv) the full, frank and complete disclosure of the asset, liability, equity, guarantee and all other information relevant to the Disposal by Nanjing Wanhui; and

(v) other representations, warranties and commitments which are customary in such transaction are continuing to be true expressions of intention and are not fraudulent or misleading;

(vi) as of the Completion Date, Nanjing Wanhui has not experienced any material adverse changes in its business operations, financial status or assets; and

(vii) as of the Completion Date, there has been no pending or possible actions or procedures by any government department or judicial authority, or pending administrative approvals by any government department for Nanjing Wanhui. There have been no substantial hindrance against the completion of any transactions contemplated by the Disposal Agreement.

Completion

Subject to the fulfillment of all conditions precedent, completion shall take place on the date on which the Consideration is transferred by the Purchaser to the escrow account (the "**Completion Date**"). As at the Latest Practicable Date, save for the Deposit being paid to the escrow bank account by the Purchaser, no other conditions have been fulfilled.

Deposit

The Deposit shall be returned to Nanjing Zhiye and Nanjing Xibai shall pay Nanjing Zhiye another RMB1,000,000 as compensation if (i) the Disposal Agreement is terminated by Nanjing Xibai or Nanjing Wanhui; (ii) the Disposal Agreement does not take effect due to reasons caused by Nanjing Xibai or Nanjing Wanhui or (iii) the Disposal is not approved by the Shareholders and the Stock Exchange within three months after the date of the Disposal Agreement and within five days of the reminder from Nanjing Zhiye.

If the Disposal Agreement does not take effect due to reasons caused by or is terminated by Nanjing Zhiye after the passing of the necessary resolution by the shareholders of the Company or Nanjing Xibai, the Deposit shall be paid to Nanjing Xibai.

FUND SUPERVISION AGREEMENT

Nanjing Zhiye, Nanjing Xibai and Nanjing Ningnan Real Estate Development Co., Ltd.* (南京寧南房地產開發有限公司) ("**Nanjing Ningnan**") also entered into a fund supervision agreement, pursuant to which Nanjing Zhiye and Nanjing Xibai entrusted Nanjing Ningnan to open an escrow bank account to supervise the Consideration paid by Nanjing Zhiye to Nanjing Xibai. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Nanjing Ningnan and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

FINANCIAL EFFECTS OF THE DISPOSAL

As at the date of this circular, the Target Company is a wholly-owned subsidiary of the Company. Upon completion of the Disposal, the Company will not hold any interests in the Target Company and the Target Company will cease to be a subsidiary of the Company.

Earnings

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, based on the unaudited accounts of the Target Company as at 31 December 2023 and assuming the Disposal has been completed on 1 January 2023, a gain of approximately RMB4.4 million would have arisen, which is calculated with reference to the Consideration less the relevant costs of the Disposal of RMB0.3 million and the Target Company's unaudited net assets attributable to the Company of RMB14.4 million as at 31 December 2023.

Shareholders and investors should note that the exact amount of gain on the Disposal may be different from the above calculation and is to be determined with reference to the net assets value of the Target Company.

Assets and liabilities

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, assuming the Disposal has been completed on 30 June 2023, the total assets of the Group would have decreased by approximately RMB3.1 million to RMB160.2 million while the total liabilities of the Group would have decreased by RMB7.6 million to RMB58.7 million.

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements, and is subject to audit.

USE OF PROCEEDS

The net proceeds from the Disposal (after deducting the transaction expenses related to the Disposal of approximately RMB0.3 million) are estimated to be approximately RMB18.79 million, which the Company intends to apply as general working capital of the Remaining Group for procurement and development of proprietary products. The development of proprietary products refers to the expansion of the existing business of the Remaining Group, namely the e-commerce business, including the sale of the Group's own brand mother-child products which are produced by manufacturers according to the Group's customisation.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is a mother-child platform in the PRC, 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.

The Target Company is principally engaged in the provision of technical support and consultancy related services to the Group. The Target Company, together with nine other companies, which are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules), entered into the right of use of state-owned construction land transfer agreement (國有建設用地使用權出讓合同) with Nanjing Municipal Planning and Natural Resources Bureau* (南京市規劃自然資源局) in 2019, pursuant to which the right of use of a piece of land in Nanjing was transferred to the Target Company and other companies. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save that Nanjing Zhiyan Information Technology Co., Ltd.* (南京致研信息科技有限公司) is a wholly-owned subsidiary of Nanjing Maitwang Technology Co., Ltd.* (南京邁特望科技股份有限公司), there is no relationship among the 10 right holders. The Target Company has commenced the construction of the Property, an office building for the Group's internal use, since 2019 after the acquisition of the right of use. The construction of the main structure of the Property has been completed and the Property is in the post- construction phase, including utility installation.

The Group is experiencing tight cash flow to manage its operation. As at 31 December 2023, the Group has an outstanding loan (including the extension fee payable arising from the outstanding loan) of RMB44.8 million. At the same time, the Group's revenue has been declining steadily, resulting in losses due to poor market conditions. For the six months ended 30 June 2023, revenue of the Group was approximately RMB23.8 million, representing a decrease in revenue of approximately 29.2% over RMB33.6 million for the six months ended 30 June 2022. The economy of China began to recover in the first quarter in 2023, but the weak consumer confidence led to (i) the reduced marketing budget of the Group's clients, resulting in the decrease in the Group's revenue derived from the marketing and promotional services, and (ii) the decline in sale of goods of the Group. The sluggish fertility rate also affected the income of the Group's clients in the marketing and promotional services, leading to the decrease in revenue from such segment. The Disposal would generate cash income for the operation and development of the Group. The Group also expects to obtain renewal for the outstanding bank loans and is in negotiation with other creditors for the possibility of capitalisation of debts. The Company expects to obtain renewal of the bank borrowings for another year one month before the respective maturity date based on its previous experience. The Company is in the course of determining the conversion price for the debt capitalisation with other creditors and expects that a consensus will be reached with the relevant parties in or around June 2024.

The costs related to the acquisition and construction of the Property incurred or are expected to be incurred by the Group of RMB67.9 million comprised:

(i) the construction fee (before tax) pursuant to the construction contract of RMB46.0 million;

(ii) the cost of acquiring the land of where the Property is located of RMB5.5 million; and

(iii) the expected cost of interior decoration of RMB16.4 million.

The Group has paid RMB16.0 million of the above cost, thus RMB51.9 million remained outstanding. RMB13.1 million out of the outstanding cost was billed and was recognised as the major liabilities of the Target Company.

Also, prior to entering into the Disposal Agreement, the Group is unable to fund the progress payments of approximately RMB51.9 million expected to be incurred for construction and operation of the Property, which include RMB35.5 million for construction and RMB16.4 million for interior decoration. If the Group fails to settle these progress payments, it runs the risk of defaulting on its construction contracts, thus creating legal risks for the Company. Therefore, the Board decided to enter into the Disposal Agreement which provided that the outstanding progress payments will be settled by the Purchaser upon the completion of the Disposal.

The Group has also reduced its staff considerably for cost-cutting purpose and the number of employees has decreased significantly since the building contract was signed. Currently, a large office is no longer necessary as originally contemplated.

Based on the above, the Board considers that the entering into the Disposal Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE TARGET COMPANY

The unaudited net profits or losses before and after taxation of the Target Company for each of the two years ended 31 December 2022 and 31 December 2023 and the unaudited net assets or net liabilities value of the Target Company as at 31 December 2022 and 31 December 2023 are set out below:

	Year ended 31 December	
	2022	**2023**
	RMB *(million)*	*RMB* *(million)*
(Loss)/profit before taxation	(2.9)	16.1
Net (loss)/profit after taxation	(2.0)	16.1

	As at 31 December	
	2022	**2023**
	RMB *(million)*	*RMB* *(million)*
Net (liabilities)/assets	(1.7)	14.4

According to the unaudited financial statements of the Target Company, as at 31 December 2023, the Target Company's major assets comprised the Property, which amounted to RMB26.9 million, and the Target Company's major liabilities comprised the outstanding progress payments of the Property of approximately RMB13.1 million.

The Property is an eight-storey building with a total gross floor area of 8209.55 square metre under development. It is located on Dazhou Road, Tiexinqiao Street, Yuhuatai District, Nanjing City, the PRC. The construction of the main body of the Property has been completed and the Property is in the post-construction phase, including utility installation.

As the Target Company is principally engaged in the provision of technical support and consultancy related services to the Group, the historical profit or loss of the Target Company stated above represented internal profit or loss generated within the Group. The services provided by the Target Company will be provided by other subsidiaries of the Company and there will be no material impact to the business operation of the Remaining Group after completion of the Disposal.

For details of the unaudited financial information of the Target Company, please refer to Appendix II to this circular.

INFORMATION ON THE REMAINING GROUP

Upon completion of the Disposal, the Remaining Group will continue to operate the mother-child platform in the PRC and be engaged in the provision of marketing and promotional services through the Remaining Group's platform, including CI Web, mobile CI Web, APPs and IPTV APPs and sale of goods in the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal Agreement is over 75%, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal Agreement and the Disposal contemplated thereunder and therefore, no Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

EGM

Set out on pages EGM-1 to EGM-2 of this circular is the notice of EGM at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the Disposal Agreement and the Disposal.

The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Thursday, 14 March 2024. All transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 14 March 2024.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Voting on the proposed resolution at the EGM will be taken by poll.

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

RECOMMENDATION

The Directors consider that the terms of the Disposal Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

By order of the Board
China Parenting Network Holdings Limited
CHENG LI
CEO

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ci123.com).

- annual report of the Group for the year ended 31 December 2020 published on 30 April 2021 (Pages 96 to 184)

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043001049.pdf)

- annual report of the Group for the year ended 31 December 2021 published on 29 April 2022 (Pages 95 to 178)

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042901066.pdf)

- annual report of the Group for the year ended 31 December 2022 published on 28 April 2023 (Pages 95 to 176)

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042804765.pdf)

- interim report of the Group for the six months ended 30 June 2023 published on 15 September 2023 (Pages 30 to 35)

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0915/2023091500700.pdf)

2. INDEBTEDNESS STATEMENT

At the close of business on 31 December 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of the circular, the Group had aggregate outstanding bank loan, other borrowing and lease liabilities of approximately RMB44,301,000, details of which are as follows:

Bank loan

The Group had unsecured bank loan of RMB17,500,000, which are guaranteed by personal guarantees from directors of the Company (one of the directors resigned on 9 August 2023). All bank loan will mature within one year. The Group has bank loan facilities amounting to RMB17,500,000 in total, which are fully utilised.

Other borrowing

The Group had other borrowing of approximately RMB20,297,000, all of which are unsecured, unguaranteed and repayable on demand. As at 31 December 2023, the interest payable relating to such borrowing is approximately RMB5,798,000 and payable on demand.

Lease liabilities

The Group had lease liabilities (comprising both current and non-current liabilities) of approximately RMB706,000.

The Group has loan facilities granted by directors amounting to RMB20,000,000 in total, of which RMB20,000,000 was not utilised. Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, as at 31 December 2023, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Group has defaulted in settlement of the Convertible Notes and the Company has on 21 August 2023 received a statutory demand from the legal adviser acting on behalf of Diligent Ally Private Limited demanding the Company to repay the outstanding principal and interest of the Convertible Notes issued by the Company to Diligent Ally Private Limited. The statutory demand requested the Company to repay the outstanding amount within 21 days from the date of service of the statutory demand, which was 11 September 2023. The Group has also failed to repay the Existing Loan which was due on 25 August 2023. As at the Latest Practicable Date, the total outstanding amount payable under the Convertible Notes and the Existing Loan was RMB24.5 million and RMB3.8 million, respectively. The Company is in active negotiation with Diligent Ally Private Limited and the creditors of the Existing Loan for capitalisation of their debts and is in the course of determining the conversion price. The Company expects that the consensus will be reached with the relevant parties in or around June 2024.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated accounts of the Group were made up.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the current available facilities and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

As at the Latest Practicable Date, the Group is a 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. The Group is principally engaged in (i) the provision of marketing and promotional services through the Group's platform, including CI Web, mobile CI web, APPs and IPTV APPs and (ii) sale of goods in China. There will be no material impact to the business operation of the Remaining Group after completion of the Disposal.

Having harvested 18 years of experience in the mother-child industry, the Group has never ceased to refine its ecology within the industry. In 2023, relying on the three forces of "whole network traffic accessibility, scientific content service and digital technology operation", and being people-oriented, the Group has continued to make all-platform efforts. It serves the needs of users of all childbearing ages, builds an all-platform ecological network of maternal and infant services, connects users and brands, and also links channels and industry to develop symbiotically, weaving a professional ecological maternal and infant network with a strong core.

Parenting needs of all childbearing ages are met through "Mom Community (媽媽社區)" APP, mini programs, communities and MCN, etc. Meanwhile, the Group has built a scientific content field based on its changes, and comprehensively upgraded its three major content forces. Firstly, it has upgraded the scientific content and deepened the integration and cooperation with professional institutions such as the China National Committee for the Well-being of the Youth and the National Health Commission. The Group, together with the Children Development Research Center of the China National Committee for the Well-being of the Youth has responded to the national policies, launched the Project of Parent School focusing on the professional, scientific parenting education and other aspects of infants and young children. At the same time, the Scientific Parenting Action Project of Scientific Parenting Action, which focuses on solving the problems of society's unwillingness to give birth and inability to afford children, is comprehensively assisting the scientific parenting of the entire population. Secondly, it has upgraded professional content. The Group has continued to build a professional maternal and infant MCN platform, and upgraded the global membership service system; strengthened the cooperation among experts and talents, and optimized the quality of cooperation, with over 3,200 high-quality talents and more than 800 authoritative parenting experts inside and outside the website controlling professionally. For example, with the endorsement of expert doctors, the Group has provided services such as parenting Q&A and expert consultation. Thirdly, it has upgraded IP content. Under the existing 30+ self-owned original IP content matrix, the Group has continued to incubate more new intelligent IPs, created new content IPs such as "Shining Mother", "Don't Know Research Institute", and "Amazing Human Cubs", which are synchronously distributed to social platforms such as TikTok, Little Red Book, video channels, video websites, etc.

The Group has always adhered to providing digital services, and is committed to using technology to reduce the cost of pregnancy and improve the easy parenting experience. To this end, relying on its powerful digital technology operation, the Group has developed and launched the AI parenting service "Smart Parenting Assistant (智育小助理)" 3.0, which is an artificial intelligence dialogue robot software product based on a large language model. Similar to talking to a real person, it can generate a smoother, more natural and contextualized responses based on users' input. "Smart Parenting Assistant (智育小助理)" 3.0 can not only talk freely with users, but also freely switch to the smart parenting modes such as Parenting Q&A, B-ultrasound Interpretation, Naming Master, chat with besties, etc. based on users' needs, providing users with more professional, convenient and interesting services.

Meanwhile, more than 20,000 maternal and infant stores of the Group are using the "Mommy Store (媽咪店) SaaS+" SaaS system, which provides large-scale educational management solutions and covers more than 318 cities with over 5.62 million offline members and tens of thousands of offline merchants enjoying the parent-child weekend services on the professional platform for parent-child life, accumulating a total of 30 million family trips. The system may cater to the family needs of its users across segments ranging from health, travel, education, entertainment to purchase. Besides, merchants can provide consumers with consumption services via tools provided by the Group such as one-click distribution, one-click grouping, and instant shopping. For example, the one-click distribution tool can help group-purchased products achieve distribution. Over 1 million products are available in the SKU product library for consumers to choose from. The one-click grouping tool can also help maternal and infant stores achieve more sales conversions. For instant shopping, the Group has more than 6,000 maternal and infant interactive communities, which can bring more business increments to brands.

As at 31 December 2023, the Group had a total liability of RMB79.4 million and the Target Company was expected to incur expenses of RMB51.9 million for the construction and operation of the Property prior to the completion of the Disposal. Upon the Disposal, the Remaining Group would have a total liability of RMB66.3 million, which excluded the total liabilities of Target Company of RMB13.1 million, and the expenses to be incurred by the Target Company would no longer be borne by the Group. The Group expects to obtain renewal for the bank borrowings and is in active negotiation with the creditors for the capitalisation of debt.

As set out in the section headed "Reasons for and benefits of the Disposal" in the letter from the Board, the financial position, including the cashflow, of the Remaining Group would be greatly enhanced following the completion of the Disposal, which is beneficial to the long-term development. Furthermore, the completion of the Disposal would also facilitate the Remaining Group to develop its existing businesses and proprietary products.

Steadfast in its aspiration to "do practical things for users and serve more mother-child families", the Group has always been a pioneer of the industry. Through researching and surveying its online and offline users, the Group has gained perceptive insights into its consumers' needs and the stocking pain points faced by offline maternal and infant stores and harnessed the full potential of pipeline cooperation. It will extend its existing business and undertake professional and meticulous product selection, research and development, production and quality control to deliver truly safe and affordable mother-child and household products of quality, which mainly comprise facial towels, wet wipes, diapers, toys and other proprietary products under its own brand that are frequently used with inelastic demand, with a view to providing Chinese families with a safe and secure physical experience. In the meantime, it will also seek to achieve rapid growth for its own brand by adopting a marketing model that combines online and offline sales and by extending its reach to consumer-side customers online through channels such as private domains, communities and product recommendations on large platforms as well as offline through the engagement with over 20,000 maternal and infant stores.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are the historical financial information of Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司) (the "**Target Company**") which comprise the unaudited statements of financial position of the Target Company as at 31 December 2021, 31 December 2022, 30 June 2023 and 31 December 2023, the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows of the Target Company for the years ended 31 December 2021, 2022 and 2023 (collectively, the "**Unaudited Financial Information of the Target Company**").

The Unaudited Financial Information of the Target Company has been prepared and presented in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information of the Target Company of this circular and Rule 14.68(2)(a)(i)(A) of the Listing Rules and has been prepared by the Directors solely for the purpose of inclusion in this circular in connection with the sale of entire interest in the Target Company (the "**Disposal**").

Confucius International CPA Limited, the reporting accountant of the Company, was engaged to review the Unaudited Financial Information of the Target Company of this circular in accordance with Hong Kong Standard on Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements* and with reference to Practice Note 750, *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion.

Based on the review of the Unaudited Financial Information of the Target Company, nothing has come to the reporting accountant's attention that causes them to believe the Unaudited Financial Information of the Target Company is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 to the Unaudited Financial Information of the Target Company.

A. UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended		
	31 December 2021	**31 December 2022**	**31 December 2023**
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)
Revenue from contracts with customers	467	9,434	17,253
Cost of sales	(15,094)	—	—
Gross profit (loss)	(14,627)	9,434	17,253
Other income, gains and (losses)	111	(7)	292
Loss on assignment of amount due from the Remaining Group	—	—	(16,000)
Selling and distribution expenses	(33)	—	—
Administrative expenses	(350)	(400)	(147)
Research and development costs	(619)	(206)	(128)
Reversal of (impairment loss) on amounts due from the Remaining Group, net	(3,041)	(11,759)	14,800
Profit (loss) before tax	(18,559)	(2,938)	16,070
Income tax expense	—	—	—
Profit (loss) for the year and total comprehensive income (expenses) for the year	(18,559)	(2,938)	16,070

B. UNAUDITED STATEMENTS OF FINANCIAL POSITION

	As at 31 December			As at 30 June
	2021	**2022**	**2023**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Non-current assets				
Property, plant and equipment	7,939	14,932	21,971	16,976
Right-of-use assets	5,285	5,178	5,071	5,125
Deposit for property, plant and equipment	2,712	2,712	—	—
	15,936	22,822	27,042	22,101
Current assets				
Prepayments, deposits and other receivables	1,189	—	445	—
Amount due from the Remaining Group	—	—	—	—
Cash and cash equivalents	366	65	—	44
	1,555	65	445	44
Current liabilities				
Other payables and accruals	46	7,930	13,080	7,629
Amount due to Remaining Group	16,150	16,600	—	—
Tax payable	20	20	—	20
	16,216	24,550	13,080	7,649
Net current liabilities	(14,661)	(24,485)	(12,635)	(7,605)
Total assets less current liabilities	1,275	(1,663)	14,407	14,496
NET ASSETS (LIABILITIES)	1,275	(1,663)	14,407	14,496
Equity				
Share capital	20,000	20,000	20,000	20,000
Reserves	(18,725)	(21,663)	(5,593)	(5,504)
TOTAL EQUITY (CAPITAL DEFICIENCY)	1,275	(1,663)	14,407	14,496

C. UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital	**Reserve funds**	**Accumulated losses**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2021	18,550	6	(172)	18,384
Capital injection	1,450	—	—	1,450
Loss for the year and total comprehensive expenses for the year	—	—	(18,559)	(18,559)
At 31 December 2021 and 1 January 2022	20,000	6	(18,731)	1,275
Loss for the year and total comprehensive expenses for the year	—	—	(2,938)	(2,938)
At 31 December 2022 and 1 January 2023	20,000	6	(21,669)	(1,663)
Profit for the year and total comprehensive income for the year	—	—	16,070	16,070
At 31 December 2023	20,000	6	(5,599)	14,407

D. UNAUDITED STATEMENTS OF CASH FLOWS

	For the year ended		
	31 December 2021	**31 December 2022**	**31 December 2023**
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Operating activities			
Profit (loss) before taxation	(18,559)	(2,938)	16,070
Adjustments for:			
Depreciation of property, plant and equipment	2	21	23
Depreciation of right-of-use assets	107	107	107
(Reversal of) impairment of amount due from Remaining Group, net	3,041	11,759	(14,800)
Write-back of tax payables	—	—	(20)
Loss on assignment of amount due from Remaining Group	—	—	16,000
Operating cash flows working capital changes	(15,409)	8,949	17,380
Decrease in deposits for property, plant and equipment	—	—	2,712
(Increase) decrease in prepayments, deposits and other receivables	(277)	1,189	(445)
(Increase) decrease in amount due from Remaining Group	12,959	(11,759)	(1,200)
(Increase) decrease in amount due to Remaining Group	150	450	(16,600)
Increase (decrease) in other payables and accruals	(35)	7,884	5,150
Net cash generated from (used in) operating activities	(2,612)	6,713	6,997
Investing activities			
Purchases of items of property, plant and equipment	(221)	(7,014)	(7,062)
Capital injection	1,450	—	—
Net cash (used in) generated from investing activities	1,229	(7,014)	(7,062)
Net decrease in cash and cash equivalents	(1,383)	(301)	(65)
Cash and cash equivalents at beginning of the year	1,749	366	65
Cash and cash equivalents at end of the year	366	65	—

NOTES TO THE FINANCIAL INFORMATION

1. General information

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

The Target Company is a limited liability company established in the PRC on 30 January 2019. The address of the registered office of the Target Company is Room A306, Building 2, No. 18 Fenghua Road, Yuhuatai District, Nanjing City, the People's Republic of China. The Target Company is principally engaged in provision of technical support and consultancy related services.

2. Basis of preparation and presentation of the unaudited financial information

The Unaudited financial information of the Target Company has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules, and solely for the purpose of inclusion in this circular to be issued by the Company in connection with the Proposed Disposal.

The Unaudited Financial Information of the Target Company has been prepared by the Directors in accordance with the same accounting policies as those adopted by the Group in the preparation of the consolidated financial statements of the Group for each of the years ended 31 December 2021, 2022 and 2023 and for six months ended 30 June 2023 ("**Relevant Periods**"). The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**").

The Unaudited Financial Information of the Target Company does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 (Revised), Presentation of Financial Statements, or a complete condensed interim financial report as defined in International Accounting Standard 34, Interim Financial Reporting, issued by the IASB and should be read in connection with the relevant published annual reports and interim reports of the Group for the Relevant Periods.

The Directors have a reasonable expectation that the Target Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements for the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023.

The Unaudited Financial Information of the Target Company is presented in Renminbi ("**RMB**"), which is the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Set out below is the management discussion and analysis on the Remaining Group for the years ended 31 December 2020, 31 December 2021, 31 December 2022 and the six months ended 30 June 2023. Upon Completion of the Disposal, the Company will no longer hold any interest in the Target Company, and the Target Company will no longer remain as a subsidiary of the Company.

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of the Target Company.

There will be no change to the principal business of the Remaining Group as a result of the Disposal. Following the Disposal, the Remaining Group will continue to carry out its existing businesses.

BUSINESS AND FINANCIAL REVIEW

Business review

The Group is principally engaged in (i) the provision of marketing and promotional services through the Group's platform, including CI Web, mobile CI web, APPs and IPTV APPs and (ii) sale of goods in China.

Segmental information

A summary of the revenues and operating results of each business segment of the Remaining Group for the years ended 31 December 2020, 31 December 2021, 31 December 2022 and the six months ended 30 June 2023 are as follows:

The year ended 31 December 2020	**Marketing and promotional services**	**Sale of goods**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	61,779	30,488	92,267
Segment results	32,358	(2,242)	30,116

The year ended 31 December 2021	**Marketing and promotional services**	**Sale of goods**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	47,998	45,746	93,744
Segment results	4,703	492	5,195

The Remaining 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.

The year ended 31 December 2022	**Marketing and promotional services**	**Sale of goods**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	38,378	46,592	84,970
Segment results	15,301	3,091	18,392

For the year ended 31 December 2022, revenue of the Remaining Group was approximately RMB85.0 million, which was mainly derived from the sale of goods. There was a decrease in revenue of approximately 9.3% over approximately RMB93.7 million for the year ended 31 December 2021, primarily due to the decline in advertising business in the first half of 2022, as affected by the COVID-19 pandemic.

The six months ended 30 June 2023	**Marketing and promotional services**	**Sale of goods**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	11,548	12,265	23,813
Segment results	2,333	2,477	4,810

The six months ended 30 June 2022	**Marketing and promotional services**	**Sale of goods**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	13,957	19,603	33,560
Segment results	6,363	1,619	7,982

For the six months ended 30 June 2023, revenue of the Remaining Group was approximately RMB23.8 million, representing a decrease in revenue of approximately 29.2% over approximately RMB33.6 million for the six months ended 30 June 2022, primarily due to the decline of advertising and promotional businesses as affected by the economic environment. The economy of China began to recover in the first quarter in 2023, but the weak consumer confidence led to (i) the reduced marketing budget of the Remaining Group's clients, resulting in the decrease in the Remaining Group's revenue derived from the marketing and promotional services, and (ii) the decline in sale of goods of the Remaining Group. The sluggish fertility rate also affected the income of the Group's clients in the marketing and promotional services, leading to the decrease in revenue from such segment.

Revenue from sale of goods decreased by 37.2% from RMB19.6 million for the six months ended 30 June 2022 to RMB12.3 million for the corresponding period in 2023 while such gross profit increased for 56.3% from RMB1.6 million to RMB2.5 million. This was mainly due to the increase in the proportion of income from retail sales which has a higher profit margin.

Gross profit from marketing and promotional services decreased by 63.5% from RMB6.3 million for the six months ended 30 June 2022 to RMB2.3 million for the corresponding period in 2023 due to the increase in service cost of marketing and promotional services brought by the intensive competition in the market and the additional services required by the customers.

Liquidity and financial resources

As at 31 December 2020, the Remaining Group had total assets of RMB353.2 million, net current assets of RMB44.7 million and equity attributable to Shareholders of RMB304.0 million.

As at 31 December 2020, the current assets and current liabilities of the Remaining Group were RMB87.2 million and RMB42.4 million, respectively.

As at 31 December 2021, the Remaining Group had total assets of RMB328.1 million, net current assets of RMB35.1 million and equity attributable to Shareholders of RMB251.3 million. The total assets of the Remaining Group decreased by 7.1% from 2020 to 2021 primarily due to (i) the decrease in the fair value of financial assets and (ii) the decrease in the cash and bank balances because of the decline in revenue under the COVID-19 pandemic.

As at 31 December 2021, the current assets and current liabilities of the Remaining Group were RMB110.6 million and RMB75.5 million, respectively.

As at 31 December 2022, the Remaining Group had total assets of RMB144.2 million, net current liabilities of RMB5.7 million and equity attributable to Shareholders of RMB86.5 million.

As at 31 December 2022, the current assets and current liabilities of the Remaining Group were RMB51.4 million and RMB57.0 million, respectively.

The total assets of the Remaining Group decreased by 56.1% from 2021 to 2022 mainly due to (i) the decrease in the cash and bank balances from RMB27.9 million to RMB8.6 million because of the decline in revenue; and (ii) the economic downturn leading to the decrease in the fair value of the financial assets from RMB55.2 million to RMB34.1 million and the decrease in the fair value of other financial assets including equity securities from RMB195.8 million to RMB68.9 million.

As at 30 June 2023, the Remaining Group had total assets of RMB141.3 million, net current liabilities of RMB13.6 million and equity attributable to Shareholders of RMB82.6 million.

As at 30 June 2023, the current assets and current liabilities of the Remaining Group were RMB44.9 million and RMB58.6 million, respectively.

Gearing ratio

As at 31 December 2020, 31 December 2021, 31 December 2022 and 30 June 2023, the gearing ratio of the Remaining Group were 12.97%, 23.49%, 40.02% and 41.56% respectively. The gearing ratio was calculated as total liabilities divided by total assets.

Capital commitments

As at 31 December 2020, 31 December 2021, 31 December 2022 and 30 June 2023, the Remaining Group had no significant capital commitment.

Contingent liabilities

The Remaining Group had no material contingent liabilities as at 31 December 2020, 31 December 2021, 31 December 2022 and 30 June 2023.

Capital structure

A summary of the maturity portfolio of the borrowings of the Remaining Group is set out below:

	As at 31 December			**As at 30 June**
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank borrowings	19,000	22,500	13,500	18,500
Other borrowings	—	—	4,913	18,440
Convertible Notes *(Note)*	—	26,378	13,816	—

Note: As the Convertible Notes can only be exercised and converted into Shares during the conversion period, being the first week of June 2022, September 2022 and December 2022 and the maturity date of the Convertible Notes have passed, the Convertible Notes could not be converted into Shares and therefore were recognised as other borrowings for the six months ended 30 June 2023.

All bank borrowings of the Remaining Group are denominated in RMB and are repayable within one year. Other borrowings and Convertible Notes are denominated in HK$ and are repayable on demand.

Cash and cash equivalents of the Remaining Group denominated in:

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	%	%	%	%
Renminbi	99.8	84.6	92.2	97.6
Hong Kong dollar	0.1	15.3	4.4	1.6
United States dollar and Euro	0.1	0.1	3.4	0.8

The above borrowings are fixed interest bearing. The Remaining Group did not have any interest rate hedging policy in relation to interest rate risk for the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023. The Remaining Group would monitor its exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As for the treasury policies, the objectives of the Remaining Group when managing capital are to safeguard the ability of the Remaining Group to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. The Remaining Group endeavors to monitor its cash flow position.

Material acquisitions and disposals

For the year ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, the Remaining Group had no material acquisition or disposal of subsidiaries, associated or joint ventures.

Foreign exchange exposure

The Remaining 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 2020, 2021 and 2022 and the six months ended 30 June 2023, the Remaining 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 Remaining Group is not exposed to any significant foreign currency exchange risk in its operation.

Employment 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 Remaining Group and the performance of the Remaining Group. In general, the Remaining 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 Remaining Group had 208, 114, 89 and 81 employees as at 31 December 2020, 2021, 2022 and 30 June 2023.

As at 31 December 2020, 2021 and 2022 and the six months ended 2023, the total staff costs were approximately RMB27.5 million, RMB27.8 million, RMB17.2 million and RMB6.9 million, respectively.

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 the Directors or employees (whether full time or part time), consultants or advisors 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. No share option has been granted under the Share Option Scheme since its adoption by the Company.

The Company also adopted a share award plan (the "**Plan**") on 6 July 2016 to recognize and appreciate the contribution of all qualified employees towards the growth and development of the Group. For details of the Plan, please refer to the announcements of the Company dated 7 July 2016 and 14 July 2016 respectively.

Significant investments

As at 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, the Remaining Group held 18.00%, 17.64%, 17.64% and 17.64% of CLOUD TECH LIMITED, respectively, which is principally engaged in technology development and operation combining block chain technology with the entity economy and the provision of cross-border consumer service platform, cross-border global education platform, cross-border new retail business platform, block chain information service and technology trading platform, high-speed and cross-chain trading system based on intelligence contracts, system testing for block chain security system and block chain service platform. The investment cost was HK$50 million and the fair value of investment as at 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 was RMB45,527,600, RMB39,819,600, RMB14,984,876 and RMB15,206,239, respectively. The proportion of investment to the total asset of the Company as at 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 was 12.3%, 11.53%, 8.98% and 9.3%, respectively. The Remaining Group had an unrealized loss on change in fair value of RMB4.29 million, RMB5.71 million, RMB24.83 million, RMB0.25 million for the year ended

31 December 2020, 2021 and 2022 and the six months ended 30 June 2023. There was no realized gain or loss or dividend income for the year ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023.

The Company continued to track and monitor its investments and conduct third-party professional evaluation. As most of the Company's investments are emerging market growth companies, some of the entities which the Company invested are in the stage of research and development. The Company considers its investment management in the following aspects: (i) effective output from the application of the industrial chain, including technological output; (ii) operating condition, including the achievement of business objectives, standardization of the corporate governance structure, and the stability of core talents; and (iii) judgment on the future growth prospects of the industry it located and technology market. With technological advancement and the changes in needs and behaviors of the new generation consumers in recent years, the Remaining Group's investment helps to achieve the upstream and downstream digitalization of the industrial chain. It is also beneficial for the Remaining Group to consolidate new technology and service application scenarios to help brands upgrade their traditional business models, the overall investment of the Remaining Group is in line with its strategic planning direction.

Charge of assets

As at 31 December 2020, 2021 and 2022 and the six months ended 2023, the Remaining Group did not make any pledged bank deposit.

Outlook and future plan

The Remaining Group will be committed to providing more scientific, professional and efficient parenting solutions for novice parents in China. It has a deep insight into the parenting needs of Generation Z parents, keeps up with the times, actively responds to national policies, uses science & technology to reduce parenting costs, and improves the easy parenting experience. The Remaining Group will also continuously improve its ecological layout. Through the "digital + AI" technology, it will provide more refined services for maternal and infant users and brand merchants, continuously innovating and advancing, making parenting easier and the brand business continuously growing.

The Remaining Group will extend its existing business and undertake professional and meticulous product selection, research and development, production and quality control to deliver truly safe and affordable mother-child and household products of quality, which mainly comprise facial towels, wet wipes, diapers, toys and other proprietary products under its own brand that are frequently used with inelastic demand, with a view to providing Chinese families with a safe and secure physical experience. In the meantime, it will also seek to achieve rapid growth for its own brand by adopting a marketing model that combines online and offline sales and by extending its reach to consumer-side customers online through channels such as private domains, communities and product recommendations on large platforms as well as offline through the distribution of over 20,000 maternal and infant stores.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. Introduction

The following is the unaudited pro forma financial information of China Parenting Network Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), comprising the unaudited pro forma consolidated statement of financial position as at 30 June 2023 and the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and the unaudited pro forma consolidated cash flow statement for the year ended 31 December 2022 and related notes (collectively, the "**Unaudited Pro Forma Financial Information**"). The Unaudited Pro Forma Financial Information is prepared by the directors of the Company (the "**Directors**") in accordance with Paragraph 4.29 and Paragraph 14.68(2)(a)(ii) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), for the purpose of illustrating the effect of the sale of entire interest in Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司) (the "**Target Company**") (the "**Disposal**") only and because of its hypothetical nature, it may not give a true picture of the financial results, cash flows and financial position of the Group immediately after completion of the Disposal (the "**Remaining Group**") had the Disposal been completed as at the specified dates or any future date.

The unaudited pro forma financial information presented below is prepared to illustrate (i) the financial position of the Remaining Group as at 30 June 2023 as if the sale of entire interest in Disposal had been completed on 30 June 2023; and (ii) the results and cash flows of the Remaining Group for the year ended 31 December 2022 as if the Disposal had been completed on 1 January 2022. The unaudited pro forma financial information is prepared based on the consolidated financial statements of the Group set out in the published annual report of the Group for the year ended 31 December 2022 and the condensed consolidated financial statements of the Group set out in the published interim report of the Group for the six months ended 30 June 2023, after giving effect to the pro forma adjustments described in the notes that are directly attributable to the Disposal and factually supportable.

The unaudited pro forma financial information should be read in conjunction with the consolidated financial statements of the Group as set out in the published annual report of the Company for the year ended 31 December 2022 and the condensed consolidated financial statements of the Group set out in published interim report of the Company for the six months ended 30 June 2023 and other financial information included elsewhere in the circular.

* *For identification purpose only*

2. Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group as at 30 June 2023

	The Group (unaudited)	Pro forma adjustments			The Remaining Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 2(a))*	*(Note 2(b))*	*(Note 2(c))*	
Non-current assets					
Property, plant and equipment	17,010	(16,976)	186	—	220
Right-of-use assets	6,287	(5,125)	—	—	1,162
Long-term receivables	1,976	—	—	—	1,976
Other financial assets	93,051	—	—	—	93,051
Total non-current assets	118,324	(22,101)	186	—	96,409
Current assets					
Inventories	3,149	—	—	—	3,149
Trade and bills receivables	5,134	—	—	—	5,134
Contract assets	3,407	—	—	—	3,407
Prepayments, deposits and other receivables	12,676	—	—	—	12,676
Other financial assets	15,206	—	—	—	15,206
Cash and cash equivalents	5,377	(44)	—	18,787	24,120
Total current assets	44,949	(44)	—	18,787	63,692
Current liabilities					
Trade payables	1,955	—	—	—	1,955
Contract liabilities	249	—	—	—	249
Other payables and accruals	20,115	(7,629)	—	—	12,486
Lease liabilities	1,073	—	—	—	1,073
Borrowings	36,940	—	—	—	36,940
Tax payable	5,868	(20)	—	—	5,848
Total current liabilities	66,200	(7,649)	—	—	58,551
Net current (liabilities) assets	(21,251)	7,605	—	18,787	5,141
Total assets less current liabilities	97,073	(14,496)	186	18,787	101,550
Non-current liabilities					
Lease liabilities	181	—	—	—	181
Net assets	96,892	(14,496)	186	18,787	101,369
Equity					
Share capital	8,282	—	—	—	8,282
Reserves	88,610	(14,496)	186	18,787	93,087
Total equity	96,892	(14,496)	186	18,787	101,369

3. Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group for the year ended 31 December 2022

	The Group (Audited)	Pro forma adjustments			The Remaining Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 3(a))*	*(Note 3(b))*	*(Note 3(c))*	
Revenue form contracts with customers	84,970	(9,434)	9,434	—	84,970
Cost of sales	(66,578)	—	—	—	(66,578)
Gross profit	18,392	(9,434)	9,434	—	18,392
Other income, gains and losses	3,716	7	—	17,518	21,241
Selling and distribution expenses	(15,718)	—	—	—	(15,718)
Administrative expenses	(9,169)	400	—	(303)	(9,072)
Research and development costs	(7,685)	206	—	—	(7,479)
(Reversal of) Impairment loss on financial and contract assets, net	(3,620)	11,759	(11,759)	—	(3,620)
Fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")	(24,684)	—	—	—	(24,684)
Gain on modification of convertible notes	801	—	—	—	801
Finance costs	(4,014)	—	—	—	(4,014)
Loss before tax	(41,981)	2,938	(2,325)	17,215	(24,153)
Income tax expense	(24)	—	—	—	(24)
Loss for the year	(42,005)	2,938	(2,325)	17,215	(24,177)
Attributable to:					
Shareholders of the Company	(42,241)	2,938	(2,325)	17,215	(24,413)
Non-controlling interests	236	—	—	—	236
	(42,005)	2,938	(2,325)	17,215	(24,177)

	The Group (Audited) *RMB'000* *(Note 1)*	Pro forma adjustments *RMB'000* *(Note 3(a))*	*RMB'000* *(Note 3(b))*	*RMB'000* *(Note 3(c))*	The Remaining Group (unaudited) *RMB'000*
Loss for the year	(42,005)	2,938	(2,325)	17,215	(24,177)
Other comprehensive (expense) income, net of tax:					
Items that will not be subsequently reclassified to profit or loss:					
Financial assets designated at fair value through other comprehensive income ("**FVTOCI**"):					
Changes in fair value	(126,870)	—	—	—	(126,870)
	(126,870)	—	—	—	(126,870)
Item that may be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations	1,892	—	—	—	1,892
Other comprehensive expense for the year, net of tax	(124,978)	—	—	—	(124,978)
Total comprehensive expense for the year	(166,983)	2,938	(2,325)	17,215	(149,155)
Attributable to:					
Shareholders of the Company	(167,219)	2,938	(2,325)	17,215	(149,391)
Non-controlling interests	236	—	—	—	236
	(166,983)	2,938	(2,325)	17,215	(149,155)

4. Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group for the year ended 31 December 2022

	The Group (Audited)	Pro forma adjustments			The Remaining Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 3(a))*	*(Note 3(b))*	*(Note 3(c))*	
Operating activities					
Loss before tax	(41,981)	2,938	(2,325)	17,215	(24,153)
Adjustments for:					
Depreciation of property, plant and equipment	45	(21)	—	—	24
Depreciation of right-of-use assets	1,479	(107)	—	—	1,372
Finance costs	4,014	—	—	—	4,014
Impairment loss (reversal of impairment loss) on financial and contract assets, net:					
— Trade receivables	3,243	—	—	—	3,243
— Contract assets	512	—	—	—	512
— Financial assets included in prepayments, deposits and other receivables	(135)	—	—	—	(135)
— Amount due from the Remaining Group	—	(11,759)	11,759	—	—
Bank interest income	(22)	—	—	—	(22)
Other interest income	(1,161)	—	—	—	(1,161)
Fair value changes of financial assets at FVTPL	24,684	—	—	—	24,684
Gain on modification of convertible notes	(801)	—	—	—	(801)
Gain on disposal of a subsidiary	—	—	—	(17,518)	(17,518)
Investment income from bank product investments	(111)	—	—	—	(111)
Rent concession income	(232)	—	—	—	(232)
Staff costs arising from interest-free loans to employees	121	—	—	—	121
Loss on deregistration of a subsidiary	2	—	—	—	2

	The Group (Audited)	Pro forma adjustments			The Remaining Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 3(a))*	*(Note 3(b))*	*(Note 3(c))*	
Operating cash flows before working capital changes	(10,343)	(8,949)	9,434	(303)	(10,161)
Decrease (increase) in prepayments, deposits and other receivables	7,920	(1,189)	—	—	6,731
Decrease in trade and bill receivables	2,406	—	—	—	2,406
Decrease in contract assets	615	—	—	—	615
Decrease in long-term receivables	455	—	—	—	455
Decrease in inventories	278	—	—	—	278
Decrease (increase) in amount due from the Remaining Group	—	11,759	(11,759)	—	—
Decrease in contract liabilities	(275)	—	—	—	(275)
Increase in trade payables	1,463	—	—	—	1,463
Increase (decrease) in other payables and accruals	3,979	(7,884)	—	—	(3,905)
(Decrease) increase in amount due to the Remaining Group	—	(450)	450	—	—
Cash generated from (used in) operation	6,498	(6,713)	(1,875)	(303)	(2,393)
Interest portion of lease payments	(134)	—	—	—	(134)
Income tax paid	(24)	—	—	—	(24)
Net cash generated from (used in) operating activities	6,340	(6,713)	(1,875)	(303)	(2,551)

	The Group (Audited)	Pro forma adjustments			The Remaining Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 3(a))*	*(Note 3(b))*	*(Note 3(c))*	
Investing activities					
Interest received	22	—	—	—	22
Purchase of property, plant and equipment	(7,102)	7,014	—	—	(88)
Loans to employees	(360)	—	—	—	(360)
Repayment of loans from employees	1,740	—	—	—	1,740
Net proceeds from disposal of a subsidiary	—	—	—	19,090	19,090
Purchase of bank product investments	(56,600)	—	—	—	(56,600)
Proceeds from redemption of bank product investments	56,711	—	—	—	56,711
Net cash (used in) generated from investing activities	(5,589)	7,014	—	19,090	20,515
Financing activities					
New bank loan	14,000	—	—	—	14,000
Repayment of bank loan	(23,000)	—	—	—	(23,000)
Repayment of convertible notes	(10,312)	—	—	—	(10,312)
Principal portion of lease payments	(1,517)	—	—	—	(1,517)
Interest paid	(978)	—	—	—	(978)
Net cash used in financing activities	(21,807)	—	—	—	(21,807)
Net (decrease) increase in cash and cash equivalents	(21,056)	301	(1,875)	18,787	(3,843)
Cash and cash equivalents at beginning of the year	27,851	(366)	—	—	27,485
Effect on foreign exchange rate changes, net	1,760	—	—	—	1,760
Cash and cash equivalents at end of the year	8,555	(65)	(1,875)	18,787	25,402

5. Notes to the Unaudited Pro Forma Financial Information of the Remaining Group:

1. For the preparation of the unaudited pro forma consolidated statement of financial position, the amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2023 as set out in the published interim report of the Group for the six months ended 30 June 2023, whereas for the preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows, the amounts are extracted from the audited consolidated statement of profit or loss, the audited consolidated statement of other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2022, respectively, as set out in the published annual report of the Group for the year ended 31 December 2022.

2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of financial position, assuming the Disposal had taken place on 30 June 2023:

   The estimated gain on disposal assuming the Disposal had taken place on 30 June 2023 is calculated as follows:

   (a) The adjustments represent the de-recognition of assets and liabilities of the Target Company as at 30 June 2023, assuming the Disposal had taken place on 30 June 2023. The assets and liabilities of the Target Company are extracted from the unaudited condensed consolidated statement of financial position of the Group as set out in Appendix II-B to this circular.

   (b) The reinstatement of intra-group balances between the Remaining Group and the Target Company, which were eliminated when preparing the consolidated financial statements of the Group as at 30 June 2023.

(c) The adjustments represent the estimated gain on disposal assuming the Disposal had taken place on 30 June 2023 and is calculated as follows:

	Notes	*RMB'000*
Consideration		19,090
Less: Net assets of the Target Company derecognised	*(i)*	(14,496)
Add: Release of reserve funds attributable to the Target Company	*(ii)*	6
Estimated gain on disposal before transaction cost		4,600
Less: Estimated transaction costs attributed to the Disposal	*(iii)*	(303)
Estimated gain on disposal		4,297

Notes:

(i) The amount represents the net assets of the Target Company as at 30 June 2023 as follow:

	RMB'000
Assets of the Target Company as at 30 June 2023	22,145
Liabilities of the Target Company as at 30 June 2023	(7,649)
Net assets of the Target Company derecognised	14,496

The assets and liabilities of the Target Company as at 30 June 2023 are set out in Appendix II-B to this circular.

(ii) The amount represents the reserve funds of the Target Company to be released to retained earnings as if the Disposal had been completed on 30 June 2023. The reserve funds represent the statutory reserve under the laws and regulations of the People's Republic of China.

(iii) The transaction costs represent professional fee directly attributable to the disposal of the Target Company which are estimated.

3. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of other comprehensive income and the unaudited pro forma consolidated statement of cash flows, assuming the Disposal had taken place on 1 January 2022:

The estimated gain on disposal assuming the Disposal had taken place on 1 January 2022 is calculated as follows:

(a) The adjustments represent the exclusion of the results and cash flows of the Target Company for the year ended 31 December 2022, assuming the Disposal had taken place on 1 January 2022. The statements of profit or loss and other comprehensive income and cash flows of the Target Company are extracted from the audited consolidated statements of profit or loss and audited consolidated statements of other comprehensive income and cash flows of the Group as set out in Appendix II–D to this circular.

(b) The adjustments represent the reinstatement of intra-group transactions between the Remaining Group and the Target Company, which were eliminated at the Group level when preparing the consolidated financial statements of the Group for the year ended 31 December 2022.

(c) The adjustments represent the estimated gain on disposal assuming the Disposal had taken place on 1 January 2022 and is calculated as follows:

	Notes	*RMB'000*
Consideration		19,090
Less: Net assets of the Target Company derecognised	*(i)*	(1,275)
Add: Release of reserve funds attributable to the Target Company	*(ii)*	6
Estimated gain on disposal before transaction cost		17,821
Less: Estimated transaction costs attributed to the Disposal	*(iii)*	(303)
Estimated gain on disposal		17,518

Analysis of net cash flows from the Disposal:

	RMB'000
Consideration	19,090
Less: Estimated transaction costs attributable to the Disposal	(303)
Less: Cash and cash equivalents held by the Target Company	(366)
	18,421

Notes:

(i) The amount represents the net assets of the Target Company as at 1 January 2022 as follow:

	RMB'000
Assets of the Target Company as at 31 December 2021	17,491
Liabilities of the Target Company as at 31 December 2021	(16,216)
Net assets of the Target Company derecognised	1,275

The assets and liabilities of the Target Company as at 31 December 2021 are set out in Appendix II-B to this circular.

(ii) The amount represents the reserve funds of the Target Company to be released to retained earnings as if the Disposal had been completed on 1 January 2022. The reserve funds represent the statutory reserve under the laws and regulations of the People's Republic of China.

(iii) The transaction costs represent professional fee directly attributable to the disposal of the Target Company which are estimated.

4. The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group and the unaudited pro forma consolidated statement of cash flow of the Remaining Group.

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Set out below is the text of the independent reporting accountant's assurance report received from Confucius International CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountant of the Company in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

PAN-CHINA
天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-8室
Rooms 1501-8, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of China Parenting Network Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Parenting Network Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2023, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2022, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages 1 to 11 of Appendix IV of the Company's circular dated 28 February 2024 (the "**Circular**") in connection with the sale of entire interest in Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司) (the "**Disposal**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on Appendix IV of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group's financial position as at 30 June 2023 and the Group's financial performance and cashflows for the year ended 31 December 2022 as if the Disposal had taken place on 30 June 2023 and 1 January 2022 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors of the Company from the Group's interim report for the six months ended 30 June 2023, on which no review report has been published and the Group's annual report for the year ended 31 December 2022, on which an audit report has been published respectively.

* *For identification purpose only*

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction on 30 June 2023 or 1 January 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Confucius International CPA Limited
Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of by the Group. Terms defined in this appendix applies to this appendix only.

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

VINCORN
appraisal • brokerage • consulting

The Board of Directors

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

28 February 2024

Dear Sirs,

INSTRUCTION AND VALUATION DATE

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

VALUATION STANDARDS

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

VALUATION BASIS

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

VALUATION ASSUMPTIONS

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

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

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

VALUATION METHODOLOGY

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

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

LAND TENURE AND TITLE INVESTIGATION

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

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

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

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the title of the property interests in The PRC. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

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

INSPECTION AND INVESTIGATIONS

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

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

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

CURRENCY

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

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

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

Note:

Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region ("Hong Kong"), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China. He is suitably qualified to carry out the valuation and has over 26 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

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

Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
Block 11, Land Plot B of Software Valley Headquarter Economic Park, the Junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC	The property comprises a proposed eight-storey research and development building namely Block 11 ("**the Property**") erected within Land Plot B of Software Valley Headquarter Economic Park ("**the Master Site**") located at the junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC. As per a Real Estate Title Certificate, the Master Site has a master site area of approximately 35,664.01 square meters ("**sq.m.**"). As per information provided by the Group, the property has a proposed gross floor area ("**GFA**") of approximately 8,209.55 sq.m.. The land use rights of the property were granted for a term expiring on 9 December 2069 for science and education (research and development) uses.	As per our on-site inspection and information provided by the Group, the property is currently undergoing construction works and most of the substructure and superstructure works have been completed. As per information provided by the Group, the development is expected to be fully completed in about June 2024.	RMB29,600,000 (RENMINBI TWENTY NINE MILLION AND SIX HUNDRED THOUSAND) 100% Interest Attributable to the Group Before Disposal: RMB29,600,000 (RENMINBI TWENTY NINE MILLION AND SIX HUNDRED THOUSAND)

Notes:

1. The property was inspected by Noah Liu *BCom MCom Probationer of RICS* on 6 February 2024.

2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS RPS(GP) MCIREA MHKSI MISCM FHKIoD MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MHKIS MRICS RPS(GP) MHIREA MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.

3. Pursuant to a State-owned Land Use Rights Grant Contract, 3201142019B00212 dated 13 September 2019 and entered into between seller known as Nanjing Planning and Natural Resources Bureau and the purchasers known as Nanjing Wanhui Information Technology Company Limited, Nanjing Maitwang Technology Company Limited, Nanjing Weixun Information Technology Company Limited, Nanjing Aotuo Automation System Company Limited, Jiangsu Tai Lun Electronic Technology Company Limited, Nanjing Pumen Information Technology Company Limited, Jiangsu Yuanjin Investment Group Company Limited, Bozhi Security Technology Limited, Nanjing Baishi Cloud Technology Company Limited and Nanjing Zhiyan Information Technology Company Limited (the "Purchasers"), the land use rights of the Master Site with a master site area of 35,664.01 sq.m. were granted to the Purchasers for a term of 50 years for scientific and education (research and development) uses at a consideration of RMB59,400,000.

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

4. Pursuant to a Real Estate Title Certificate, Su (2020) Ning Yu Bu Dong Chan Quan Di No. 0014342 dated 19 June 2020 and issued by Nanjing Planning and Natural Resources Bureau, the land use rights of the Master Site with a master site area of 35,664.01 sq.m. were granted to the Purchasers for a term expiring on 9 December 2069 for science and education (research and development) uses.

5. Pursuant to a Construction Land Use Planning Permit, Di Zi Di No. 320114202050003 dated 9 December 2020 and issued by Nanjing Planning and Natural Resources Bureau, the proposed land use of the Master Site was approved.

6. Pursuant to a Construction Project Planning Permit, Jian Zi Di No. 32011420200129 dated 24 September 2020 and issued by Nanjing Planning and Natural Resources Bureau, the proposed development of the Master Site was approved.

7. Pursuant to a Construction Project Work Commencement Permit, 320114202101251101 dated 25 January 2021 and issued by Nanjing Yuhuatai District Administrative Approval Bureau, the construction of the proposed development of the Master Site was approved to commence from the date of the permit.

8. Pursuant to a Notice of Construction Work Commencement and Completion Extension Approval, Ning Gui Hua Zi Yuan Yan [2023] Di 0642 dated 16 June 2023 and issued by Nanjing Planning and Natural Resources Bureau, the completion date of the proposed development of the Master Site was extended to 10 June 2024.

9. Pursuant to a Joint Construction Cost Allocation List, the ownership and interests of the Property with a proposed GFA of approximately 8,209.55 sq.m. was allocated to Nanjing Wanhui as one of the Purchasers.

10. As advised by the Group, Nanjing Wanhui is a wholly owned subsidiary of the Group.

11. The general description and market information of the Property are summarized below:

Location:	The Property is located at the junction of Meiyuan South Road and Dazhou Road, Yuhuatai District, Nanjing, Jiangsu Province, The PRC.
Transportation:	Nanjing Lukou International Airport and Nanjing South Railway Station are located approximately 35.7 kilometres and 9.5 kilometres away from the Property respectively.
Nature of Surrounding Area:	The area is predominately a research and development area in Yuhuatai District.

12. We have been provided with a legal opinion regarding the Property by Zhi Heng Law Firm, which contains, inter alia, the following:

    (a) The Purchasers have obtained the state-owned land use rights of the Master Site in accordance with laws, and are the legal holder of the state-owned land use rights of the Master Site.;

    (b) Each of the Purchasers share the construction cost of the Master Site in accordance with the corresponding GFA of the assigned building as specified on relevant construction contracts. The GFA of the Property assigned to Nanjing Wanhui is approximately 8,209.55 sq.m.;

    (c) The proposed development of the Master Site has obtained the legally effective permits from the local government authorities, including Construction Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit; and

    (d) Various portions of the Master Site are subject to six respective mortgages established by six of the Purchasers other than Nanjing Wanhui. Nanjing Wanhui has noticed and agreed with the establishment of such mortgages but has not established a mortgage in relation to the Property. Nanjing Wanhui is not liable to such mortgages.

13. The estimated capital value upon completion of the Property, assuming that it has been completed and it can be freely transferred, as at the Valuation Date was circa RMB89,500,000. According to information provided, the incurred construction cost and outstanding construction cost of the Property as at the Valuation Date were circa RMB10,500,000 and RMB51,900,000 respectively.

14. In the course of our valuation of the estimated capital value upon completion of the Property by Market Approach, we have considered and analysed the research and development building sale comparables in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The unit rates of the adopted comparables are ranging from RMB9,300 to RMB12,500 per sq.m. on the basis of GFA. The following table shows the details of research and development building sale comparables with the adopted adjustments:

	Comparable 1	**Comparable 2**	**Comparable 3**	**Comparable 4**
Building	Software Valley Technology and Innovation Centre	Yuhua International Intelligence Valley	Yuepu Technology Nanjing Yunchuang Centre	Jiulonghu Zhizao Innovation Centre
District	Yuhuatai	Yuhuatai	Yuhuatai	Yuhuatai
City	Nanjing	Nanjing	Nanjing	Nanjing
Property Type	Research and Development Building	Research and Development Building	Research and Development Building	Research and Development Building
Year of Completion	2016	2022	2023	2024
GFA (sq.m.)	5,500.00	5,000.00	6,000.00	10,000.00
Price (RMB)	68,750,000	56,500,000	55,800,000	98,000,000
GFA Unit Rate (RMB/sq.m.)	12,500	11,300	9,300	9,800
Adjustment				
Discount on Offer Price	–3.0%	–3.0%	–3.0%	–3.0%
Location	0.0%	0.0%	+10.0%	+10.0%
Building Age	3.5%	0.5%	0.0%	–0.5%
Size	–1.4%	–1.6%	–1.1%	+0.9%
Adjusted GFA Unit Rate (RMB/sq.m.)	12,393	10,836	9,848	10,525

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

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

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

Estimated capital value upon completion:	RMB89,500,000	Please refer to Note 14.
Adjustments:		
Less sales and marketing costs:	Circa RMB2,700,000	The adjustment is based on 3% of the estimated capital value upon completion.
Less outstanding construction cost:	Circa RMB51,900,000	The adjustment is based on the outstanding construction cost of circa RMB51,900,000 provided by the Group.
Less finance cost	Circa RMB553,903	The finance cost is the cost of borrowing of the construction cost. It is calculated on the basis of half of the construction period since construction cost is generally borrowed and settled periodically by stage payments. The adjustment is based on 4.35% over half of the outstanding construction period of 0.25 years for the finance cost.
Less profit margin:	Circa RMB4,133,333	This is the developer's profit to be realised when carrying out development. It forms a component of the estimated capital value upon completion and thus it has to be deducted to arrive at the land value. It is an adjustment and does not involve any forecast. The adjustment is based on 5% of the total development and land costs.
Less outstanding development period:	Circa RMB634,468	This is the cost of time from the Valuation Date to the expected completion date of construction works. The adjustment is based on based on 4.35% over the outstanding pre-development period of 0.5 years.
Market Value:	RMB29,600,000	The Market Value is deduced after the above due adjustments from the estimated capital value upon completion.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

(a) Directors and chief executive

As at the Latest Practicable Date, 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 SFO) held by the Directors and chief executive 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 Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the 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
Mr. Cheng Li[(1)]	Interest in a controlled corporation	24,000,000	8.33%

Note:

(1) 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.

Interests in other members of the Group (Long Positions)

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

Note:

1. 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, none of the Directors or chief executive of the Company and/or any of their respective close associates had registered any interests or short positions in any Shares, underlying Shares in, and debentures of, the Company or any associated corporations as at the Latest Practicable Date, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

(b) Substantial Shareholder

As at the Latest Practicable Date, the following person (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name	Nature of Interest	Number of Shares or Underlying Shares	Approximate Percentage of Shareholding
Maria Rachel Mai Decolongon Tatoy[(1)]	Beneficial owner & Interest in a controlled corporation	50,562,270	17.55
Victory Glory Holdings Limited ("**Victory Glory**")[(2)]	Beneficial owner	24,000,000	8.33
Tan Chiu Lan Francine	Beneficial owner	18,551,710	6.44
Diligent Ally Private Limited	Beneficial owner	16,653,287	5.78

Notes:

1. Ms. Maria Rachel Mai Decolongon Tatoy holds 23,920,322 Shares and 7,291,666 Shares, respectively through her wholly-owned companies, Prime Wish Limited and Bonus Shares Pte. Ltd and has personal interest of 19,350,282 Shares.

2. Victory Glory is directly and wholly owned by Mr. Cheng Li, an executive Director.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors or chief executive of the Company had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OR ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant to the business of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

EXPERTS' QUALIFICATION AND CONSENTS

The following is the qualification of the experts who have given their opinion and advice which are included in this circular:

Name	Qualifications
Confucius International CPA Limited ("**Confucius**")	Certified Public Accountants
Vincorn Consulting and Appraisal Limited	Property Valuer
Zhi Heng Law Firm	Legal advisor to the Company as to the PRC law

As at the Latest Practicable Date, each of the experts above did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the experts above did not have any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or were proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

Each of the experts above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion or report and the references to its name and/or its opinion or report in the form and context in which they respectively appear.

LITIGATION

Neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the Disposal Agreement;

(b) a subscription agreement dated 29 March 2023 and entered into between the Company and Ms. Tan Chiu Lan Francine, an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and Ms. Tan Chiu Lan Francine had conditionally agreed to subscribe for 7,317,073 subscription shares at a subscription price of HK$0.041 per subscription share;

(c) a subscription agreement dated 4 May 2023 and entered into between the Company and Ms. Tan Chiu Lan Francine, an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and Ms. Tan Chiu Lan Francine had conditionally agreed to subscribe for 14,347,826 subscription shares at a subscription price of HK$0.023 per subscription share;

(d) a subscription agreement dated 4 May 2023 and entered into between the Company and Ms. Wu Saiya, an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and Ms. Wu Saiya had conditionally agreed to subscribe for 11,739,130 subscription shares at a subscription price of HK$0.023 per subscription share. The subscription agreement was subsequently terminated as the consideration had not been settled by the long stop date and there had not been any agreement to further extend the long stop date;

(e) a subscription agreement dated 12 June 2023 and entered into between the Company and Ms. Tan Chiu Lan Francine, an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and Ms. Tan Chiu Lan Francine had conditionally agreed to subscribe for 91,733,750 subscription shares at a subscription price of HK$0.023 per subscription share;

(f) a subscription agreement dated 11 July 2023 and entered into between the Company and Ms. Wu Saiya, an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and Ms. Wu Saiya had conditionally agreed to subscribe for 20,946,537 subscription shares at a subscription price of HK$0.1525 per subscription share;

(g) a subscription agreement dated 11 July 2023 and entered into between the Company and XI-F-AI PTE. LTD., an Independent Third Party, pursuant to which the Company had conditionally agreed to allot and issue, and XI-F-AI PTE. LTD. had conditionally agreed to subscribe for 20,946,537 subscription shares at a subscription price of HK$0.1525 per subscription share;

(h) a subscription agreement dated 12 September 2023 and entered into among the Company, Diligent Ally Private Limited (a shareholder of the Company), Ms. Deng Jingjing (an Independent Third Party) and Ms. Gong Yanping (an Independent Third Party), pursuant to which the Company had conditionally agreed to issue and Diligent Ally Private Limited, Ms. Deng Jingjing and Ms. Gong Yanping had conditionally agreed to subscribe for convertible notes in the aggregate principal amount of HK$28.29 million with a conversion price of HK$0.076 per conversion share. On 15 November 2023, the Company, Diligent Ally Private Limited, Ms. Deng Jingjing and Ms. Gong Yanping entered into an amended and restated subscription agreement to state that the maturity date of the Convertible Notes can be extended for further six months at the absolute discretion of Diligent Ally Private Limited, Ms. Deng Jingjing and Ms. Gong Yanping. The subscription agreement was lapsed on 31 December 2023; and

(i) the second supplemental agreement dated 15 January 2024 entered into among Nanjing Xihui Information Technology Company Limited* (南京矽滙信息技術有限公司), the subsidiary of the Company as the lender, Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司), an Independent Third Party as the borrower and Jiangsu Wansheng Weiye Network Information Technology Company Limited* (江蘇萬聖偉業網絡科技有限公司), an Independent Third Party as the guarantor, in relation to the extension of loan in an amount of RMB12,000,000 for a term of 36 months with an interest rate of 6.0% per annum.

GENERAL

(a) The secretary of the Company is Mr. Zhang Lake Mozi.

(b) The registered office of the Company is situated at Cricket Square Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands.

(c) The head office and principal place of business of the Company in the PRC is at 13F, Building J, Cloud Security City No. 19 Ningshuang Road, Nanjing, Jiangsu Province, the PRC.

(d) The principal place of business of the Company in Hong Kong is at Room 1905, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

(e) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.ci123.com) and the Stock Exchange's website (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

(a) the Disposal Agreement;

(b) the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022 and the interim report of the Company for the six months ended 30 June 2023;

(c) the report from Confucius on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix IV to this circular;

(d) the valuation report prepared by the Valuer in relation to the Property, the text of which is set out in Appendix V to this circular;

(e) the written consent of the experts referred to in the paragraph headed "Experts' Qualification and Consents" in this appendix; and

(f) this circular.

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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of China Parenting Network Holdings Limited (the "**Company**") will be held at Room 1304, 13/F, Building J, Cloud Security City, No. 19 Ningshuang Road, Nanjing, Jiangsu Province, the People's Republic of China at 12:30 p.m. on Friday, 15 March 2024 for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(i) the disposal agreement dated 15 January 2024 (the "**Disposal Agreement**") entered into among Xibai (Nanjing) Information Technology Company Limited* (矽柏(南京)信息技術有限公司), as the vendor, and Nanjing Zhiye Enterprise Management Co., Ltd. * (南京智冶企業管理有限公司), as the purchaser and Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司) ("**Nanjing Wanhui**"), in relation to the disposal of entire issued share capital of Nanjing Wanhui, at an aggregate consideration of RMB19,090,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(ii) any one or more directors of the Company be and is hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she consider, necessary or expedient or desirable in connection with or to give effect to the Disposal Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

By order of the Board
China Parenting Network Holdings Limited
CHENG LI
CEO

Nanjing, the People's Republic of China
28 February 2024

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.

2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

3. In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. by 13 March 2024 at 12:30 p.m.) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

4. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Thursday, 14 March 2024. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m., Thursday, 14 March 2024.