China Parenting Network Holdings Limited
中國育兒網絡控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1736)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of China Parenting Network Holdings Limited (the "**Company**", or "**CI Web**") together with its subsidiaries, collectively the "**Group**" or "**we**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024 (the "**Year**" or "**Reporting Period**").

SUMMARY

The Group's revenue for the year ended 31 December 2024 was approximately RMB56.4 million, representing a decrease of approximately 1.7% over approximately RMB57.4 million for the year ended 31 December 2023, total revenue was almost the same as that of the year 2023;

The Group's net loss for the year ended 31 December 2024 was approximately RMB5.3 million, representing a decrease of approximately 89% over approximately RMB48.2 million of net loss for the year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

The maternal and infant industry in China in 2024 was featured with remarkable resilience and vitality due to policy support, consumption upgrades, and technological advancements. The comprehensive innovation in the industry from products to services was boosted by the further implementation of the three-child policy, the evolving parenting concepts of the new generation of parents and the widespread adoption of smart products.

Market size expansion and lower-tier markets emerging as the growth engine

The anxiety around childbirth was alleviated by the continual favorable policy and the implementation of fertility support measures (such as extended maternity leave and childcare subsidies) to some extent in 2024, which drove steady growth in essential maternal and infant products, in which such growth was driven mainly by the second- and third-tier cities and below. The consumption potential of lower-tier markets was further exploited. The typical group "small-town parents" placed greater emphasis on cost-effectiveness and brand trust, which then accelerated the penetration of domestic maternal and infant brands into these markets.

Consumption Upgrade: From "Basic Demand" to "High-quality Parenting"

In the whole year of 2024, the consumption upgrade was popular mainly in new-generation (post-90s and post-95s) parents and shown by the following three trends:

1. Focus on health and safety: Consumers were significantly more sensitive to the ingredients and quality of the product. Such products as organic formula, additive-free baby food and Class-A infant clothing saw notable sales growth. The market share of domestic formula brands was increased continuously depending on "Fresh Milk Sources", "Full Supply Chain Transparency" and other selling points.

2. Rigid demand on intellectualized parenting: The intelligent hardware was fully penetrated in parenting scenarios. The products like AI-powered baby monitors, automatic temperature control feeding bottles and smart diaper moisture monitor became hot seller. Additionally, the Tech companies started to engage in the maternal and infant products, which then accelerated the"intellectualized parenting"in family.

3. Rise of personalization and emotional consumption: The demand surged on the customized maternal and infant services (such as genetic testing and tailored nutrition plans). The user loyalty of maternal and infant brands was strengthened through "Exclusive IP Collaborations" and "Parent-child Interaction Designs", etc.

Channel Innovation: Combination of Livestreaming E-commerce and Private Traffic

Online channels were still the main marketing channel, in which the livestreaming e-commerce was further developed to be the main battleground for brand marketing in the livesreaming rooms for maternal and infant products on typical Douyin and Kuaishou Platforms. During the 2024 "Double 11" shopping festival, the sustainable growth of transaction volume was achieved through livestreaming. Moreover, the collaborations between influencer hosts and professional parenting KOLs (such as pediatricians and early education experts) became more and more common.

User ecosystem built in private domain: The leading brand enterprises used WeChat and mini program mall, etc. to create a "one-stop parenting service chain" for a closed-loop experience from product purchase to parenting consultation.

Business Review

CI Web focusing on innovation for 19 years mainly serves young families in China and provides the personalized smart family solutions to Chinese young families, which then allow it always to be the industry leadership. In 2024, the comprehensive service chain about family consumption was created by four core matrices, i.e. private domain, content, e-commerce and O2O matrices.

The new-generation maternal and infant family consumption was further enhanced based on platform, relevant group, content and activity. Through the comprehensive family consumption chain, a full-open, multi-scenario ecosystem was created to realize the outer circulation of communicating effect.

User expansion to unlock user potential — further development of new-generation maternal infant family consumption potential

The core community matrix was continuously expanded while the private traffic from high-loyalty users was achieved, which currently covers over 5.26 million users across more than 27,300 communities, including more than 12,500 master mom groups, more than 7,500 group-leader distribution groups, more than 6,000 parenting exchange groups, more than 800 local travel groups and more than 500 IP fan groups. Through customer absorption in global domain and operation in private domain, user conversion, repurchase and word of mouth, a professional, comprehensive health operation mode was created to activate the private domain GMV.

On the other hand, the high-quality content was continuously enhanced according to the preferences of new-generation maternal and infant families. Such high-quality content was exported by two ways. The first one is to identify precisely the user demand to provide better professional scientific parenting guidance and services. The cooperation with the professional organizations such as China Care Work Committee and National Health Commission was also strengthened. In response to national policies, CI Web and Child Development Research Center of China Care Work Committee are working to alleviate childbearing and parenting anxieties among Chinese families by continuously developing the curriculum system and relevant knowledge for the parents with children at the age of 0-6 and also invite various societal forces to participate in improving the curriculum system and further enhance the ability to serve both parents and school. The second one is to focus on hot parenting topics. The diversified content for young people to help young families with better parenting in scientific way, and then accelerate the brand penetration online. Such services as parenting Q&A and expert consultations were provided depending on more than 3,200 internal and external excellent talents and more than 800 authoritative parenting experts.

Outward Expansion for increase in value-added brands — achievement in outer circulation of communicating effect

In 2024, CI Web continued to output the marketing content about brand logic and scenarios to create multidimensional brand image used for high-efficiency user conversion. The key factors for value-added brands meeting the demands of "young people" were determined to enhance the brand product promotion. In this way, the brand building and business growth were achieved together.

Three key public relation, i.e. endorsements, curated campaigns and ESG approaching into the public were used to create the brand image, deliver the brand values and finally create the "super brand" which was discussed about and followed by people. Additionally, three e-commerce agency services, i.e. the traditional e-commerce agency service, the live-streaming e-commerce agency service and content-driven e-commerce agency service were provided to achieve both brand business operation and customer acquisition at the consumer-side ("**C-end**") sales and merchant-side ("**B-end**").

The brand potential was also enhanced through various channels to establish stable distribution networks. The data of CI Web revealed that over 25,000 maternal and infant stores utilized Mom Store SaaS System and that over 40,000 educational institutions utilized Jiaowubao in the education system on CI Web. Moreover, the "Parents-child Weekend" platform served over 10,000 offline merchants, and facilitated accumulative 30 million families to travel. The online and offline channels are combined by developing the professional systematic sustained channel activities, including training programs, industry summits, team-building initiatives, and channel expansion, which built the bridge between the distributors and brands to enhance user conversions, brand value and sales growth, ultimately empowering sustainable brand business growth.

Future Prospects

CI Web has always been committed to providing personalised smart family solutions for young families in China, so it will continue to innovate and make progress, continuously improve its ecological layout, and help the brand's business continue to grow.

At the same time, CI Web has also been committed to fulfilling its mission of "serving more families with practical solutions" and constantly exploring the frontiers of the industry. According to in-depth research, China has entered the stage of "deep aging", and many families are in urgent need of solutions to the problems of the elderly. CI Web added the elements of elderly life to the original content matrix to create the content IP of "Worry-free Pension House", adhering to the principle of "Enhance the quality of life for seniors, savoring happiness and health for a lifetime", based on the pension service, expanding the service as a feature, to create a pension housekeeper loved by the elderly and trusted by the young.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2024 was approximately RMB56.4 million, representing a decrease of approximately 1.7% over approximately RMB57.4 million for the year ended 31 December 2023, total revenue was almost the same as that of the year 2023. In 2024, revenue from the sale of goods decreased and revenue from advertising and promotional services increased. The decrease in revenue from the sale of goods primarily due to fierce price competition in the market; and the increase in revenue from advertising and promotional services primarily due to the Company's increased effort in expanding its overseas customers, yielded significant results, and the overseas revenue for the year ended 31 December 2024 amounted to approximately RMB14.6 million, representing an increase of approximately 217.4% as compared to the overseas revenue of approximately RMB4.6 million for the year ended 31 December 2023.

Cost of sales

The Group's cost of sales for the year ended 31 December 2024 was approximately RMB40.8 million, representing a decrease of approximately 25.7% over approximately RMB54.9 million for the year ended 31 December 2023, primarily due to the decrease in revenue from the low-margin merchandising business, resulting in the decrease in costs.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2024 was approximately RMB15.6 million, representing an increase of approximately 524% over approximately RMB2.5 million for the year ended 31 December 2023. During the year ended 31 December 2024, the Group's gross profit margin increased from approximately 4.4% for the year ended 31 December 2023 to approximately 27.7%, primarily due to the fact that the overall gross profit margin recovered during the year as a result of the abandonment of some ultra-low gross profit margin businesses and the expansion of high-quality overseas customers.

Other income, gains and losses

The Group's other income, gains and losses for the year ended 31 December 2024 was approximately RMB10.5 million, representing an increase of approximately 425% compared to approximately RMB2.0 million for the year ended 31 December 2023, primarily due to the increase in gain on disposal and deemed disposal of subsidiaries during the period, please refer to note 19 of this announcement for details.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2024 was approximately RMB5.0 million, representing a decrease of approximately 63.5% over approximately RMB13.7 million for the year ended 31 December 2023, primarily attributable to the decrease in marketing and promotion expenses and the decrease in the number of marketing personnel.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2024 was approximately RMB12.4 million, representing a decrease of approximately 10.8% over approximately RMB13.9 million for the year ended 31 December 2023, primarily due to decrease in agency fees and rentals.

Research and development costs

The Group's research and development ("**R&D**") cost for the year ended 31 December 2024 was approximately RMB3.3 million, representing a decrease of approximately 61.6% over approximately RMB8.6 million for the year ended 31 December 2023, primarily attributable to decrease in expenditure on technical services purchased externally and decrease in technical personnel.

Income tax credit

The Group's income tax credit for the year ended 31 December 2024 was nil, representing a decrease of approximately 100% over approximately RMB0.27 million of income tax credit for the year ended 31 December 2023.

Loss for the Year

As a result of the factors described above, the Group's net loss for the year ended 31 December 2024 was approximately RMB5.3 million, representing a decrease of approximately 89% over approximately RMB48.2 million of net loss for the year ended 31 December 2023, primarily due to the increase in gross profit and the gain on disposal and deemed disposal of subsidiaries.

Loss per share

During the Year, the loss per share was approximately RMB0.016, representing a decrease of approximately 91.9% over approximately RMB0.197 of the loss per share in 2023.

Gearing ratio

As of 31 December 2024, the gearing ratio of the Group (calculated as total liabilities over total assets) was 112.3% (2023: 68.6%).

Capital expenditure

Our capital expenditure was RMB0.06 million for the year ended 31 December 2024 (2023: RMB0.02 million). The Group's capital expenditures were mainly related to the purchases of servers, computers, office equipment.

Liquidity and capital resources

As at 31 December 2024, the net current liability of the Group was approximately RMB20.4 million (2023: net current liability of the Group was approximately RMB9.0 million) and the cash and cash equivalents were approximately RMB2.8 million (2023: approximately RMB9.3 million).

As at 31 December 2024, the Group had borrowings of approximately RMB21.5 million (2023: approximately RMB37.7 million), which included other borrowings of approximately RMB21.5 million (2023: guaranteed bank loans denominated in RMB of approximately RMB17.5 million and other borrowings of approximately RMB20.2 million).

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

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

Foreign exchange exposure

The Group's transactions are mainly denominated in RMB. Part of the cash and bank deposits of the Group are denominated in Hong Kong dollars. During the year ended 31 December 2024, the Group did not experience any material impact or liquidity problems in its operation resulting from the changes in exchange rate nor enter into hedging transaction or forward contract arrangement. However, the management closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this regard, the Group is not exposed to any significant foreign currency exchange risk in its operation.

Capital structure

The shares of the Company were listed on the GEM of the Stock Exchange on 8 July 2015 and the listing of shares of the Company has been transferred to the Main Board of the Stock Exchange on 8 October 2018. The capital structure of the Company comprised ordinary shares and 345,662,343 shares in issue as at 31 December 2024.

Employees, training and remuneration policy

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

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

As at 31 December 2024, the Group had a total of 50 employees including executive Directors (2023: 49 employees). Total staff costs were approximately RMB6.7 million for the year ended 31 December 2024 (2023: approximately RMB13.0 million).

Material acquisitions and disposals of subsidiaries

Disposal of Nanjing Wanhui Information Technology Company Limited ("Nanjing Wanhui")

On 15 January 2024, Nanjing Wanhui (an indirect wholly-owned subsidiary of the Company), Xibai (Nanjing) Information Technology Co., Ltd.* (矽柏(南京)信息技術有限公司) (the "**Nanjing Xibai**") (as vendor) and Nanjing Zhiye Enterprise Management Co., Ltd. * (南京智冶企業管理有限公司) (the "**Purchaser**") entered into the disposal agreement, pursuant to which the Purchaser conditionally agreed to acquire and Nanjing Xibai conditionally agreed to dispose of the entire issued share capital of Nanjing Wanhui Information Technology Company Limited* (南京灣匯信息科技有限公司), a wholly-owned subsidiary of Nanjing Xibai, at an aggregate consideration of RMB19,090,000. In March 2024, such disposal has been completed. Details of which are set out in the Company's announcement dated 15 January 2025.

Deemed disposal of Nanjing Xihui Information Technology Company Limited ("Nanjing Xihui") and Nanjing Xirui Information Technology Company Limited ("Nanjing Xirui")

On 31 December 2024, (i) Nanjing Xibai, (ii) Nanjing Yilaoyixiao Information Technology Company Limited ("**Nanjing Yilaoyixiao**") and (iii) 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥) (collective, the "New Registered Shareholders") entered into the new structured contracts; and (ii) Nanjing Xihui agreed to enter into the business and asset transfer agreement with Nanjing Yilaoyixiao, pursuant to which certain assets, contracts and employees of Nanjing Xihui was transferred to Nanjing Yilaoyixiao.

On 31 December 2024, (i) Nanjing Xibai, (ii) Nanjing Xihui and (iii) Mr. Cheng Li, the executive Director and Ms. Li Juan (collectively, the "**Existing Registered Shareholders**") entered into a termination agreement to terminate the existing contractual arrangement of Nanjing Xihui. Accordingly, Nanjing Xihui ceased to be accounted as a subsidiary of the Company. Business of Nanjing Xihui was transferred to Nanjing Yilaoyixiao. Therefore, Nanjing Yilaoyixiao has applied and been granted for the relevant licenses which are required to engage in the principal business in replacement of Nanjing Xihui. As Nanjing Xihui ceased to be a subsidiary of the Company, Nanjing Xirui, as a wholly-owned subsidiary of Nanjing Xihui, also ceased to be a subsidiary of the Company.

Events after the reporting period

On 20 February 2025, Nanjing Yiran Information Technology Co., Ltd.* (南京怡然信息技術有限公司) (the "**New WFOE**"), the New Registered Shareholders entered into the exclusive business cooperation agreement, the exclusive option agreement, the equity interest pledge agreement and the power of attorneys; and Nanjing Xibai entered into the business and asset transfer agreement with the New WFOE, pursuant to which the business and certain assets of Nanjing Xibai shall be transferred to the New WFOE. Details of which are set out in the Company's announcement dated 20 February 2025. On 1 March 2025, Nanjing Xibai, Nanjing Yilaoyixiao and the New Registered Shareholders entered into the termination agreement to terminate the contractual arrangement of Nanjing Xibai.

On 26 March 2025, the Company proposes to (i) implement the share consolidation on the basis that every eight (8) issued and unissued existing shares of par value of HK$0.05 each be consolidated into one (1) consolidated share of HK$0.4 each; (ii) to implement the capital reduction, immediately following the share consolidation becoming effective, by cancelling the paid up capital to the extent of HK$0.35 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK$0.4 to HK$0.05; and (iii) to implement the share sub-division, immediately following the capital reduction, each of the authorised but unissued consolidated shares of par value of HK$0.4 each be sub-divided into eight (8) new shares of par value of HK$0.05 each. At the date of this announcement, the share consolidation, the capital reduction and the share sub-division have not yet completed, details of which are set out in the Company's announcement dated 26 March 2025.

Charges of assets

As at 31 December 2024, the Group did not make any pledged bank deposit (2023: Nil).

Contingent liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

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

Breakdown of the Company’s financial assets at fair value through other comprehensive income and profit or loss as at 31 December 2024 is set out in note 11 to this announcement. Further details of each invested companies will be disclosed in the 2024 annual report of the Company.

In view of the rapid development of AI, the rapid iteration of household consumption demand and the decline in the number of newborns, the Company has decisively adjusted its investment strategy to downsize and liquidate its investment in outdated Internet technologies. The Group's current investment decisions are closely centered around cutting-edge technology trends, and we are fully committed to promoting in-depth digital transformation in the upstream and downstream of the industrial chain. By utilizing AI technology, we have broken the limitations of traditional business models and facilitated brand upgrading, which is highly consistent with the Company's strategic layout. In this process, investment in AI technology and its application scenarios has become a core direction to ensure that we seize the initiative in the rapidly changing market environment.

As a professional vertical online platform for the pregnancy and childcare market, the Group plans to leverage external empowerment to accelerate its entry into new social retail, family medical care, family education, and services for the middle-aged and elderly. We will actively integrate AI technology into family-related businesses to meet the needs of the new generation of family consumers. On the basis of the original business, we will make use of AI to build a multi-faceted and intelligent maternal and infant family service system, expanding the business scope and enriching the types of services.

LOANS TO OTHER ENTITIES

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

Breakdown of the Company’s loans to other entities as at 31 December 2024 is set out in note 14 to this announcement. Further details of each borrowing companies will be disclosed in the 2024 annual report of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024 and up to the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Revenue from contracts with customers	*4*	**56,439**	57,444
Cost of sales		**(40,836)**	(54,943)
Gross profit		**15,603**	2,501
Other income, gains and losses	*5*	**10,532**	1,979
Selling and distribution expenses		**(4,987)**	(13,744)
Administrative expenses		**(12,443)**	(13,893)
Research and development costs		**(3,293)**	(8,615)
Impairment loss on financial and contract assets, net	*6*	**(2,646)**	(1,905)
Fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")		**(3,141)**	(9,629)
Gain on reclassification of financial assets from amortised cost to FVTPL		**680**	–
Loss on extinguishment of financial liabilities by issue of shares		**–**	(347)
Finance costs	*7*	**(5,586)**	(4,798)
Loss before tax	*6*	**(5,281)**	(48,451)
Income tax credit	*8*	**–**	270
Loss for the year attributable to owners of the Company		**(5,281)**	(48,181)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss in subsequent periods:			
Financial assets designated at fair value through other comprehensive income ("**FVTOCI**"): Changes in fair value		**(39,306)**	(27,115)
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(317)**	(297)
Other comprehensive expense for the year		**(39,623)**	(27,412)
Total comprehensive expense for the year attributable to owners of the Company		**(44,904)**	(75,593)
		RMB cents	*RMB cents*
Loss per share attributable to owners of the Company			
Basic and diluted	*10*	**(1.63)**	(19.74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**164**	161
Right-of-use assets		**756**	582
Other receivables	*14*	**13,551**	232
Other financial assets	*11*	**844**	44,127
		15,315	45,102
Current assets			
Inventories		**16**	230
Trade receivables	*12*	**19,043**	6,676
Contract assets	*13*	**41**	2,314
Prepayments, deposits and other receivables	*14*	**1,982**	18,593
Other financial assets	*11*	**5,671**	5,549
Cash and cash equivalents		**2,758**	9,277
		29,511	42,639
Assets classified as held for sale		**–**	27,312
		29,511	69,951
Current liabilities			
Trade payables	*15*	**7,523**	5,170
Contract liabilities		**175**	3,569
Other payables and accruals	*16*	**15,518**	13,106
Lease liabilities		**346**	703
Borrowings	*17*	**21,545**	37,747
Tax payable		**4,816**	5,598
		49,923	65,893
Liabilities associated with assets classified as held for sale		**–**	13,080
		49,923	78,973
Net current liabilities		**(20,412)**	(9,022)

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Total assets less current liabilities		**(5,097)**	36,080
Non-current liabilities			
Lease liabilities		**419**	–
NET (LIABILITIES) ASSETS		**(5,516)**	36,080
Equity			
Share capital	*18*	**14,510**	11,891
Reserves		**(20,026)**	24,189
(CAPITAL DEFICIENCY) TOTAL EQUITY		**(5,516)**	36,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION

China Parenting Network Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 13 October 2014 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands and its shares are listed in the Main Board of The Stock Exchange (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 has been changed from Room 1905, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong to Unit 2, 7/F, Royal Commercial Centre, No. 56 Parkes Street, Jordan, Kowloon, Hong Kong since 1 July 2024.

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

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to International Accounting Standards ("**IAS**") 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

New and amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements ("**IFRS 18**"), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements ("**IAS 1**"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosure. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation of consolidated financial statements

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

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

Going concern basis

The Group incurred a net loss attributable to owners of the Company of approximately RMB5,281,000 for the year ended 31 December 2024, and as at the same date, the Group's current liabilities exceeded its current assets by approximately RMB20,412,000 and its total liabilities exceeded its total assets by approximately RMB5,516,000.

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

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

(b) The Group has approximately RMB21,545,000 of other borrowings which are repayable on demand or within one year and approximately RMB12,472,000 of relevant interest payables and extension fee payables included in other payables and accruals as at 31 December 2024, in which approximately RMB18,369,000 of other borrowings and approximately RMB11,547,000 of relevant interest payables and extension fee payables, totaling approximately RMB29,916,000 are owed to a shareholder of the Company ("**Shareholder B**"). Taking into account that most of these debts are owed to Shareholder B, and Shareholder B had agreed to engage in negotiations for debt restructuring including, but not limited to, loan capitalisation, the directors of the Company believe that Shareholder B will not exercise its discretionary rights to demand immediate repayment of such debts. The directors of the Company are in the opinion that Shareholder B is willing to accept the debt restructuring proposed by the Group;

(c) Pursuant to the debts mentioned in (b), the remaining other borrowing of approximately RMB3,176,000 and relevant interest payables and extension fee payables included in other payables and accruals of approximately RMB925,000 as at 31 December 2024, totaling to approximately RMB4,101,000 are owed to two independent lenders. Taking into account that these lenders had agreed to engage in negotiations for debt restructuring including, but not limited to, loan capitalisation, the directors of the Company believe that these lenders will not exercise its discretionary rights to demand immediate repayment of such debts upon the maturity date. The directors of the Company are in the opinion that the lenders are willing to accept the debt restructuring proposed by the Group;

(d) The Group proposed to dispose of an indirectly wholly-owned subsidiary subsequent to the reporting date, where the directors of the Company believe that the proposed disposal will strengthen the cash flow of the Group and allow the Group to improve its liquidity since the net proceeds from the proposed disposal will be used as the Group's general working capital, details of which are set out in the Company's announcement dated 20 February 2025;

(e) The directors of the Company will strengthen and implement measures aimed at improving the working capital and cash flow of the Group, including closely monitoring the general administrative expenses and operating costs; and

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

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

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue from contracts with customers

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

(i) Disaggregation of revenue

Revenue of the Group are all from contracts with customers within the scope of IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**"). The amount of each significant category of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Marketing and promotional services	**50,120**	26,691
Sale of goods	**6,319**	30,753
	56,439	57,444

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

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

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

(b) Segment information

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

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

(i) Marketing and promotional services; and

(ii) Sale of goods

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

	For the year ended 31 December 2024		
	Marketing and promotional services	**Sales of goods**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Disaggregated by timing of revenue recognition			
Over time	**50,120**	**–**	**50,120**
Point in time	**–**	**6,319**	**6,319**
Segment revenue	**50,120**	**6,319**	**56,439**
Segment results	**15,576**	**27**	**15,603**

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

	2024	2023
	RMB'000	*RMB'000*
Segment results	**15,603**	2,501
Unallocated		
Other income, gains and losses	**10,532**	1,979
Selling and distribution expenses	**(4,987)**	(13,744)
Administrative expenses	**(12,443)**	(13,893)
Research and development costs	**(3,293)**	(8,615)
Impairment loss on financial and contract assets, net	**(2,646)**	(1,905)
Fair value changes of financial assets at FVTPL	**(3,141)**	(9,629)
Gain on reclassification of financial assets from amortised cost to FVTPL	**680**	**–**
Loss on extinguishment of financial liabilities by issue of shares	**–**	(347)
Finance costs	**(5,586)**	(4,798)
Loss before tax	**(5,281)**	(48,451)

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

Segment assets and liabilities

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

Geographical information

The Group's operations are principally located in Hong Kong and the PRC. The following table provides an analysis of the Group's revenue from external customers by geographical region in which the operations are located:

	Marketing and promotional services		**Sales of goods**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Geographical region:						
— Hong Kong	**14,588**	4,556	**–**	–	**14,588**	4,556
— PRC	**35,532**	22,135	**6,319**	30,753	**41,851**	52,888
	50,120	26,691	**6,319**	30,753	**56,439**	57,444

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**18**	600
PRC	**14,453**	375
	14,471	975

Information about major customers

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

	2024	2023
	RMB'000	*RMB'000*
Customer A[1]	**N/A***	11,999
Customer B[2]	**–**	15,238
Customer C[1]	**11,555**	–
Customer D[1]	**10,896**	–

1 Revenue from marketing and promotional services.

2 Revenue from sale of goods.

* Less than 10% of the Group's revenue in the respective years.

5 OTHER INCOME, GAINS AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**48**	14
Other interest income	**940**	1,310
Government grants *(note)*	**880**	456
Foreign exchange loss, net	**–**	(41)
Loss on disposal of property, plant and equipment	**–**	(54)
Loss on write-off of property, plant and equipment	**(18)**	(76)
Gain on disposal of a subsidiary *(note 19(a))*	**4,858**	–
Gain on deemed disposal of subsidiaries *(note 19(b))*	**3,192**	–
Sundry income	**632**	370
	10,532	1,979

Note:

During the years ended 31 December 2024 and 2023, the government grants were received from the government of the PRC mainly for rental subsidies and to encourage the Group's efforts on development and innovation, respectively. There are no unfulfilled conditions or contingencies relating to the grants.

6 LOSS BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**6,292**	30,412
Cost of services provided	**34,544**	24,531
Depreciation of property, plant and equipment	**39**	50
Depreciation of right-of-use assets	**1,291**	1,541
Research and development costs:		
Current year expenditure	**3,293**	8,615
Auditor's remuneration	**1,000**	1,480
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**5,375**	10,417
Share-based payments expenses	**661**	–
Pension scheme contributions (defined contribution scheme)	**685**	1,042
Impairment loss (reversal of impairment loss) on financial and contract assets, net:		
— Trade receivables	**(98)**	119
— Contract assets	**(13)**	317
— Financial assets included in prepayments, deposits and other receivables	**2,757**	1,469
Fair value changes of financial assets at FVTPL	**3,141**	9,629
Foreign exchange loss, net	**–**	41

7 FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Effective interest on convertible notes	**–**	475
Interest on bank loans	**248**	604
Interest on other borrowings	**5,256**	3,657
Interest on lease liabilities	**82**	62
	5,586	4,798

8 INCOME TAX CREDIT

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

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

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the years ended 31 December 2024 and 2023.

Under the relevant income tax law, the subsidiaries in the PRC are subject to income tax at a statutory rate of 25% on their respective taxable income.

The income tax credit of the Group is analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
Over-provision in respect of prior years		
— PRC Enterprise income tax	**–**	(270)

9 DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the years ended 31 December 2024 and 2023.

10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(5,281)**	(48,181)

	Number of shares	
	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares	**324,098**	244,100

There were no potential ordinary shares in issue during the years ended 31 December 2024 and 2023 and therefore the diluted loss per share is same as the basic loss per share.

11 OTHER FINANCIAL ASSETS

	Notes	2024 RMB'000	2023 RMB'000
Financial assets designated at FVTOCI			
— Unlisted equity securities	*(i)*	**844**	40,300
Financial assets at FVTPL			
— Unlisted equity securities	*(ii)*	**5,671**	5,549
— Convertible loan to a third party	*(iii)*	**–**	3,827
		6,515	49,676
Analysed into:			
— Non-current portion		**844**	44,127
— Current portion		**5,671**	5,549
		6,515	49,676

Notes:

(i) As at 31 December 2024 and 2023, certain equity securities as shown in following table were designated as financial assets at FVTOCI. These equity securities are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

	2024 RMB'000	2023 RMB'000
Nanjing Jufeng Engine Information Technology Company Limited*	**240**	10,684
Nanjing Xianju Information Technology Co., Ltd.*	**–**	4,424
Guangzhou Baxianguohai Information Technology Co., Ltd.*	**–**	4,143
Nanjing Liqi Information Technology Co., Ltd.*	**180**	1,676
Nanjing Baicheng Medical Technology Company Limited*	**115**	1,014
Others	**309**	18,359
	844	40,300

At the end of the reporting period, no dividends were received on these equity securities (2023: Nil).

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

(ii) The financial asset at FVTPL represents the unlisted equity securities, which contain put option in which the Group has a right to request investees to repurchase the equity shares in certain situations including investees' failure in meeting specific profits guarantee or developing specific techniques, fundamental change in investees' principal activities and/or investees and original shareholders violated integrity and damaged the investees interest. The put option expired during the year ended 31 December 2024.

	2024	2023
	RMB'000	*RMB'000*
CCLOUD TECH LIMITED	**5,671**	5,549

(iii) As at 31 December 2023, the balance represents loan measured at fair value of approximately RMB3,827,000 made to a private company, namely Beijing Hongwei Technology Company Limited* (北京宏偉科技有限公司) ("**Beijing Hongwei**"). The Group has the option to convert the loans into equity shares of Beijing Hongwei. During the year ended 31 December 2024, the management of the Group decided to forfeit its right to convert the loans into the equity shares of Beijing Hongwei, accordingly, the loan to Beijing Hongwei was reclassified from financial assets at FVTPL to other receivables included in prepayments, deposits and other receivables.

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

12 TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**19,102**	10,133
Less: Impairment allowance	**(59)**	(3,457)
	19,043	6,676

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

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**18,080**	3,444
3 to 6 months	**344**	2,112
6 months to 1 year	**22**	324
1 to 2 years	**597**	796
	19,043	6,676

13 CONTRACT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Contract assets arising from marketing and promotional services	**360**	3,170
Less: Impairment allowance	**(319)**	(856)
	41	2,314

As at 1 January 2023, contract assets amounted to approximately RMB6,678,000.

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

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**41**	2,314

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Advance payments to suppliers		**280**	1,230
Prepayments		**17**	457
Deposits		**467**	1,047
Other receivables	*(i)*	**23,512**	16,630
Loans to employees	*(ii)*	**–**	840
Loans to third parties	*(iii)*	**361**	256
		24,637	20,460
Less: Impairment allowance		**(9,104)**	(1,635)
		15,533	18,825
Analysed into:			
— Non-current portion		**13,551**	232
— Current portion		**1,982**	18,593
		15,533	18,825

Notes:

(i) Included in other receivables of approximately RMB1,085,000 was the other tax receivables as at 31 December 2024.

Included in other receivables of approximately RMB16,048,000 (2023: RMB16,326,000) was a loan receivable, comprised of the outstanding principal of RMB12,000,000 (2023: RMB12,000,000) and its accumulated interest receivables of approximately RMB4,048,000 (2023: RMB4,326,000) due from a third party, namely Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司) ("**Nanjing Qianyu**") , with interest rates at 6.0% per annum and repayable within two years (2023: on demand). Impairment allowance of approximately RMB2,662,000 (2023: RMB1,540,000) was recognised as at 31 December 2024.

During the year ended 31 December 2024, pursuant to the Company's circular dated 26 February 2024 and Company's announcement dated 13 March 2024, the maturity date of loan to Nanjing Qianyu was further extended from 29 December 2023 to 29 December 2026. Accordingly, the loan to Nanjing Qianyu was reclassified from other receivables included in prepayments, deposits and other receivables to financial assets at FVTPL upon the extension of loan is approved by the shareholders at the extraordinary general meeting on 13 March 2024. Gain of approximately RMB680,000 arising from a difference between the carrying amount of the loan receivable and its fair value is recognised in profit or loss. On 31 December 2024, the management of the Group decided to forfeit its right to convert the loans into the equity shares of Nanjing Qianyu, the loan to Nanjin Qianyu was subsequently reclassified from financial assets at FVTPL to other receivables included in prepayments, deposits and other receivables.

Included in other receivables of approximately RMB6,252,000 was a loan receivable, comprised of the outstanding principal of RMB4,000,000 and its accumulated interest receivables of approximately RMB2,252,000 due from Beijing Hongwei as set out in note 11(iii) to this announcement, with interest rate at 8.0% per annum and repayable within one year. The management assessed that such loan receivable is credit-impaired due to the inability of repayment by Beijing Hongwei upon the reclassification date.

(ii) As at 31 December 2024 and 2023, the balances represent the interest-free loans to employees which will be repaid within one to two years. During the year ended 31 December 2024, the principal amount at RMB180,000 due from an employee has been reclassified to "loans to third parties" due to the resignation of such employee.

(iii) Included in loans to third parties was a loan with outstanding amount of approximately RMB181,000 (2023: RMB256,000), which are unsecured, bearing interest rate at 6% per annum and repayable within one to two years.

As mentioned in note (ii) above, included in loans to third parties was a loan to a former employee with an outstanding amount of RMB180,000, which are unsecured, interest-free and repayable on demand.

15 TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**7,523**	5,068
1 to 3 months	**–**	1
Over 3 months	**–**	101
	7,523	5,170

As at 31 December 2024 and 2023, the trade payables are non-interest-bearing and normally settled within 30 days.

16 OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Other payables and accruals *(note)*	**14,216**	9,724
Receipt in advance	**63**	212
Other tax payables	**918**	2,409
Employee related payables	**321**	761
	15,518	13,106

As at 31 December 2024 and 2023, other payables are non-interest-bearing and repayable on demand.

Note:

Included in other payables and accruals were the interest payables and extension fee payables of approximately RMB12,472,000 (2023: RMB7,005,000) as at 31 December 2024.

17 BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Bank loans *(note (i))*	**–**	17,500
Other borrowings *(note (ii))*	**21,545**	20,247
	21,545	37,747

	2024	2023
	RMB'000	*RMB'000*
Carrying amounts repayable:		
Within one year or on demand	**21,545**	37,747

Notes:

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

(ii) The other borrowings are unsecured and repayable within one year or on demand, which carry interest rates ranging from 9% to 26% (2023: interest rates ranging from 23% to 26%) per annum.

18 SHARE CAPITAL

	2024			2023		
	Number of shares		**Equivalent to**	Number of shares		Equivalent to
	'000	***HK$'000***	***RMB'000***	*'000*	*HK$'000*	*RMB'000*
Ordinary shares of HK$0.05 each						
Authorised:						
At 1 January	**2,000,000**	**100,000**		10,000,000	100,000	
Share consolidation *(note (iii))*	**–**	**–**		(8,000,000)	–	
At 31 December	**2,000,000**	**100,000**		2,000,000	100,000	
Issued and fully paid:						
At 1 January	**288,052**	**14,402**	**11,891**	1,025,662	10,257	8,090
Issue of new shares under subscription agreement *(note (i))*	**–**	**–**	**–**	7,317	73	64
Issue of new shares under subscription agreement *(note (ii))*	**–**	**–**	**–**	14,348	143	128
Share consolidation *(note (iii))*	**–**	**–**	**–**	(837,862)	–	–
Issue of new shares under subscription agreement *(note (iv))*	**–**	**–**	**–**	18,347	917	845
Issue of new shares under loan capitalisation agreement *(note (v))*	**–**	**–**	**–**	18,347	917	845
Issue of new shares under subscription agreement *(note (vi))*	**–**	**–**	**–**	41,893	2,095	1,919
Issue of new shares under placing agreement *(note (vii))*	**57,610**	**2,881**	**2,619**	–	–	–
At 31 December	**345,662**	**17,283**	**14,510**	288,052	14,402	11,891

Notes:

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

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

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

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

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

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

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

(vii) On 26 April 2024, the Company and the placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, up to an aggregate of 57,610,390 placing shares at a price of HK$0.0503 per placing shares (the "**Placing**"). The Placing has been completed on 17 May 2024. The net proceeds from the Placing amounted to approximately HK$2.9 million. Details of which are set out in the Company's announcement dated 17 May 2024.

19 DISPOSAL OF SUBSIDIARIES

(a) Disposal of Nanjing Wanhui Information Technology Company Limited ("Nanjing Wanhui")

In March 2024, the Group completed the disposal of its entire interests in Nanjing Wanhui whose assets and liabilities were classified as held for sale as at 31 December 2023 for consideration of RMB19,090,000.

The respective amounts of assets and liabilities of Nanjing Wanhui on the relevant dates of disposal were as follows:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	25,972
Right-of-use assets	5,071
Other receivables	818
Other payables and accruals	(17,629)
Net assets disposed of	14,232
Gain on disposal of a subsidiary:	
Consideration received	19,090
Net assets disposed of	(14,232)
	4,858
Net cash inflow arising on disposal of a subsidiary:	
Cash consideration received	19,090
Less: cash and cash equivalents disposed of	–
	19,090

(b) Deemed disposal of Nanjing Xihui Information Technology Company Limited ("Nanjing Xihui") and Nanjing Xirui Information Technology Company Limited ("Nanjing Xirui")

On 31 December 2024, the Group ceased to have control over Nanjing Xihui and Nanjing Xirui due to the termination of the contractual arrangements and therefore the carrying amount related to the net liabilities of Nanjing Xihui and Nanjing Xirui was deconsolidated from the consolidated financial statements of the Group as of 31 December 2024. Details in relation to the termination of contractual arrangements are set out in the Company's announcement dated 15 November 2024.

The major classes of assets and liabilities relating to Nanjing Xihui and Nanjing Xirui as at 31 December 2024 were set out below:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Prepayments, deposits and other receivables	**111**
Cash and cash equivalents	**67**
Trade payables	**(22)**
Other payables and accruals	**(2,566)**
Tax payables	**(782)**
Net liabilities disposed of	**(3,192)**
Gain on deemed disposal of subsidiaries:	
Consideration received	**–**
Net liabilities disposed of	**3,192**
	3,192
Net cash outflow arising on deemed disposal of subsidiaries:	
Cash consideration received	**–**
Less: cash and cash equivalents disposed of	**(67)**
	(67)

20 EVENTS AFTER THE REPORTING PERIOD

(a) On 20 February 2025, the New WFOE, Nanjing Yilaoyixiao Information Technology Company Limited ("**Nanjing Yilaoyixiao**") and the Registered Shareholders entered into the New WFOE Structured Contracts; and the Existing WFOE entered into the Business and Asset Transfer Agreement with the New WFOE, pursuant to which the business and certain assets of the Existing WFOE have been transferred to the New WFOE. Subsequently, the Existing WFOE, Nanjing Yilaoyixiao and the Registered Shareholders entered into the Termination Agreement to terminate the Existing WFOE Contractual Arrangement. Details of which are set out in the Company's announcement dated 20 February 2025.

(b) On 26 March 2025, the Company proposes to (i) implement the share consolidation on the basis that every eight (8) issued and unissued existing shares of par value of HK$0.05 each be consolidated into one (1) consolidated share of HK$0.4 each; (ii) to implement the capital reduction, immediately following the share consolidation becoming effective, by cancelling the paid up capital to the extent of HK$0.35 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK$0.4 to HK$0.05; and (iii) to implement the share sub-division, immediately following the capital reduction, each of the authorised but unissued consolidated shares of par value of HK$0.4 each be sub-divided into eight (8) new shares of par value of HK$0.05 each. At the date of this announcement, the share consolidation, the capital reduction and the share sub-division have not yet completed, details of which are set out in the Company's announcement dated 26 March 2025.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

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

"OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2024 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 3 to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately RMB5,281,000 for the year ended 31 December 2024, and as at the same date, the Group's current liabilities exceeded its current assets by approximately RMB20,412,000, and its total liabilities exceeded its total assets by approximately RMB5,516,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. The directors, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our audit opinion is not modified in respect of this matter."

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors' dealings in securities of the Company. Having made specific enquiry to all the Directors of the Company, the Directors confirmed that they have complied with Model Code during the year ended 31 December 2024.

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

The Company has established written guidelines on the employees' dealings in the securities of the Company on terms which are no less exacting than the Model Code (the "**Employees Written Guidelines**") to regulate the dealings in the securities of the Company by employees (including the Directors or employees of the subsidiaries or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any non-compliance of the Employees Written Guidelines by the employees during the year ended 31 December 2024.

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

AUDIT COMMITTEE

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

The audit committee of the Company had reviewed the Company's audited annual results for the year ended 31 December 2024, and was of the opinion that the relevant financial statements have been prepared in accordance with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Group, and the selection and appointment of the external auditor. In addition, based on information furnished to the Board and on its own observations, the audit committee of the Company had reviewed the present risk management and internal control systems of the Company and considers that the Group's risk management and internal control systems for the year ended 31 December 2024 was effective and adequate.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

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

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 30 June 2025 (Monday). The notice of the AGM and other relevant documents will be published and despatched to the shareholders of the Company in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 24 June 2025.

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

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

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

Nan Jing, the PRC, 31 March 2025

As at the date of this announcement, the executive directors are Mr. Zhang Lake Mozi and Mr. Cheng Li; the non-executive directors are Ms. Song Yuanyuan and Mr. Zhang Haihua; and the independent non-executive directors are Mr. Manley Poon, Mr. Zhao Zhen and Ms. Nicole Huang Meng Ting.