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China Parenting Network Holdings Limited

中國育兒網絡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1736)

DISCLOSEABLE TRANSACTION DISPOSAL OF ENTIRE EQUITY INTEREST IN INDIRECT WHOLLY OWNED SUBSIDIARIES

THE DISPOSAL

On 1 April 2025, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Equity Interest of the Existing WFOE at the consideration of RMB500,000.

The Equity Interest represents the entire equity interest in the registered capital of the Existing WFOE. In view of the Nanjing Xinchuang Structured Contracts entered into between the Existing WFOE and Nanjing Xinchuang, Nanjing Xinchuang will also in effect be disposed of under the Disposal. Therefore, upon Completion, the Group will cease to have any interests in the Existing WFOE and Nanjing Xinchuang, and the Existing WFOE and Nanjing Xinchuang will cease to be accounted as a subsidiary of the Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 20 February 2025, in relation to, among other things, (1) the New WFOE Structured Contracts, (2) the business and asset transfer agreement entered into by the Existing WFOE and the New WFOE, and (3) the termination agreement to terminate the Existing WFOE Contractual Arrangement.

Since the Existing WFOE, Nanjing YLYX and the registered shareholders of Nanjing YLYX had entered into the termination agreement to terminate the Existing WFOE Contractual Arrangement, on 1 April 2025, the Vendor and the Purchaser entered into the Agreement to dispose of the Equity Interest of the Existing WFOE.

THE DISPOSAL

The principal terms of the Agreement are set out below:

Date: 1 April 2025

Parties: (1) Star Universal Holdings Limited (星際集團有限公司), an indirect wholly owned subsidiary of the Company (as the Vendor)

(2) Ms. Wu Jinfeng (吳金鳳) (as the Purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Subject matter: Vendor has agreed to sell, and the Purchaser has agreed to purchase the Equity Interest of the Existing WFOE. The Equity Interest represents the entire equity interest in the registered capital of the Existing WFOE.

Consideration and payment term: The total consideration for the Disposal is RMB500,000 and was determined by the parties after arm's length negotiations taking into reference the qualifications of the Disposal Group.

The consideration shall be payable in the following manner:

- (i) the first instalment in the sum of RMB200,000 shall be payable to the bank account designated by the Vendor within five days of the signing of the Agreement; and
- (ii) the second instalment in the sum of RMB300,000 shall be payable to the bank account designated by the Vendor after the registration with the State Administration of Foreign Exchange of the PRC.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company. 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, Mobile Application Software and IPTV APPs and (ii) sale of goods in China.

The Vendor

The Vendor is a limited company incorporated in Hong Kong and is principally engaged in investment holding. It is an indirect wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a PRC citizen and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

The Existing WFOE and Nanjing Xinchuang

The Existing WFOE is a company established in the PRC with limited liability. It is principally engaged in technical support and consultancy related services. As at the date of this announcement and immediately before Completion, the Existing WFOE is an indirect wholly-owned subsidiary of the Company.

Nanjing Xinchuang is a company established in the PRC with limited liability. It is principally engaged in the provision of marketing and promotional services and e-commerce business. As at the date of this announcement and immediately before Completion, Nanjing Xinchuang is an indirect wholly-owned subsidiary of the Company.

The audited net liabilities of the Disposal Group was approximately RMB1.6 million as at 31 December 2024, excluding the balances between the Disposal Group and the Group. Set out below is the audited financial information of the Disposal Group for the two years ended 31 December 2024, excluding the transactions between the Disposal Group and the Group:

	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
Turnover	1,762	624
Loss before taxation	27,778	16,463
Loss after taxation	27,778	16,213

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS FROM THE DISPOSAL

In view of the structured contracts entered into between the Existing WFOE and Nanjing Xinchuang dated 12 September 2017 and 31 December 2014 (the “**Nanjing Xinchuang Structured Contracts**”), Nanjing Xinchuang will also in effect be disposed of under the Disposal. Therefore, upon Completion, the Group will cease to have any interests in the Existing WFOE and Nanjing Xinchuang, and the Existing WFOE and Nanjing Xinchuang will cease to be accounted as a subsidiary of the Group.

Subject to final audit, it is expected that the Group will realise a gain on Disposal of approximately RMB3.5 million, which is calculated by reference to the carrying value of the Existing WFOE and Nanjing Xinchuang as at 31 March 2025, excluding the balances between the Disposal Group and the Group. The Company intends to use the proceeds from the Disposal to enhance the working capital of the Group.

REASONS FOR THE DISPOSAL

As stated in the announcement of the Company dated 20 February 2025, the Existing WFOE primarily provides offline product sales and technology development services for the Group’s internal use and to support the Group’s business operation. Upon Completion, the New WFOE will replace the Existing WFOE to provide these services for the Group. Considering the financial performance and after reviewing the business and operation status of the Existing WFOE, the Company considered the Disposal will (i) not affect the business operation of the Group; (ii) strengthen the cash flow of the Group and (iii) allow the Group to improve its liquidity since the net proceeds from the Disposal will be used as the Group’s general working capital. The Directors thus consider that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the equity transfer agreement dated 1 April 2025 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Company”	China Parenting Network Holdings Limited, an exempted company incorporated in the Cayman Islands on 13 October 2014 as with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1736)

“Completion”	the completion of the Disposal
“Disposal”	the disposal of the entire equity interest in the registered capital of the Existing WFOE by the Company
“Disposal Group”	collectively, the Existing WFOE and Nanjing Xinchuang
“Director(s)”	the director(s) of the Company
“Equity Interest”	the entire equity interest in the registered capital of the Existing WFOE
“Existing WFOE”	Xibai (Nanjing) Information Technology Co., Ltd.* (矽柏(南京)信息技術有限公司), a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement and immediately before Completion
“Existing WFOE Contractual Arrangement”	the series of contractual arrangement entered into by, among others, the Existing WFOE, Nanjing YLYX and the Registered Shareholders, as described in the announcement of the Company dated 15 November 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Nanjing Xinchuang”	南京芯創微機電技術有限公司 (Nanjing Xinchuang Micro Machinery and Electric Technology Company Limited*), a limited liability company established in the PRC and is deemed to be an indirect wholly-owned subsidiary of the Company pursuant to the Nanjing Xinchuang Contractual Arrangement
“Nanjing Xinchuang Contractual Arrangement”	the series of contractual arrangement entered into by, among others, the Existing WFOE, Nanjing Xinchuang and the registered shareholders of Nanjing Xinchuang pursuant to the Nanjing Xinchuang Structured Contracts

“Nanjing YLYX”	Nanjing Yilaoyixiao Information Technology Co., Ltd.* (南京怡老怡小信息技術有限公司), a limited liability company established in the PRC and is deemed to be an indirect wholly-owned subsidiary of the Company pursuant to the Existing WFOE Structured Contracts
“New WFOE”	Nanjing Yiran Information Technology Co., Ltd.* (南京怡然信息技術有限公司), a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company
“New WFOE Structured Contracts”	the exclusive business cooperation agreement, the exclusive option agreement, the equity interest pledge agreement and the power of attorneys entered into by and/or among the New WFOE, Nanjing YLYX and the registered shareholders of Nanjing YLYX (as the case may be)
“PRC”	the People’s Republic of China
“Purchaser”	Ms. Wu Jinfeng (吳金鳳)
“Shareholder(s)”	the shareholder(s) of the Company
“Vendor”	Star Universal Holdings Limited (星際集團有限公司), a limited liability company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

* For identification purpose only

On behalf of the Board
China Parenting Network Holdings Limited
Zhang Lake Mozi
Executive Director

Nanjing, the People’s Republic of China, 1 April 2025

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