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newborntown

NEWBORN TOWN INC.

赤子城 科技 有限 公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9911)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2019 ANNUAL REPORT OF THE COMPANY

Reference is made to the annual report (the “**Annual Report**”) of Newborn Town Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 published on the website of both The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 28 April 2020. Terms used herein shall have the same meanings as defined in the Annual Report unless the context requires otherwise.

The board of directors (the “**Board**”) would like to provide further information on the Annual Report regarding the expected timeline for the application of the unutilised proceeds from the global offering of the shares of the Company (the “**Global Offering**”) pursuant to paragraph 11(8) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange. The shares of the Company were listed on the Stock Exchange on 31 December 2019 with net proceeds from the Global Offering amounted to approximately HK\$166.9 million (after deducting professional fees, underwriting commissions and other related listing expenses).

As of 31 December 2019, due to the proximity in time between completion of the initial public offering and the year-end date, the net proceeds had not been utilised by the Group. The Directors are not aware of any material change to the planned use of the proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 17 December 2019 (the “**Prospectus**”).

According to the intended use as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the breakdown of the intended use and amount utilised as at 31 December 2019 were as follows:

	Budget <i>HK\$ million</i> (approximately)	Amount that had been utilised as at 31 December 2019	Remaining balance as at 31 December 2019 <i>HK\$ million</i> (approximately)	Proposed timetable for the use of unutilised net proceeds
To develop, expand and upgrade our Solo X product matrix	68.6	–	68.6	On or before 31 December 2022
To upgrade our Solo Math programmatic advertising platform	57.7	–	57.7	On or before 31 December 2022
To enhance the big data and AI capabilities of our Solo Aware AI engine	28.4	–	28.4	On or before 31 December 2022
To enhance our local service capabilities and build our global information distribution network	6.5	–	6.5	On or before 31 December 2022
To be used for working capital and other general corporate purposes	5.7	–	5.7	On or before 31 December 2022
Total	166.9	–	166.9	On or before 31 December 2022

Note: The remaining proceeds are expected to be utilised during the period from 1 January 2020 to 31 December 2022, and is based on the Directors’ best estimation of the future market conditions and thus subject to change.

The Board confirmed that, save as disclosed in this announcement, the content of the 2019 Annual Report remained correct and unchanged.

By order of the Board
Newborn Town Inc.
LIU Chunhe
Chairman of the Board

Beijing, 28 July 2020

As at the date of this announcement, the executive Directors of the Company are Mr. LIU Chunhe, Mr. LI Ping and Mr. WANG Kui; and the independent non-executive Directors of the Company are Mr. PAN Xiya, Mr. CHI Shujin and Mr. LIU Rong.