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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)

UPDATE ON PROFIT WARNING

This announcement is made by Newborn Town Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 3 August 2020 in relation to the profit warning (the “**Profit Warning Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement unless the context requires otherwise.

As disclosed in the Profit Warning Announcement, the Group is expected to record a net loss of not more than RMB3 million mainly attributable to factors set out in the Profit Warning Announcement. In addition to the reasons as set out in the Profit Warning Announcement, the Board wishes to provide an update to the shareholders of the Company and potential investors that, based on the latest assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, the fair value assessment of the financial assets measured at the fair value through profit or loss that finalised recently and other information currently available to the Board, there is a gain of the financial assets measured at the fair value through profit or loss. As a result, it is expected that the Group will record a net profit and an adjusted net profit for the six months ended 30 June 2020, which are both down by not more than 80% as compared with the corresponding period in 2019 respectively.

The Company is still in the process of finalising the results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, which has not been reviewed by the Company's auditors and is subject to possible adjustments arising from further review. The actual results of the Group for the six months ended 30 June 2020 may be different to the information referred in this announcement. Further details of the Group's financial results and performance will be disclosed in the announcement of interim results of the Group for the six months ended 30 June 2020, which is expected to be published by the end of August 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Beijing, 24 August 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.