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赤子城

newborntown

NEWBORN TOWN INC.

赤子城科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9911)

UNAUDITED OPERATING DATA FOR THE FIRST QUARTER OF 2022

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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the unaudited operating data as of 31 March 2022 are as follows: (i) the number of accumulative downloads of the Group’s social networking business reached 386 million, representing an increase of approximately 12% as compared to 31 December 2021; the average monthly active users of our social networking business amounted to approximately 22.27 million during the first quarter of 2022, representing an increase of approximately 7% as compared to the fourth quarter in 2021; and the social networking business revenue of the Group is expected to reach approximately RMB625 million to RMB650 million in the first quarter of 2022, representing an increase of approximately 65% as compared to the corresponding period in 2021, achieving continued significant growth, which is mainly benefited from the rapid development of social networking apps around the world and the continuous improvement of the content ecology, especially the breakthrough in developed markets such as Europe, the United States, Japan and Korea; (ii) the innovative business revenue of the Group is expected to reach approximately RMB40 million to RMB50 million in the first quarter of 2022, representing a decrease of approximately 70% as compared to the corresponding period in 2021, which is mainly attributable to (1) the impact of the iteration of the Group’s existing traffic monetisation business and (2) the fact that the Group’s niche game business has not yet entered the stage of scale promotion.

The social networking business refers to social networking apps such as Yumy, MICO and YoHo, and the innovative business refers to niche games, casual games and so on. Previously, the Group’s revenue was divided into revenue from value-added service business and revenue from traffic monetisation business, reflecting the revenue from the Group’s social networking business and game business respectively. With the upgrading of the Group’s strategy, the social networking business has become the main business and core revenue source of the Group, and the monetisation method of the game business is no longer limited to traffic monetisation, but also includes value-added services. As the existing revenue division can no longer directly reflect the revenue of each business line, the Group therefore divided its revenue according to two business lines, namely social networking business and innovative business, in order to reflect more accurately the development of each business line.

The Company will continue its in-depth development in the global open social networking sectors, enrich its audio and video social product portfolios, promote global localization operations, and optimize the social and content ecology. The Company will vigorously explore developed markets such as Europe, the United States, Japan and Korea to acquire more high-value users. At the same time, it will further increase the penetration rate in emerging markets such as the Middle East and Southeast Asia to expand the global brand influence of its social products.

The Company will also continue to explore diversified development opportunities in overseas markets, actively deploy innovative businesses such as niche games and metaverse, and further expand the scale of innovative businesses to achieve multi-dimensional growth.

The above-mentioned operating data are unaudited and are based on preliminary internal information of the Group, which may differ from the figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or half-yearly basis due to various uncertainties during the process of collecting such information. As such, the above operating data are preliminary and are provided for investors' reference only. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professionals or financial advisers.

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

Beijing, 19 April 2022

As at the date of this announcement, the executive Directors of the Company are Mr. LIU Chunhe, Mr. LI Ping, Mr. YE Chunjian and Mr. SU Jian; and the independent non-executive Directors of the Company are Mr. GAO Ming, Mr. CHI Shujin and Mr. HUANG Sichen.