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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)

UNAUDITED OPERATING DATA AND UNAUDITED REVENUE INFORMATION 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 for the year ended 31 December 2022 as follows:

- **Social Networking Business:**

- (i) the volume of accumulative downloads of the Group’s social networking business reached 481 million as of 31 December 2022, representing an increase of approximately 5% as compared to 30 September 2022;
- (ii) the revenue from social networking business of the Group is expected to reach approximately RMB2,540 million to RMB2,570 million for the year ended 31 December 2022, representing an increase of approximately 20% as compared to the corresponding period in 2021; and
- (iii) the average monthly active users of the Group’s social networking business amounted to approximately 22.91 million during the year of 2022, representing a year-on-year increase of approximately 20%;

Affected by short-term factors such as the Qatar World Cup, the fourth-quarter revenue from social networking business of the Group fluctuated, but the full-year revenue still maintained rapid growth compared to the same period last year. The Group will continue to increase investment in the Middle East, Southeast Asia and other regions, strengthen the research and development of new social products, and focus on cost reduction and efficiency, to improve the operation efficiency of the business.

- **Innovative Business:**

- (i) the revenue from innovative business of the Group is expected to reach approximately RMB230 million to RMB260 million for the year ended 31 December 2022.

The percentage of decline in the Group's innovative business revenue narrowed compared with the previous quarter due to the smooth progress of the niche games business.

The Group will continue to maintain its leadership in the global social networking industry, leveraging over a decade of global experience to build a sustainable middle platform, empower product research and development, shorten the product development cycle, incubate more products, form a product matrix, broaden the matrix scope and cover broader sectors. The Group will also continue to focus on the leading-edge technology trends and emerging sectors around the world, explore broader development opportunities in the global markets, and scale the innovative businesses such as niche games and the metaverse theme to achieve multidimensional growth.

The above-mentioned operating data is unaudited and is 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, which is preliminary in nature, is 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, 17 January 2023

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.