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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

INSIDE INFORMATION PROFIT ALERT

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 Company’s announcement dated March 8, 2023 (the “**Announcement**”) relating to the profit alert. Except where otherwise stated, all words used in this notice have the same meaning as those adopted by the Announcement.

The Board of Directors hereby provides supplementary information on the profit alert:

- (i) total revenue for the year ended 31 December 2022 is expected to be approximately RMB2,750 million to RMB2,850 million, representing an increase of approximately 17% to 21% as compared to that for the corresponding period of 2021. Such expected increase is primarily a result of social networking business continued to grow;
- (ii) net profit for the year ended 31 December 2022 is expected to be approximately RMB260 million to RMB300 million, representing an increase of approximately 167% to 178% as compared to that for the corresponding period of 2021. Profit attributable to the owners of the Company for the year ended 31 December 2022 is expected to be approximately RMB110 million to RMB150 million, representing an increase of approximately 138% to 152% as compared to that for the corresponding period of 2021. Such expected increase of the net profit and the profit attributable to the owners of the Company is primarily a result of share-based compensation expense of the Company’s holding subsidiary decreased and social networking business increased steadily;
- (iii) the Company’s adjusted EBITDA for the year ended 31 December 2022 will be approximately RMB360 million to RMB400 million, representing an increase of approximately 1% to 12% as compared to that for the corresponding period of 2021. Such expected increase is primarily a result of social networking business continued to grow.

Adjusted EBITDA is defined as operating profit upon adjustment adjusted by share-based compensation expenses, depreciation and amortization.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 December 2022. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group and other information currently available to the Board, which have not been reviewed or audited by the Company's auditors. The actual results of the Group for the year ended 31 December 2022 may be different to the information referred in this announcement. The announcement of annual results of the Group for the year ended 31 December 2022 is expected to be published by the end of March 2023.

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, 10 March 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.