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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 FOR THE FIRST QUARTER OF 2023

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 2023 is as follows:

- **Social Networking Business:**

- (i) The volume of accumulative downloads of the Group’s social networking business reached 509 million for the three months ended 31 March 2023, representing an increase of approximately 6% as compared to 31 December 2022;
- (ii) the average monthly active users of the Group’s social networking business amounted to approximately 22.33 million for the three months ended 31 March 2023, representing an increase of approximately 0.2% as compared to the fourth quarter of 2022; and
- (iii) the revenue from social networking business of the Group is expected to reach approximately RMB580 million to RMB600 million for the three months ended 31 March 2023, representing a decrease of approximately 8.4% to 5.2% as compared to the corresponding period in 2022.

The revenue from the Group’s social networking business slightly declined, which was mainly due to the impact of the Group’s content ecology adjustment. Such adjustment helped the Company achieve an increase in profit margins for its main social business markets and further unleash its profitability; at the same time, it will also be beneficial for the long-term development and continued growth of the Group’s social networking products.

In addition, the Company has actively promoted the integration of its business with BlueCity Holdings Limited. The related business has progressed smoothly and achieved profitability, which will support the further improvement of the Company’s profitability this year.

- **Innovative Business:**

The revenue from innovative business of the Group is expected to reach approximately RMB50 million to RMB70 million for the three months ended 31 March 2023, representing an increase of approximately 11.1% to 55.6% as compared to the corresponding period in 2022.

The Group's innovative business has achieved rapid growth, which was mainly due to the smooth progress of the Group's game and other businesses.

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, 27 April 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.