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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 HALF 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 30 June 2023 is as follows:

- **Social Networking Business:**

- (i) the volume of accumulative downloads of the Group’s social networking business reached 540 million as of 30 June 2023, representing an increase of approximately 6.0% as compared to 31 March 2023;
- (ii) the average monthly active users of the Group’s social networking business amounted to approximately 22.503 million for the second quarter of 2023, representing an increase of approximately 0.8% as compared to the first quarter of 2023; and
- (iii) the revenue from social networking business of the Group is expected to reach approximately RMB1,230 million to RMB1,260 million for the six months ended 30 June 2023, representing a decrease of approximately 2.8% to 0.5% as compared to the corresponding period in 2022.

The decline in revenue from the social networking business of the Group in the first half of the year was mainly due to the impact of the content ecosystem adjustment in the first quarter, with the adjustment having been completed, the revenue from the social networking business of the Group resumed year-on-year growth in the second quarter. The adjustment of the social content ecosystem also helped the Company achieve an increase in its profit margins derived from main social business markets.

- **Innovative Business:**

The revenue from the innovative business of the Group is expected to reach approximately RMB120 million to RMB140 million for the six months ended 30 June 2023, representing an increase of approximately 10.9% to 29.3% as compared to the corresponding period in 2022.

The innovative business of the Group has achieved continuous growth, which was mainly due to the steady promotion and operation of the game business of the Group.

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, 21 July 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.