NEWBORN TOWN INC.

赤子城科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9911)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Newborn Town Inc. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026. The interim results have been reviewed by the Audit Committee, and by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. KPMG's unmodified review report is included in the interim report to be sent to the Shareholders.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

- Revenue from contracts with customers for the six months ended 30 June 2026 amounted to USD606.9 million, representing an increase of 37.0% from USD442.8 million recorded for the six months ended 30 June 2025.
- Gross profit for the six months ended 30 June 2026 amounted to USD351.0 million, representing an increase of 42.1% from USD247.1 million recorded for the six months ended 30 June 2025.
- Profit for the period for the six months ended 30 June 2026 amounted to USD99.7 million, representing an increase of 41.2% from USD70.6 million recorded for the six months ended 30 June 2025.
- Profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 amounted to USD99.3 million, representing an increase of 45.8% from USD68.1 million recorded for the six months ended 30 June 2025.
- Profit attributable to equity shareholders of the Company adjusted for the six months ended 30 June 2026 amounted to USD101.0 million, representing an increase of 18.7% from USD85.1 million recorded for the six months ended 30 June 2025.
- Adjusted EBITDA for the six months ended 30 June 2026 amounted to USD111.1 million, representing an increase of 23.6% from USD89.9 million recorded for the six months ended 30 June 2025.

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
	(unaudited)	*(unaudited)*
		(re-translated)
Revenue from contracts with customers	**606,860**	442,845
Gross profit	**351,013**	247,104
Profit before income tax	**100,033**	70,506
Profit for the period	**99,746**	70,567
Basic earnings per share (expressed in USD per share)	**0.08**	0.05
Diluted earnings per share (expressed in USD per share)	**0.07**	0.05
Operating profit	**88,965**	66,732
Add:		
Share-based compensation expenses(1)(2)	**11,606(2)**	17,116(1)
Depreciation and amortization	**10,543**	6,039
Adjusted EBITDA	**111,114**	89,887

Notes:

(1) In March 2023, March 2024, May 2024, March 2025 and May 2025, the Board approved the respective grants of an aggregate of 2,441,170 RSUs, 4,778,877 RSUs, 659,668 RSUs, 30,316,184 RSUs and 897,415 RSUs to certain employees and management pursuant to the RSU Schemes. In December 2024, the Board approved the grant of RSUs to certain employees and management, including 22,215,102 RSUs as the modification of a share incentive plan adopted by a subsidiary of the Company. Share-based compensation expenses were recognised based on the respective vesting periods of the grants under the RSU Schemes, and amounted to approximately USD16,461,000 for the six months ended 30 June 2025, tantamount to the economic benefits which certain employees and management obtained from the Company. For further details, please refer to the announcements dated 24 March 2023, 22 March 2024, 21 May 2024, 20 March 2025 and 21 May 2025 of the Company.

On 30 August 2021, the Board granted in aggregate 80,000,000 Share Options to 32 eligible persons. The grant comprises performance-based Share Options, which are generally vested within 10 years. Share Options of each grantee are to be vested in four tranches subject to the fulfilment of certain performance targets that are tied to the Company's ability to deliver on certain key indicators. With respect to the foregoing grant, the performance targets and whether and to what extent achieved were determined by the Board. For the aforementioned grants, evaluations were made on 30 June 2025 to assess the likelihood of the performance targets being met. Share-based compensation expenses amounting to approximately USD655,000 were recognised for the six months ended 30 June 2025.

(2) In March 2023, March 2024, May 2024, March 2025, May 2025, March 2026 and June 2026, the Board approved the respective grants of an aggregate of 2,441,170 RSUs, 4,778,877 RSUs, 659,668 RSUs, 30,316,184 RSUs, 897,415 RSUs, 12,747,486 RSUs and 2,181,919 RSUs to certain employees and management pursuant to the RSU Schemes. In December 2024, the Board approved the grant of RSUs to certain employees and management, including 22,215,102 RSUs as the modification of a share incentive plan adopted by a subsidiary of the Company. Share-based compensation expenses were recognised based on the respective vesting periods of the grants under the RSU Schemes, and amounted to approximately USD11,606,000 for the six months ended 30 June 2026, tantamount to the economic benefits which certain employees and management obtained from the Company. For further details, please refer to the announcements dated 24 March 2023, 22 March 2024, 21 May 2024, 20 March 2025, 21 May 2025, 26 March 2026 and 30 June 2026 of the Company.

BUSINESS HIGHLIGHTS

Pan-audience social networking business: SUGO, TopTop, MICO, YoHo

Diverse-audience social networking business: Blued, Finka, HeeSay

Innovative business: Alice's Dream, Playlet, Heer Health

Sustained robust growth in revenue and profit with steady improvement in quality of earnings

Revenue amounted to US$**607** million increased by **37.0**% period-on-period

Profit for the period amounted to US$**100** million increased by **41.2**% period-on-period

Profit attributable to equity shareholders of the Company amounted to US$**99** million increased by **45.8**% period-on-period

Adjusted EBITDA amounted to US$**111** million increased by **23.6**% period-on-period

Continued market leadership of flagship products with globalization 2.0 yielding results across multiple markets

Social networking business

Revenue of SUGO grew by over **60%** period-on-period, while revenue of TopTop increased by approximately **30%** period-on-period
The business scale of core social products in the Middle East and North Africa ("**MENA**") region increased by more than **30%**

Innovative business

Empowered by AI, the launch efficiency of short drama content improved by **60%+**
The commercialization of three new niche games progressed smoothly, gradually demonstrating their potential for large-scale growth

Latin America | Europe | Japan and South Korea | ...

SUGO: SUGO ranked among the **TOP 10** on Top Grossing chart for Social Networking Apps on iOS in multiple countries, including Brazil, Mexico, France, and Germany

TopTop: TopTop ranked among the **Top 10** on Casual Free Games chart on iOS in multiple countries, including Japan, South Korea, and France

Deep integration of AI capabilities with realization of enhanced efficiency across the entire business chain

Application Layer	AI+ Social networking	AI+ Entertainment	AI+Gaming	...
Platform Layer	Intelligent data platform "Siyu"	Intelligent design platform "KIVI"	Intelligent advertising delivery platform "Mofang"（魔方）, "Miaomiao"（妙妙）	
Model Layer	Boomiix · Self-Developed multimodal algorithm model			

Optimizing user experience
Improving operational efficiency for products
Upgrading business decision-making
Enhancing advertising delivery efficiency

AI ecosystem footprints: Aippy、NUSD Pay、Viggle AI......

CHAIRMAN'S STATEMENT

Dear Shareholders:

The first half of 2026 marked a critical phase for the Company to further advance its globalization strategy in depth. During the Reporting Period, the Company's performance maintained robust growth, and a multi-market growth landscape took shape at an accelerated pace. Fuelled by breakthroughs of core products in various new markets, continuous advancement of AI capabilities and steady growth of innovative business, the Company achieved steady improvements in revenue scale, profitability and operational quality, with sustained strengthening of long-term growth momentum.

During the Reporting Period, the Company's total revenue amounted to US$607 million, representing a period-on-period increase of 37.0%; Profit for the period amounted to US$100 million, representing a period-on-period increase of 41.2%; Adjusted EBITDA amounted to US$111 million, representing a period-on-period increase of 23.6%; Profit attributable to equity shareholders of the Company amounted to US$99 million, representing a period-on-period increase of 45.8%, registering substantial growth. Among these, the social networking business maintained robust growth with revenue of US$539 million, representing a period-on-period increase of 36.5%. The innovative business maintained rapid growth, achieving revenue of US$68 million, representing a period-on-period increase of 41.2%.

Such growth was attributable to the continued rollout and in-depth implementation of the "Country Replication + Product Replication" strategy. In the first half of this year, the Company achieved remarkable results in global business expansion. While continuously consolidating competitive barriers in advantageous markets including the MENA and Southeast Asia, the Company also made positive progress to varying degrees in new markets such as Latin America, East Asia, Europe and North America, further expanding global user reach. With comprehensive enhancements in product capabilities, operational capabilities, organisational capabilities and AI capabilities, alongside the continuous refinement of a multi-product and multi-market framework, the Company's systematic advantages have become more prominent, while its competitiveness and influence within the global social entertainment industry keep rising.

During the Reporting Period, AI technology emerged as a key driver to elevate operational quality and efficiency across the Company's businesses. In the first half of the year, the Company's Token consumption surged more than 100 times period-on-period, reflecting deep integration of AI technology across all business links including research and development, operations and marketing. Within social products, AI has been widely deployed in key links such as recommendation matching, social assistance, intelligent operations, creative material design and security risk control, continuously boosting product operational efficiency and optimising user experience. In marketing and user acquisition, the Company built an AI marketing closed-loop covering viral material identification and large-scale production, creative generation, intelligent advertising placement and placement management. In addition, the Company continued to push forward the layout of AI applications and explore more possibilities for integrated development of artificial intelligence and social entertainment.

Furthermore, the Company actively promoted brand operations in key markets. Through a wide range of user and brand initiatives including annual creator galas, in-platform thematic campaigns and offline advertisements, the Company raised the profile of its flagship products and strengthened connections with local markets.

At the beginning of the year, the Company was included in the list of Hong Kong Stock Connect securities, further enhancing share liquidity and broadening access for Chinese mainland investors. Upholding a long-term philosophy, the Company has consistently carried out share repurchases and cancellations. During the Reporting Period, the Company repurchased 10,206,000 Shares at a total consideration in excess of HK$85 million, and cancelled 5,174,000 Shares. The Board believes that Share repurchases and cancellations are conducive to enhancing long-term Shareholder value, and holds full confidence in market prospects and the outlook for the Company's own businesses.

While generating commercial value, the Company actively fulfilled its social responsibilities. In the first half of the year, the Company continued to advance the "TEEN in FOCUS"(赤子少年守護計劃). We donated football training equipment to underprivileged children in markets including Thailand, Mexico and Egypt to support youth development. Meanwhile, the Company donated funds and supplies to orphanages in Indonesia, provided support for children with cancer in Egypt, and partnered with charitable organisations in Turkey to donate funds for critically ill children and vulnerable groups, giving back to local communities through concrete actions.

I hereby present the Company's financial position and operational highlights for the first half of 2026, and summarise the strategies and outlook of the Company for the second half of 2026.

BUSINESS REVIEW

I. Social networking business: Flagship products maintaining leading position with multiple breakthroughs in global footprint

In the first half of this year, the Company's pan-audience social networking business maintained strong growth momentum. Core products gained traction in more countries and regions, product capabilities were continuously enhanced, user scale and revenue scale rose in tandem, the systematic advantages of the "Multi-product + Multi-market" framework became more evident, and overall competitiveness and global influence kept improving.

During the Reporting Period, revenue of companion-based social platform SUGO increased by over 60% period-on-period. Its user scale expanded substantially, core metrics including activity level and payment rate maintained positive trends, and progress in global rollout was encouraging. In Latin America, SUGO consistently ranked among the top ten iOS social apps by revenue in multiple countries. In East Asia, SUGO demonstrated robust commercialisation capacity with standout performance in metrics such as DAU payment rate and new user Day 1 payment rate. In Europe, SUGO repeatedly secured a top ten position on the iOS social app revenue charts in multiple countries. In traditional advantageous markets including the MENA and Southeast Asia, SUGO sustained its leading position, ranking among the top three social apps by revenue in Saudi Arabia and the United Arab Emirates, and climbed into the top three of corresponding rankings in Thailand and Malaysia during the Reporting Period(1).

As a flagship product entrenched in the companion-based social track, SUGO has further validated the replicability of its business model and outstanding product capabilities amid expansion into new markets, evolving into a new-generation mainstream social platform with global attributes.

In the first half of the year, game-oriented social platform TopTop continued to deepen its presence and deliver multiple breakthroughs across high-value markets, with revenue rising by approximately 30% period-on-period. In East Asia, TopTop repeatedly entered the top ten of the iOS casual game free download chart[(2)], achieving substantial user growth and accelerated monetisation of user value. In European markets, TopTop actively nurtured community ecosystems and built market awareness. Meanwhile, TopTop successfully entered the North America market. Tailoring its product and operational strategies to local social norms and demands of segmented user groups, it achieved dual breakthroughs in user scale and revenue scale, paving the way for promising future growth.

With continuous improvements in product and operational sophistication, together with ongoing exploration of global markets, TopTop's distinctive "social + game" product model and high-stickiness UGC community ecosystem are generating increasingly strong "compounding effects". In the long run, TopTop has grown into one of the leading products in the global game-oriented social sector[(3)], and continues to expand into higher-value markets and broaden its user reach.

During the Reporting Period, the Company's live-streaming social networking platform MICO and audio social networking platform YoHo maintained leading positions in their respective niche segments. MICO consistently occupied high rankings on the iOS social app revenue charts in markets including Saudi Arabia, the United Arab Emirates and Thailand. YoHo regularly featured among the top ten iOS social apps by revenue in core MENA markets such as Oman and the United Arab Emirates[(4)]. Both products maintained sound competitiveness in multiple advantageous markets and continued to refine localised operations and content ecosystem development.

In the first half of the year, the Company's diverse-audience social networking business registered steady development. HeeSay, a global social community targeting diverse audience groups, steadily strengthened its influence in Southeast Asia, its core market, consistently ranking among the top ten iOS social apps by revenue in the Philippines and other countries[(5)]. At the start of the year, HeeSay hosted its annual user gala in Thailand and launched the user interview programme He So Glam. Through continuous optimisation of community operations and enrichment of its content ecosystem, its global brand influence kept rising.

II. Innovative business: Breakthrough growth of new businesses and accelerated formation of the second growth curve

In the first half of this year, the Company's innovative business maintained sound growth momentum. Businesses including niche games, short dramas and social e-commerce advanced steadily, positive progress was made in commercialization exploration, and the second growth curve took shape at an accelerated pace.

Among them, the niche games business developed steadily. Flagship games sustained long-term operation and profit generation, contributing stable profits to the Company. Leveraging the continued reuse of mature R&D and operational experience, the game team further enhanced its capability to develop new titles. Three new titles achieved smooth commercialisation during the Reporting Period, with solid performance in metrics such as retention rate and payment conversion rate, gradually demonstrating scaling potential.

In the first half of this year, short drama platform Playlet achieved dual leaps featuring "AI-driven restructuring + global breakthroughs", alongside all-round improvements in user quality, operational efficiency and content mix. On the market front, while retaining its advantages in North America, a four-pillar growth engine covering "Europe + East Asia + Latin America + Southeast Asia" has gradually taken shape. On the content front, AI unlocked production capacity, lifting content launch efficiency by over 60%, facilitating the development of a more efficient content infrastructure and completing the transition of the content supply engine. On the user front, metrics including average viewing duration per user, payment conversion rate and Day 1 retention rate improved simultaneously, with continuous deepening of user consumption and platform stickiness.

During the Reporting Period, the professional barriers of the Company's social e-commerce business in HIV prevention and sexual health services were further consolidated. Heer Health (荷爾健康) collaborated with Tsinghua University to complete China's first real-world research focusing on PrEP users on online platforms, and the research findings were accepted and presented at the 26th IAS (第26界國際艾滋病大會主辦方) Conference. Meanwhile, the Heer Health Online Hospital was included in the "HIV Prevention" mini-programme operated by the National Center for AIDS/STD Control and Prevention（艾防中心）, China CDC（中國疾控中心）, becoming the only online platform in Shandong Province outside the CDC and hospital systems to be featured.

III. Accelerated implementation of AI application, and remarkable results from full-chain empowerment

In recent years, the Company has firmly advanced its AI strategy, fully embraced AI technologies, accelerated in-depth integration of AI with all businesses and improved the layout of AI products. At present, AI has emerged as one of the key forces driving quality improvement, efficiency enhancement and sustained global breakthroughs across the Company's businesses.

On one hand, the Company continues to deeply apply AI capabilities to optimise product experience and lift operational efficiency. Intelligent tools and standardised workflows help boost efficiency across all business procedures. During the Reporting Period, the Company's AI capabilities were deployed on a large scale in key links including product R&D, user matching, operational management, content moderation and marketing placement, providing solid support for high-quality business development.

In terms of marketing placement, Mofang, the intelligent creative production platform, works closely with Miaomiao, the intelligent placement platform, forming a fully AI-powered efficient closed-loop covering viral content identification, material creation, price adjustment and placement management. Taking SUGO as an example, AI-driven placement in selected markets has delivered a more than 25% reduction in CPI, alongside a material improvement in ROI. During the World Cup, the system enabled real-time identification of market shifts and optimisation of placement strategies, bringing continuous improvements in response speed and advertising outcomes.

For product operations, Siyu AI, the Company's self-developed AI intelligent data platform, has continuously upgraded its analytical capabilities, compressing the processing cycle of certain complex analytical tasks from days to minutes. KIVI, the AI intelligent design platform, keeps expanding its design capabilities, further lifting the AI penetration rate for artwork production within products, and markedly improving efficiency in creating virtual gifts and UI interfaces as well as enriching operational activities.

Meanwhile, the Company continues to expand its AI application layout. During the Reporting Period, Aippy, the AI gaming community has achieved rapid growth. To date, it has recorded nearly 4 million global downloads, with DAU surging approximately six-fold since the start of the year, and its user retention metrics rank among the top in the industry. In addition, the Company's scope of AI application scenarios has been further expanded with the layout of the AI Agent payment project NUSD Pay. The Company also continues to invest in the AI industry, having backed projects spanning world models and AI-native game engines, AI interactive games, AI advertising and marketing, further expanding its AI application landscape.

We believe that the transformation brought by AI technology to social entertainment has only just begun, alongside advances in AI technology and evolving user demands. Building on market know-how, user insights and AI capability development, the Company will press ahead with the layout of a global AI social entertainment ecosystem, enabling AI to become an important source for delivering positive emotional value.

STRATEGY AND OUTLOOK

I. Deepening cultivation in the global social entertainment sector, refining product and market layout

In the second half of the year, the social networking business will remain the core driver of the Company's development. The global social entertainment market is still in a phase of rapid expansion with ample market potential. Data released by Research and Markets in January this year shows that the global social media platform market size is projected to grow from approximately US$1.0 trillion in 2025 to US$1.34 trillion in 2026, and reach US$4.42 trillion by 2030[(6)].

Drawing on the development trajectory of China's internet industry, global demand for online entertainment and social interaction continues to rise. There remains substantial room for growth in industry penetration, product formats and commercialisation levels. Particularly in Latin America, MENA, South Asia and selected European markets, the industry is passing through a critical window of rapid development amid continuously escalating user demand for online entertainment and social interaction. Companies equipped with capabilities in product innovation, localised operations and global replication will continue to encounter abundant growth opportunities across numerous markets.

Accordingly, the Company will continue to build on its flagship products to accelerate layout in high-potential markets including Latin America, East Asia, Europe and North America, and replicate core products such as SUGO and TopTop together with operational experience across more countries and regions. Meanwhile, the Company will further deepen its presence in advantageous markets such as MENA and Southeast Asia, consolidate the competitive advantages of its product portfolio across various niche segments, and further unlock user value and commercial potential.

Tailoring offerings to user demands in different markets, we will continuously upgrade our products and deepen the application of AI in user understanding, social matching, content moderation, marketing placement and other links, accelerating the development of a social entertainment product matrix delivering superior user experience and higher operational efficiency. For markets where encouraging progress has been achieved, the Company will strengthen local teams and optimise allocation of operational resources. For markets still under exploration, we will steadily build market insights and nurture local ecosystems. By providing social connections that genuinely meet user needs and high-quality content favoured by users, the Company will gradually expand user scale and market coverage.

II. Steadily advancing innovative business, cultivating diversified growth drivers

In the second half of the year, the Company will continue to regard innovative business as a key pillar for diversified growth and further consolidate the second growth curve. Centring on two major threads – the globalisation strategy and AI capability building, we will push ahead with coordinated development of innovative business including niche games, short dramas, social e-commerce and AI applications. The Company will seize development opportunities in global social entertainment and artificial intelligence applications and continuously extend its business boundaries.

The niche games business will continue to advance product development and long-term operations focusing on the merge games casual track, and optimise product design and commercialisation mechanisms targeting high-value markets including Europe, the United States, Japan and South Korea. For products that have entered the profit recovery cycle, we will keep enriching gameplay and content to boost user stickiness and deepen monetisation, sustaining steady profit contributions. Meanwhile, by leveraging existing R&D and operational experience, the Company will steadily advance new title development and market validation to expand its game product pipeline.

For the short drama business, the Company will adhere to the dual-driven strategy of global layout and AI empowerment to unlock the potential of "AI + content". In terms of global layout, the Company will continuously diversify content themes tailored to characteristics of different markets, strengthen capabilities in premium content production, distribution and operation, and expand business coverage to more language groups and regional markets. On content production, the Company will accelerate the in-depth application of AI technology in script writing, visual production, advertising placement and other links, continuously boost content output, expand the supply of high-quality content and raise efficiency in content production and commercialisation. The Company will also strengthen cooperation with global content platforms to bring more premium works to international markets and gradually scale up the short drama business and enhance its global influence.

In addition, the social e-commerce business will continue to focus on HIV prevention and sexual health services. The Company will constantly refine its product and service system, enhance professional service capabilities, actively fulfil corporate social responsibilities and further consolidate its industry influence.

III. Deepening AI technology application, driving application innovation and operational efficiency gains

Artificial intelligence technology continues to evolve rapidly, with continuous improvements in model capabilities, application efficiency and industrial penetration, bringing new shifts to the R&D, operation and commercialisation of internet products. We believe that AI can not only lift the operational efficiency of existing businesses, but also spawn new product forms and user experiences, and even reshape people's social entertainment lifestyles.

On one hand, the Company will continue to increase investment in in-house AI capabilities and deepen AI deployment across core business workflows. Drawing on continuously accumulated data, algorithms and operational experience, the Company will enable AI to deliver greater value in driving business growth and improving operational efficiency.

On the other hand, in the field of AI applications, we will keep focusing on young global users' demands for connection, interaction, creation and emotional value, and explore integrated innovation combining AI with social entertainment. Meanwhile, the Company will continuously monitor innovative technologies and outstanding teams in the AI sector, identify cooperation and investment opportunities aligned with the Company's strategic priorities, improve the layout of AI social entertainment products, and foster new growth drivers.

Looking ahead, the Company will treat AI capability building as a long-term pillar, further consolidate its advantages in global social entertainment business, and deepen coordinated development among AI technologies, multi-product portfolio and global layout. Actively embracing the industrial transformation brought by artificial intelligence, the Company will keep expanding its business boundaries. By connecting global users with higher-quality products and services, it will create more positive emotional value for users worldwide and pursue long-term and sustainable development.

Notes:

(1)(2)(4)(5) https://www.diandian.com
(3) https://sensortower-china.com/zh-CN
(6) https://www.researchandmarkets.com

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

Our revenue from contracts with customers increased by 37.0% for the six months ended 30 June 2026 amounted to USD606.9 million, as compared to USD442.8 million recorded for the six months ended 30 June 2025. The following table sets forth a breakdown of our revenue by segments for the periods indicated:

	Six months ended 30 June				
	2026		2025		
	USD'000 (unaudited)	***% of Total revenue (unaudited)***	*USD'000 (unaudited)* (re-translated)	*% of Total revenue (unaudited)*	*YoY Change*
Social networking business	**538,684**	**88.8**	394,551	89.1	36.5%
Innovative business	**68,176**	**11.2**	48,294	10.9	41.2%
Total	**606,860**	**100.0**	442,845	100.0	37.0%

The revenue from social networking business for the six months ended 30 June 2026 was USD538.7 million, representing an increase of 36.5% from USD394.6 million for the six months ended 30 June 2025, which was primarily attributable to (i) the Group's continuous improvements to enhance product capabilities, improve operational sophistication, and actively promote its global layout and brand operation in key markets, resulting in dual breakthroughs in both user scale and revenue scale; and (ii) the Group's accelerated in-depth integration of AI with its business and full-chain empowerment, driving steady revenue growth.

The revenue from innovative business for the six months ended 30 June 2026 was USD68.2 million, representing an increase of 41.2% from USD48.3 million for the six months ended 30 June 2025, which was mainly attributable to the Group's actively developed short drama business, which, driven by AI, optimised the content structure and unlocked production capacity, with continuous deepening of user consumption and platform stickiness.

COST OF REVENUE

Our cost of revenue for the six months ended 30 June 2026 was USD255.8 million, representing an increase of 30.7% from USD195.7 million for the six months ended 30 June 2025. The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated:

	Six months ended 30 June				
	2026		2025		
	USD'000 (unaudited)	***% of Total revenue (unaudited)***	*USD'000 (unaudited)* (re-translated)	*% of Total revenue (unaudited)*	*YoY Change*
Revenue sharing and commission fees	**169,646**	**28.0**	125,793	28.4	34.9%
Employee benefit expense	**35,630**	**5.9**	24,962	5.6	42.7%
Server capacity expense	**14,629**	**2.4**	8,305	1.9	76.1%
Share-based compensation expenses	**10,131**	**1.7**	15,728	3.6	-35.6%
Depreciation and amortisation	**8,866**	**1.5**	4,358	1.0	103.4%
Cost of inventories	**6,935**	**1.1**	6,781	1.5	2.3%
Technical and other service fee	**5,440**	**0.9**	6,014	1.4	-9.5%
Short-term leases and lease-related expenses	**1,441**	**0.2**	1,352	0.3	6.6%
Travel expense	**1,284**	**0.2**	842	0.2	52.5%
Others	**1,845**	**0.3**	1,606	0.3	14.9%
Total	**255,847**	**42.2**	195,741	44.2	30.7%

The following table sets forth a breakdown of our cost of revenue by segments for the periods indicated:

	Six months ended 30 June				
	2026		2025		
	USD'000 (unaudited)	***% (unaudited)***	*USD'000 (unaudited)* (re-translated)	*% (unaudited)*	*YoY Change*
Social networking business	**230,327**	**90.0**	183,039	93.5	25.8%
Innovative business	**25,520**	**10.0**	12,702	6.5	100.9%
Total	**255,847**	**100.0**	195,741	100.0	30.7%

The cost of revenue for the social networking business for the six months ended 30 June 2026 was USD230.3 million, representing an increase of 25.8% from USD183.0 million for the six months ended 30 June 2025, which was mainly attributable to the increased cost comprising revenue sharing and commission fees incurred by the social networking business, server capacity expense, as well as the increase in employee benefit expenses.

The cost of revenue for the innovative business for the six months ended 30 June 2026 was USD25.5 million, representing an increase of 100.9% from USD12.7 million for the six months ended 30 June 2025, which was mainly due to the corresponding increase in costs resulting from the growth in revenue from the short drama business.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the gross profit and gross profit margin for the periods indicated:

	Six months ended 30 June						
	2026			2025			
	Gross Profit USD'000 (unaudited)	***% (unaudited)***	***Gross Profit margin (unaudited)***	*Gross Profit USD'000 (unaudited)* (re-translated)	*% (unaudited)*	*Gross Profit margin (unaudited)*	*YoY Change in gross profit*
Social networking business	**308,357**	**87.8**	**57.2%**	211,512	85.6	53.6%	45.8%
Innovative business	**42,656**	**12.2**	**62.6%**	35,592	14.4	73.7%	19.8%
Total	**351,013**	**100.0**	**57.8%**	247,104	100.0	55.8%	42.1%

Our gross profit for the six months ended 30 June 2026 was USD351.0 million, representing an increase of 42.1% from USD247.1 million for the six months ended 30 June 2025. The gross profit of the social networking business increased from USD211.5 million for the six months ended 30 June 2025 to USD308.4 million for the six months ended 30 June 2026, which was mainly attributable to the Group's proactive efforts to promote global layout and the remarkable results from AI full-chain empowerment, which led to increases in both revenue and gross profit of our social networking business. The gross profit from innovative business increased from USD35.6 million for the six months ended 30 June 2025 to USD42.7 million for the six months ended 30 June 2026, which was mainly attributable to the steady growth of the Group's actively developed short drama business driven by AI.

Our gross profit margin increased from 55.8% for the six months ended 30 June 2025 to 57.8% for the six months ended 30 June 2026. The gross profit margin of the social networking business increased from 53.6% for the six months ended 30 June 2025 to 57.2% for the six months ended 30 June 2026, which was mainly due to the extensive application of AI capabilities, which helped to boost efficiency across all business procedures, thereby enabling high-quality business development and a sustained improvement in operational efficiency. The gross profit margin of the innovative business decrease from 73.7% for the six months ended 30 June 2025 to 62.6% for the six months ended 30 June 2026, which was mainly due to the increased costs arising from the Group's significant investments in the short drama business.

SELLING AND MARKETING EXPENSES

For the six months ended 30 June 2026, our selling and marketing expenses increased by 64.0% to USD228.6 million as compared to USD139.4 million for the six months ended 30 June 2025, which was primarily attributable to intensified efforts to promote our social networking business.

RESEARCH AND DEVELOPMENT EXPENSES

For the six months ended 30 June 2026, our research and development expenses increased by 33.9% to USD31.2 million from USD23.3 million for the six months ended 30 June 2025, which was primarily attributable to the increase in employee benefit expenses.

GENERAL AND ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2026, our general and administrative expenses increased by 21.8% to USD20.7 million as compared to USD17.0 million for the six months ended 30 June 2025, which is primarily due to the increase in employee benefit expenses.

OPERATING PROFIT

For the six months ended 30 June 2026, our operating profit increased by 33.4% to USD89.0 million as compared to USD66.7 million for the six months ended 30 June 2025, which was mainly attributable to (i) an increase of USD103.9 million in our gross profit; (ii) an increase of USD89.2 million in our selling and marketing expenses; (iii) an increase of USD7.9 million in our research and development expenses; (iv) an increase of USD3.7 million in our general and administrative expenses;(v) an increase of USD10.3 million in other net loss; and (vi) an increase of USD29.9 million in gain on disposal of subsidiaries.

FINANCE INCOME, NET

For the six months ended 30 June 2026, we recorded a net finance income of USD5.4 million as compared to a net finance income of USD3.7 million for the six months ended 30 June 2025. Such change was mainly attributable to the increase in interest income from our bank deposits.

INCOME TAX EXPENSES/(CREDITS)

For the six months ended 30 June 2026, we recorded income tax expenses of USD0.3 million as compared to the income tax credits of USD0.1 million for the six months ended 30 June 2025.

PROFIT FOR THE PERIOD

As a result of the foregoing, our profit for the period increased by 41.2% to USD99.7 million for the six months ended 30 June 2026 as compared to USD70.6 million for the six months ended 30 June 2025.

NON-IFRS MEASURES

To supplement our consolidated statement of comprehensive income, which is presented in accordance with IFRS, we also use adjusted EBITDA and profit attributable to equity shareholders of the Company adjusted as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures help our investors in identifying underlying trends in our business and provide our investors useful information in understanding and evaluating our results of operation by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance, which is the same approach that our management takes when comparing our financial results across accounting periods. We also believe that these non-IFRS measures provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We define adjusted EBITDA as operating profit adjusted by share-based compensation expenses, depreciation and amortization. We define profit attributable to equity shareholders of the Company adjusted as profit attributable to equity shareholders adjusted by share-based compensation expenses and gain on revaluation of equity method investee, which was attributed to equity shareholders of the Company. When assessing our operating and financial performance, you should not consider adjusted EBITDA and profit attributable to equity shareholders of the Company adjusted in isolation from or as a substitute for our financial performance or financial position as reported in accordance with IFRS. The terms adjusted EBITDA and profit attributable to equity shareholders of the Company adjusted are not defined under IFRS, and such terms may not be comparable to other similarly titled measures used by other companies.

The following tables set forth the reconciliation of our non-IFRS financial measure for the periods indicated, to the nearest measures prepared in accordance with IFRS:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
	(unaudited)	*(unaudited)*
		(re-translated)
Operating profit	**88,965**	66,732
Add:		
Share-based compensation expenses[1][2]	**11,606[2]**	17,116[1]
Depreciation and amortization	**10,543**	6,039
Adjusted EBITDA	**111,114**	89,887
Adjusted EBITDA growth	**23.6%**	42.4%

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
	(unaudited)	*(unaudited)*
		(re-translated)
Profit attributable to equity shareholders of the Company	**99,328**	68,110
Add:		
Share-based compensation expenses, which was attributed to equity shareholders of the Company	**11,494**	17,001
Less:		
Gain on revaluation of equity method investee	**9,805**	–
Profit attributable to equity shareholders of the Company adjusted	**101,017**	85,111
Growth rate of adjusted profit attributable to equity shareholders of the Company	**18.7%**	141.8%

Notes:

(1) In March 2023, March 2024, May 2024, March 2025 and May 2025, the Board approved the respective grants of an aggregate of 2,441,170 RSUs, 4,778,877 RSUs, 659,668 RSUs, 30,316,184 RSUs and 897,415 RSUs to certain employees and management pursuant to the RSU Schemes. In December 2024, the Board approved the grant of RSUs to certain employees and management, including 22,215,102 RSUs as the modification of a share incentive plan adopted by a subsidiary of the Company. Share-based compensation expenses were recognised based on the respective vesting periods of the grants under the RSU Schemes, and amounted to approximately USD16,461,000 for the six months ended 30 June 2025, tantamount to the economic benefits which certain employees and management obtained from the Company. For further details, please refer to the announcements dated 24 March 2023, 22 March 2024, 21 May 2024, 20 March 2025 and 21 May 2025 of the Company.

On 30 August 2021, the Board granted in aggregate 80,000,000 Share Options to 32 eligible persons. The grant comprises performance-based Share Options, which are generally vested within 10 years. Share Options of each grantee are to be vested in four tranches subject to the fulfilment of certain performance targets that are tied to the Company's ability to deliver on certain key indicators. With respect to the foregoing grant, the performance targets and whether and to what extent achieved were determined by the Board. For the aforementioned grants, evaluations were made on 30 June 2025 to assess the likelihood of the performance targets being met. Share-based compensation expenses amounting to approximately USD655,000 were recognised for the six months ended 30 June 2025.

(2) In March 2023, March 2024, May 2024, March 2025, May 2025, March 2026 and June 2026, the Board approved the respective grants of an aggregate of 2,441,170 RSUs, 4,778,877 RSUs, 659,668 RSUs, 30,316,184 RSUs, 897,415 RSUs, 12,747,486 RSUs and 2,181,919 RSUs to certain employees and management pursuant to the RSU Schemes. In December 2024, the Board approved the grant of RSUs to certain employees and management, including 22,215,102 RSUs as the modification of a share incentive plan adopted by a subsidiary of the Company. Share-based compensation expenses were recognised based on the respective vesting periods of the grants under the RSU Schemes, and amounted to approximately USD11,606,000 for the six months ended 30 June 2026, tantamount to the economic benefits which certain employees and management obtained from the Company. For further details, please refer to the announcements dated 24 March 2023, 22 March 2024, 21 May 2024, 20 March 2025, 21 May 2025, 26 March 2026 and 30 June 2026 of the Company.

TREASURY POLICY

We had adopted a prudent financial management approach for our treasury policy. The Board closely monitors our Group's liquidity position to ensure that the liquidity structure of our assets and liabilities can meet our funding needs all the time.

CAPITAL STRUCTURE

We continued to maintain a healthy and sound financial position. Our total assets increased from USD625.2 million as at 31 December 2025 to USD729.5 million as at 30 June 2026, while our total liabilities decreased from USD257.8 million as at 31 December 2025 to USD250.7 million as at 30 June 2026. Liabilities-to-assets ratio decreased from 41.2% as at 31 December 2025 to 34.4% as at 30 June 2026.

FINANCIAL RESOURCES AND OPERATING CASH FLOW

We funded our cash requirement principally from capital contribution from Shareholders and cash generated from our operations.

As at 30 June 2026, our cash and cash equivalents were USD409.4 million, as compared to USD363.9 million as at 31 December 2025.

Compared to USD73.5 million recorded for the six months ended 30 June 2025, the cash generated from operations for the six months ended 30 June 2026 increased to USD89.3 million.

We believe that our existing cash and cash equivalents and anticipated cash flow from operations are sufficient to fund our operating activities, capital expenditures and other obligations for at least the next 12 months.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

To preserve funds for future capital expenditure and new business opportunities, we continue to invest surplus cash in commercial bank wealth management products and funds issued by major and reputable financial institutions, which generate relatively low risk income for us. We recognise such investments as financial assets measured at fair value through profit or loss of current portion and manage such investments in accordance with our internal policies as disclosed in the Prospectus. As at 30 June 2026, the fair value of such investments increased to USD39.4 million, compared to USD23.7 million as at 31 December 2025. Such increase was primarily attributable to the increase in purchase of wealth management products.

CAPITAL EXPENDITURE

For the six months ended 30 June 2026, our capital expenditure primarily consisted of expenditures on property and equipment as well as intangible assets, including purchases of computers, other office equipment, etc. The capital expenditures for the six months ended 30 June 2026 were USD3.0 million, representing an increase of USD2.3 million from USD0.7 million for the six months ended 30 June 2025.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investments as at 30 June 2026.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

We did not have any other material investment, acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

PLEDGE OF ASSETS

As at 30 June 2026, we did not pledge any of our assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

We intend to pursue strategic investment or acquire businesses with an expectation to creating synergies with our own business. We aim to target companies that have competitive strengths in technology, data and other areas or participants in the upstream and downstream industries. We also intend to use the cash generated from our operating activities to fund such investment or acquisition.

CONTINGENT LIABILITIES

As at 30 June 2026, we did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK MANAGEMENT

We operate our business internationally and our major receipts and payments are denominated in the U.S. dollar. The presentation currency of the Group's interim financial report for the six months ended 30 June 2026 was changed from Renminbi ("**RMB**") to U.S. dollars (the functional currency of each individual Group entity remains unchanged). We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi and the Hong Kong dollar. Therefore, foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our Group's entities. We managed foreign exchange risk by performing regular reviews of our foreign exchange exposures. We did not hedge against any fluctuations in foreign currency for the six months ended 30 June 2026.

OTHER PRINCIPAL RISKS AND UNCERTAINTIES

Our operations and future financial results could be materially and adversely affected by various risks. The following highlights the principal risks the Group is susceptible to and is not meant to be exhaustive:

- We face competition in the rapidly evolving industry and we may not be able to keep continuous R&D and innovation, and may not be able to compete successfully against our existing and future competitors.

- If the mobile internet industry fails to continue to develop, our profitability and prospects may be materially and adversely affected.

- Any failure to retain existing advertisers and media publishers or to attract new advertisers and media publishers may negatively impact our revenue and business.

- We may be held liable for information or content displayed on, distributed by or linked from our mobile apps and may suffer a loss of users and damage to our reputation.

- Misappropriation or misuse of privacy information and failure to comply with laws and regulations on data protection, including the General Data Protection Regulation, could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in users and customers, or otherwise harm our business.

- If we fail to prevent security breaches, cyber-attacks or other unauthorized access to our systems or our users' data, we may be exposed to significant consequences, including legal and financial exposure and loss of users, and our reputation.

EVENTS AFTER THE REPORTING PERIOD

The Group has no material events after the Reporting Period which are required to be disclosed.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2026, the Company repurchased an aggregate of 10,206,000 Shares on the Stock Exchange at a total consideration of HK$85,126,040 (including 202,000 repurchased Shares held as treasury shares). The Directors consider that the Share repurchase during the Reporting Period were based on the Board's confidence in the Group's business prospects and long-term development, and believe that, under appropriate circumstances, it may benefit Shareholders by, amongst other things, enhancing Shareholder value and potentially increasing the net asset per share and/or earnings per share. The details of repurchased shares are as follows:

Month of repurchase	Number of Shares repurchased	Repurchase price per share		Aggregate price paid (approx.)
		Highest price	Lowest price	
		(HKD)	*(HKD)*	*(HKD)*
April 2026	830,000	10.06	9.14	7,896,000
May 2026	4,344,000	9.86	7.70	37,428,980
June 2026	5,032,000	8.90	6.94	39,801,060
Total	10,206,000	/	/	85,126,040

Note: The 202,000 ordinary shares repurchased by the Company on 27 April 2026 were held as treasury shares following the repurchase and were cancelled on 4 June 2026, whilst all other repurchased shares during the Reporting Period were shares repurchased pending cancellation.

As of 30 June 2026, the Company held 5,032,000 Shares which had not yet been cancelled and the Company did not hold any treasury shares. As of the date of this announcement, all 10,206,000 Shares repurchased during the Reporting Period (including 202,000 repurchased shares held as treasury shares) have been cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares) during the Reporting Period. As of the date of this announcement, the Company did not hold any treasury shares.

SHARE PURCHASE PURSUANT TO RSU AWARD SCHEME

During the Reporting Period, the Company did not purchase any Shares pursuant to RSU Award Scheme.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, we had a total of 2,002 full-time employees, mainly based in Beijing, Shenzhen, Jinan, Chengdu, Guangzhou and Hong Kong. Among all employees, 1,161 of them are in R&D department, representing 57.99% of the total full-time employees. The number of employees employed by the Group varies from time to time depending on needs, and employees are remunerated with reference to market conditions and individual employees' performance, qualification and experience. The total employee benefit expenses of the Group during the Reporting Period were USD90,190,000.

With a view to nurturing and retaining talents, the Group has formulated systematic recruitment procedures and offered competitive benefits and training opportunities. The remuneration policy and overall package of the employees are periodically reviewed by the Group. Employees will be rated according to their appraisals, which in turn affect the performance bonus and Share awards.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the Corporate Governance Code and set out its terms of reference in writing. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chi Shujin, Ms. Chen Sichao and Mr. Chen Yuyu. Mr. Chi Shujin is the Chairman of the Audit Committee. The Audit Committee of the Company has reviewed the Group's interim results for the half year ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders.

The Company has adopted the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

The Board of our Company currently comprises four executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the Shareholders accordingly.

The Company has complied with the principles and code provisions as set out in the Corporate Governance Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

INTERIM DIVIDEND

Having taken into account the Group's future business development plans, investment requirements for core products, liquidity reserve arrangements and long-term sustainable development strategy, and in order to ensure the stable operation of the Company and support the smooth progress of various initiatives such as subsequent business expansion and technological research and development, the Board does not recommend that the Company declare any interim dividend for the six months ended 30 June 2026.

There is no arrangement that any Shareholder of the Company has waived or agreed to waive any dividend.

The Company will continue to monitor its operating performance and cash flow position, and, taking into account the progress of its business development, will assess dividend distribution arrangements when appropriate, effectively balancing the Company's long-term development with the legitimate interests of its Shareholders.

PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

This interim results announcement will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.newborntown.com). The interim report of the Company for the six months ended 30 June 2026 will be dispatched to shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in September 2026.

FINANCIAL INFORMATION

INTERIM CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2026-unaudited
(Expressed in United States dollars ("USD"))

		Six months ended 30 June	
		2026	2025
	Note	***USD'000***	*USD'000*
			(Re-translated)
Revenue from contracts with customers	*5*	**606,860**	442,845
Cost of revenue	*6*	**(255,847)**	(195,741)
Gross profit		**351,013**	247,104
Selling and marketing expenses	*6*	**(228,637)**	(139,429)
Research and development expenses	*6*	**(31,223)**	(23,329)
General and administrative expenses	*6*	**(20,729)**	(16,965)
Net impairment losses on financial assets		**(1,208)**	(684)
Other income		**371**	239
Other loss, net		**(10,487)**	(204)
Gain on disposal of subsidiaries	*7*	**29,865**	–
Operating profit		**88,965**	66,732
Finance income		**6,413**	5,266
Finance cost		**(964)**	(1,591)
Finance income, net		**5,449**	3,675
Share of results of associates accounted for using the equity method		**(4,186)**	99
Gain on revaluation of equity method investee	*7*	**9,805**	–
Profit before income tax		**100,033**	70,506
Income tax (expense) /credits	*8*	**(287)**	61
Profit for the period		**99,746**	70,567
Profit attributable to:			
Equity shareholders of the Company		**99,328**	68,110
Non-controlling interests		**418**	2,457
Earnings per share (expressed in USD per share)			
Basic earnings per share	*9*	**0.08**	0.05
Diluted earnings per share	*9*	**0.07**	0.05

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2026-unaudited
(Expressed in USD)

		Six months ended 30 June	
		2026	2025
	Note	***USD'000***	*USD'000*
			(Re-translated)
Profit for the period		**99,746**	70,567
Item that maybe subsequently reclassified to profit or loss			
Currency translation differences arising from translation of subsidiaries' financial statements		**10,766**	1,367
Total comprehensive income for the period		**110,512**	71,934
Total comprehensive income attributable to:			
Equity shareholders of the Company		**109,652**	69,419
Non-controlling interests		**860**	2,515

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2026-unaudited
(Expressed in USD)

	Note	**30 June 2026** *USD'000*	31 December 2025 *USD'000* (Re-translated)
ASSETS			
Non-current assets			
Property and equipment		**16,467**	15,662
Intangible assets		**29,001**	32,758
Goodwill		**66,318**	64,563
Deferred tax assets		**27**	49
Investments accounted for using the equity method		**13,426**	5,815
Financial assets measured at fair value through profit or loss		**14,377**	9,398
Other receivables		**2,763**	4,703
Time deposits		**1,468**	2,845
Total non-current assets		**143,847**	135,793
Current assets			
Inventories		**2,988**	2,407
Accounts receivable	*11*	**64,745**	58,543
Other receivables		**18,005**	25,627
Other current assets		**6,198**	4,535
Financial assets measured at fair value through profit or loss		**39,387**	23,691
Time deposits		**44,728**	9,988
Restricted bank deposits		**186**	647
Cash and cash equivalents		**409,421**	363,937
Total current assets		**585,658**	489,375
Total assets		**729,505**	625,168
LIABILITIES			
Current liabilities			
Accounts payable	*12*	**76,843**	70,164
Contract liabilities		**15,013**	14,273
Income tax payable		**961**	670
Bank overdraft		**16**	20
Lease liabilities		**6,582**	6,182
Other payables		**115,958**	106,068
Total current liabilities		**215,373**	197,377
Net current assets		**370,285**	291,998

INTERIM CONSOLIDATED BALANCE SHEET (CONTINUED)
as at 30 June 2026-unaudited
(Expressed in USD)

	30 June 2026 *USD'000*	31 December 2025 *USD'000* (Re-translated)
Non-current liabilities		
Deferred tax liabilities	**7,113**	7,374
Lease liabilities	**5,930**	6,034
Other non-current liabilities	**22,283**	46,984
Total non-current liabilities	**35,326**	60,392
Total liabilities	**250,699**	257,769
EQUITY		
Equity attributable to equity shareholders of the Company		
Share capital	**140**	141
Shares held for employee share scheme	**(69,567)**	(69,567)
Shares repurchased for cancellation	**(5,078)**	–
Share premium	**199,733**	205,309
Other reserves	**(30,669)**	(52,431)
Retained earnings	**363,723**	264,395
	458,282	347,847
Non-controlling interests	**20,524**	19,552
Total equity	**478,806**	367,399
Total liabilities and equity	**729,505**	625,168

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026-unaudited
(Expressed in USD)

	Attributable to owners of the Company								
	Share capital	Shares held for employee share scheme	Shares repurchased for cancellation	Share premium	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
(Re-translated)									
Balance at 1 January 2025	141	(37,212)	–	203,362	(85,395)	133,930	214,826	15,390	230,216
Profit for the period	–	–	–	–	–	68,110	68,110	2,457	70,567
Other comprehensive income	–	–	–	–	1,309	–	1,309	58	1,367
Total comprehensive income	–	–	–	–	1,309	68,110	69,419	2,515	71,934
Share-based compensation expenses	–	–	–	–	17,001	–	17,001	115	17,116
Purchase of own shares	–	(22,278)	–	–	–	–	(22,278)	–	(22,278)
Exercise of share options	*	–	–	1,463	(536)	–	927	–	927
Balance at 30 June 2025	141	(59,490)	–	204,825	(67,621)	202,040	279,895	18,020	297,915
Balance at 1 January 2026	**141**	**(69,567)**	**-**	**205,309**	**(52,431)**	**264,395**	**347,847**	**19,552**	**367,399**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**99,328**	**99,328**	**418**	**99,746**
Other comprehensive income	**-**	**-**	**-**	**-**	**10,324**	**-**	**10,324**	**442**	**10,766**
Total comprehensive income	**-**	**-**	**-**	**-**	**10,324**	**99,328**	**109,652**	**860**	**110,512**
Purchase of own shares	**-**	**-**	**(10,865)**	**-**	**-**	**-**	**(10,865)**	**-**	**(10,865)**
Cancellation of repurchased shares	**(1)**	**-**	**5,787**	**(5,786)**	**-**	**-**	**-**	**-**	**-**
Share-based compensation expenses	**-**	**-**	**-**	**-**	**11,494**	**-**	**11,494**	**112**	**11,606**
Exercise of share options	*****	**-**	**-**	**210**	**(56)**	**-**	**154**	**-**	**154**
Balance at 30 June 2026	**140**	**(69,567)**	**(5,078)**	**199,733**	**(30,669)**	**363,723**	**458,282**	**20,524**	**478,806**

* *Amount less than USD500.*

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2026-unaudited
(Expressed in USD)

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
		(Re-translated)
Cash flows from operating activities		
Cash generated from operations	**89,332**	73,541
Interest received	**5,839**	5,266
Payment of income tax	**(455)**	(703)
Net cash inflow from operating activities	**94,716**	78,104
Cash flows from investing activities		
Purchase of time deposits	**(62,400)**	(2,794)
Maturity of time deposits	**29,542**	–
Purchase of wealth management products ("**WMP**") measured at fair value through profit or loss	**(98,276)**	(28,658)
Maturity of WMPs measured at fair value through profit or loss	**82,843**	40,912
Payment for investees accounted for using the equity method	**(508)**	–
Payment for investment measured at FVPL	**(6,000)**	–
Disposal of investment measured at FVPL	**1,280**	–
Purchase of property and equipment	**(1,132)**	(747)
Purchase of intangible assets	**(1,889)**	–
Disposal of property and equipment and intangible assets	**8**	1
Amounts paid to subsidiaries of a non-controlling shareholder	**(4,362)**	(9,171)
Loans to other parties	**(100)**	(5,100)
Repayments from a subsidiary of a non-controlling shareholder	**17,632**	3,988
Disposal of subsidiaries	**20,226**	–
Prepayment of consideration for an investment	**(500)**	(6,390)
Net cash outflow from investing activities	**(23,636)**	(7,959)
Cash flows from financing activities		
Repayments of lease liabilities (including interest paid)	**(3,642)**	(2,627)
Purchase of own shares	**(10,358)**	(22,278)
Exercise for options	**154**	927
Dividend paid to non-controlling interests	**(1,502)**	(2,434)
Payment to non-controlling interests	**(7,308)**	(19,514)
Net cash outflow from financing activities	**(22,656)**	(45,926)
Net increase in cash and cash equivalents	**48,424**	24,219
Cash and cash equivalents at beginning of period	**363,917**	284,985
Effects of exchange rate changes on cash and cash equivalents	**(2,936)**	312
Cash and cash equivalents at end of period	**409,405**	309,516
Including:		
Cash and cash equivalents	**409,421**	309,543
Bank overdraft	**(16)**	(27)

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Newborn Town Inc. (the "**Company**") was incorporated in the Cayman Islands on 12 September 2018 as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as the "**Group**") are principally engaged in providing social networking business (mainly through social networking apps such as MICO, SUGO, Blued and TopTop) and innovative business (mainly through advertising service and social e-commerce).

Mr. Liu Chunhe, Mr. Li Ping and Mr. Ye Chunjian are the founders of the Group.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, "Interim financial reporting", issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 25 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.2.

This interim financial report contains interim consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The interim consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

3 CHANGES IN ACCOUNTING POLICIES

3.1 Changes in presentation currency

The Group has changed its presentation currency from Renminbi ("RMB") to United States dollar ("USD") for the preparation of its interim financial report for the six months ended 30 June 2026. Since the Group mainly operates its business overseas and most of the Group's transactions are denominated and settled in USD, the Board of Directors believes it is more appropriate to adopt USD as its presentation currency for the Group's financial statements. The change in presentation currency has been applied retrospectively. The retrospective change of the presentation currency of the Group has had no material effects on the financial positions of the Group as at 31 December 2025 and its financial performance for the period ended 30 June 2025.

3.2 Amended standards adopted by the Group

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial report are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025.

The following amended IFRS Accounting Standards are mandatory for the first time for the Group's financial year beginning on 1 January 2026 and are applicable for the Group:

Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments

The adoption of the above new or amended IFRS Accounting Standards did not have any significant impact on the Group's unaudited condensed consolidated interim financial report.

The Group has not applied any new or amended standard that is not yet effective for the current accounting period. The Group is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

4 SEGMENT INFORMATION

The Group's business activities are regularly reviewed and evaluated by the chief operating decision maker ("**CODM**") and the Group is organised into segments according to the revenue streams of the Group.

The CODM assesses the performance of the operating segments based on the gross profit. The reconciliation of gross profit to profit before income tax is shown in the interim consolidated income statement. There were no separate segment assets and segment liabilities information provide to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

The segment results for six months ended 30 June 2026 and 2025 are as follows:

	Social networking business	**Innovative business**	**Total**
	USD'000	*USD'000*	*USD'000*
Six months ended 30 June 2026			
Revenue	538,684	68,176	606,860
Cost of revenue	(230,327)	(25,520)	(255,847)
Gross profit	**308,357**	**42,656**	**351,013**
Six months ended 30 June 2025 (Re-translated)			
Revenue	394,551	48,294	442,845
Cost of revenue	(183,039)	(12,702)	(195,741)
Gross profit	211,512	35,592	247,104

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
		(Re-translated)
Recognized at a point in time		
Social networking business	519,953	375,545
Innovative business	55,609	48,294
Recognized over time		
Social networking business	18,731	19,006
Innovative business	12,567	–
Total	**606,860**	442,845

6 EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
		(Re-translated)
Promotion and marketing expenses	**217,251**	131,077
Revenue sharing and commission fees	**169,646**	125,793
Employee benefit expenses	**90,190**	65,582
Server capacity expense	**14,629**	8,305
Share-based compensation expenses	**11,606**	17,116
Depreciation and amortisation	**10,543**	6,039
Cost of inventories	**6,935**	6,781
Technical and other service fee	**6,432**	6,629
Short-term leases and lease-related expenses	**2,155**	1,716
Travel expense	**1,918**	1,340
Consultancy and professional service fee	**1,334**	1,452
Others	**3,797**	3,634
Total	**536,436**	375,464

7 GAIN ON DISPOSAL OF SUBSIDIARIES AND REVALUATION OF EQUITY METHOD INVESTEE

In April 2026, the Group entered into a share purchase agreement to transfer 50% equity interest in NADA AI (Cayman) Limited ("**NADA**"), a subsidiary established and wholly owned by the Company, to a subsidiary of a non-controlling shareholder at a consideration of RMB110,000,000 (USD16,074,000). Upon the completion of the transaction, the Group's equity interest in NADA was decreased from 100% to 50%. Pursuant to the revised shareholder agreement, the board of shareholders is the highest authority and relevant activities of NADA shall be approved by more than half of votes of shareholders. And therefore Group has lost control over NADA.

A net gain on disposal of USD31,964,000 was recognised in profit or loss, including a gain on disposal of subsidiary of USD17,337,000 and a gain on revaluation on remaining equity interest of USD14,627,000 and net cash inflow arising from the disposal of a subsidiary was USD13,125,000.

In May 2026, NADA issued ordinary shares to its key management, resulting in a dilution of the Company's interest in NADA from 50% to 35%, and incurred a loss on dilution of USD4,822,000.

In May 2026, the Group transferred 100% equity interest of Ditto Tech Inc. in relation to non-core business to a subsidiary of a non-controlling shareholder at a consideration of RMB50,000,000 (USD7,334,000) and lost control over it, resulting in a net gain of USD12,528,000 and a net cash inflow of USD7,101,000 arising from this disposal.

8 INCOME TAX EXPENSE/(CREDITS)

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
		(Re-translated)
Current tax		
Current tax on profits for the period	**746**	402
Deferred income tax		
Changes in deferred tax assets/liabilities	**(459)**	(463)
Income tax expense/(credits)	**287**	(61)

9 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six months ended 30 June 2026 were calculated by dividing the profit attributable to equity shareholders of the Company of USD99,328,000 (for the six months ended 30 June 2025: USD68,110,000 (re-translated)) by the weighted average number of ordinary shares of 1,256,789,729 (for the six months ended 30 June 2025: 1,267,962,302) in issue during the period.

Purchase and issuance of ordinary shares during the six months ended 30 June 2026 were accounted at time portion basis.

(b) Diluted

For the six months ended 30 June 2026, the Group has considered the impact from the restricted share units ("**RSUs**") and share options issued by the Company. The RSUs and share options issued by the Company had dilutive effects during the period.

For the six months ended 30 June 2026, dilutive earnings per share were calculated by dividing the profit attributable to equity shareholders of the Company of USD99,328,000 (for the six months ended 30 June 2025: USD68,110,000 (re-translated)) by the weighted average number of ordinary shares of 1,350,526,803 (for the six months ended 30 June 2025: 1,305,767,865) to assume conversion of all dilutive potential ordinary shares in issue during the period.

10 DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

11 ACCOUNTS RECEIVABLE

	As at 30 June 2026 *USD'000*	As at 31 December 2025 *USD'000* (Re-translated)
Gross carrying amount	**76,004**	68,525
Less: impairment provision	**(11,259)**	(9,982)
	64,745	58,543

An aging analysis of the net accounts receivable as of the end of the reporting period, based on date of recognition, is as follows:

	As at 30 June 2026 *USD'000*	As at 31 December 2025 *USD'000* (Re-translated)
Up to 6 months	**59,914**	57,333
6 months to 1 year	**4,787**	1,210
1 year to 2 years	**44**	–
	64,745	58,543

12 ACCOUNTS PAYABLE

Aging analysis of the accounts payable as of the end of the reporting period, based on the date of recognition is as follows:

	As at 30 June 2026 *USD'000*	As at 31 December 2025 *USD'000* (Re-translated)
Up to 1 year	**76,338**	69,631
1 year to 2 years	**–**	8
More than 2 years	**505**	525
	76,843	70,164

Accounts payable are usually settled within 1 year.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"AI"	artificial intelligence
"App(s)"	application program(s)
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors
"China" or "PRC"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company", "our Company" or "the Company"	Newborn Town Inc. (赤子城科技有限公司), a company with limited liability incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange
"CPI"	cost per install
"DAU"	daily active user
"Director(s)"	the director(s) of the Company
"EBITDA"	earnings before interest and other finance costs, taxation, depreciation and amortisation
"Group", "our Group" or "the Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	IFRS Accounting Standards as issued from time to time by the International Accounting Standards Board
"Listing Date"	31 December 2019, the date on which the Company was listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Options" or "Share Options"	a right granted to subscribe for the Shares pursuant to the Share Option Scheme

"Prospectus"	the prospectus of the Company dated 17 December 2019
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2026
"ROI"	return on investment
"RMB"	Renminbi, the lawful currency of China
"RSU"	a restricted share unit award granted to a participant under the RSU Schemes
"RSU Schemes"	the employee RSU scheme and the management RSU scheme adopted by the Board on 11 December 2019, together with the RSU Award Scheme adopted on 7 June 2022
"Shares"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001 each
"Shareholder(s)"	the holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme of the Company as adopted by a resolution of the Shareholders on 31 May 2021 and terminated on 22 November 2024 by way of Board resolutions pursuant to the rules of such scheme, and after which, no further Share Options have been offered or granted, but the scheme shall remain in full force and effect in all other aspects
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Token"	the smallest unit of text processed by large language models
"UGC"	user generated content
"U.S." or "the United States"	The United States of America
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"We", "us" or "our"	our Company or our Group, as the context may require
"%"	per cent

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff of the Group for their commitment and contribution during the period. I would also like to express my appreciation to the guidance from the regulators and continued support from our Shareholders and customers.

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

Beijing, 25 August 2026

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. CHI Shujin, Ms. CHEN Sichao and Mr. CHEN Yuyu.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Shareholders and potential investors should therefore not place undue reliance on such statements.