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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)**

## **INSIDE INFORMATION POSITIVE 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).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) hereby informs the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the half year ended 30 June 2023 and other information currently available to the Group, it is expected that:

- (i) the total revenue for the half year ended 30 June 2023 will remain largely stable as compared to that of the corresponding period in 2022, reaching approximately RMB1,350 million to RMB1,400 million, representing slight fluctuations ranging from a decrease of approximately 1.7% to an increase of approximately 1.9% as compared to that of the corresponding period in 2022; and
- (ii) the net profit for the half year ended 30 June 2023 will be approximately RMB280 million to RMB320 million, representing an increase of approximately 81.8% to 107.8% as compared to that of the corresponding period in 2022; profit attributable to the owners of the Company for the half year ended 30 June 2023 will be approximately RMB160 million to RMB200 million, representing an increase of approximately 92.8% to 141.0% as compared to that of the corresponding period in 2022; and the Company’s adjusted EBITDA for the half year ended 30 June 2023 will range from approximately RMB330 million to RMB360 million, representing an increase of approximately 57.1% to 71.4% as compared to that of the corresponding period in 2022. Such expected increase in net profit, the profit attributable to the owners of the Company and the adjusted EBITDA is primarily attributable to the profit growth of the social networking business resulting from the Group’s rapid breakthrough in advantageous markets such as the Middle East and North Africa, as well as attained through the Group’s effective adjustment of the content ecosystem of its social networking products.

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

The Company is still in the process of finalising the consolidated results of the Group for the half year ended 30 June 2023. The information contained in this announcement is only based on the Board's preliminary assessment 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 half year ended 30 June 2023 may be different from the information disclosed in this announcement. The announcement of interim results of the Group for the half year ended 30 June 2023 is expected to be published by the end of August 2023.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Beijing, 11 August 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.*