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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 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 year ended 31 December 2023 and other information currently available to the Group, it is expected that:

- (i) the total revenue of the Group for the year ended 31 December 2023 will be approximately RMB3,270 million to RMB3,410 million, representing an increase of approximately 17% to 22% as compared to that for the corresponding period in 2022. Such expected increase is primarily due to the consolidation of the financial statements of Metaclass Management ELP and the companies held by Metaclass Management ELP into the Group’s consolidated financial statements in the third quarter of 2023, meanwhile, the Group has achieved rapid growth in its newly launched social networking products through optimisation of its operational strategy;
- (ii) the net profit of the Group for the year ended 31 December 2023 will be approximately RMB750 million to RMB810 million, representing an increase of approximately 161% to 182% as compared to that for the corresponding period in 2022. Profit attributable to the owners of the Group for the year ended 31 December 2023 will be approximately RMB500 million to RMB560 million, representing an increase of approximately 285% to 331% as compared to that for the corresponding period in 2022. Such expected increases in the net profit of the Group and the profit attributable to the owners of the Group are primarily due to the Group’s market expansion in the Middle East and North Africa and other regions, the rapid growth of its newly launched social networking products, and the consolidation of the financial statements of Metaclass Management ELP and the companies held by Metaclass Management ELP into the Group’s consolidated financial statements, which contributed roughly RMB160 million to the Group’s profits; and

(iii) the Group's adjusted EBITDA for the year ended 31 December 2023 will be approximately RMB670 million to RMB730 million, representing an increase of approximately 79% to 95% as compared to that for the corresponding period in 2022. Such expected increase is primarily due to the Group's market expansion in the Middle East and North Africa and other regions, and the rapid growth of its newly launched social networking products.

Adjusted EBITDA is defined as operating profit upon adjustment adjusted by share-based compensation expenses, depreciation and amortisation, and the contribution to the Group's profit by consolidating the financial statements of Metaclass Management ELP and the companies held by Metaclass Management ELP into the Group's consolidated financial statements.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 December 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 year ended 31 December 2023 may be different from the information disclosed in this announcement. The announcement of annual results of the Group for the year ended 31 December 2023 is expected to be published by the end of March 2024.

**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, 5 March 2024

*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.*