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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 2024

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 and unaudited revenue information as of 30 June 2024 are as follows:

- **SOCIAL NETWORKING BUSINESS:**

- (i) the volume of accumulative downloads of the Group’s social networking business reached approximately 690 million as of 30 June 2024, representing an increase of approximately 5.9% as compared to that of 31 March 2024;
- (ii) the average monthly active users of the Group’s social networking business amounted to approximately 28.554 million for the second quarter of 2024, representing an increase of approximately 0.02% over the preceding quarter; and
- (iii) the revenue generated from the Group’s social networking business is expected to reach approximately RMB2,055 million to RMB2,085 million for the six months ended 30 June 2024, representing an increase of approximately 65.3% to 67.7% as compared to that of the corresponding period in 2023.

The significant year-on-year growth in revenue from the Group’s social networking business for the first half of 2024 was mainly attributable to the continued rapid growth of the diversified social products launched by the Group, as well as the completion of the Group’s acquisition of Chizicheng Strategy Investment and the commencement of revenue consolidation from BlueCity Holdings Limited and Land of Glory Ltd.’s social networking business in the third quarter of 2023.

- **INNOVATIVE BUSINESS:**

The revenue from the Group's innovative business is expected to reach approximately RMB192 million to RMB212 million for the six months ended 30 June 2024, representing an increase of approximately 46.6% to 61.8% as compared to that of the corresponding period in 2023.

Amongst which, the Group's existing casual game business and traffic diversion business expected to record revenue of approximately RMB133 million to RMB143 million, representing an increase of approximately 1.5% to 9.2% as compared to that of the corresponding period in 2023. In addition, the Company's social e-commerce business which it has been actively investing in and developing, has started to yield progress, with a revenue, of approximately RMB59 million to RMB69 million generated therefrom.

The niche game designed and developed singularly by the Company, with publishing being entrusted to an independent external team, has achieved an amount of recharge of approximately RMB387 million for the six months ended 30 June 2024, representing an increase of approximately 392.5% as compared to that of the corresponding period in 2023. Such increase was mainly attributable to the increase in the scale of the niche game Alice's Dream's amount of recharge. Taking into account factors such as the needs of users in overseas markets, these products are currently issued by an external independent publishing team, and hence, for the time being, the aforementioned are yet to be reflected in the Group's revenue.

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, 25 July 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.