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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)**

## **GRANT OF AWARDS PURSUANT TO THE NBT RSU SCHEME**

This announcement is made by the Company pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

References are made to the announcement dated 22 November 2024 and the circular of the Company dated 25 November 2024 (the “**Circular**”) in relation to, among other things, the proposed adoption of the NBT RSU Scheme, the principal terms of which are summarised and set out in Appendix VII to the Circular. Capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board announces that 25,172,052 Award Shares were granted to 26 grantees (the “**Awards**”), comprising solely of Employee Participants (“**Grantees**”), pursuant to the NBT RSU Scheme adopted by the Shareholders at the extraordinary general meeting of the Company held on 12 December 2024, subject to acceptance by the Grantees. Details of the grant of Awards are as follows:

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|--|--|
| <b>Date of grant:</b>  | 23 December 2024   |
| <b>Grantees:</b>   | 26 Employee Participants   |
| <b>Number of Award Shares:</b>                                 | 25,172,052   |
| <b>Consideration for the Awards:</b>                           | Nil  |
| <b>Closing price of the Award Shares on the date of grant:</b> | HK\$3.85 per Share   |
| <b>Vesting period:</b>   | The Awards shall vest in four tranches in equal portions, first on 23 December 2025, and subsequently on 20 July 2026 (“ <b>Second Vesting Date</b> ”), and thereafter on each of the first and second anniversary of the Second Vesting Date. |

**Performance targets:**

The Awards granted to the Grantees are awarded to them (i) based on their work performance (as assessed by the Group), and their historical and potential contributions, and (ii) for the purpose of retaining and incentivising them to promote the development and long term growth of the Group, and (iii) are subject to clawback mechanisms as detailed herein, and thus no additional performance target is imposed for the vesting of the Awards. In view of the foregoing, the Board and the Remuneration Committee considers the grant of Awards to the Grantees, and the vesting of the Awards in the manner described herein, aligns with the purposes of the NBT RSU Scheme (as disclosed in the Circular).

**Clawback mechanism:**

Upon the occurrence of certain events as specified in the Scheme Rules, the Board may determine that in relation to a Grantee, Awards granted thereto may be clawed back, which such Awards shall lapse accordingly on the date as determined by the Board.

Such events include:

- (a) if the Grantee ceases to be an eligible participant under the NBT RSU Scheme by reason of the termination of his/her employment or engagement with the Group for *Cause* (as defined in the Circular) or on the grounds that (i) he/she has been guilty of fraud or dishonesty or persistent or serious misconduct or commits any wilful disobedience or non-compliance with the terms of such employment or engagement, regardless of whether the Group suffers any loss therefrom, (ii) where the Grantee commits any wilful disobedience or non-compliance with instructions given by any member of the Group or engages in any other conduct that results in significant damage to the reputation or standing of the Group or inflict harm in any way (whether monetary or not) to the Group, (iii) he/she appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has become bankrupt or has made any arrangement or composition with his/her creditors generally, or (iv) where the Grantee has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment summarily;
- (b) if there being a material misstatement in the audited financial statements of the Company that requires a restatement; and
- (c) if any other clawback event so prescribed in the Notice of Grant so occurs.

## Reasons and Benefits of the Awards

The purpose for the grant of Awards are to reward the Grantees for their past contributions and to retain them for the continuous operations and development of the Group. The Board considers that the grant of the Awards serves to align the interests of the Grantees with those of the Company, the Group and its Shareholders through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, thereby motivating the Grantees to work collaboratively with the Group towards its long-term growth, which aligns with the purposes of the NBT RSU Scheme (as disclosed in the Circular).

## Listing Rules Implications

The NBT RSU Scheme constitutes a share scheme funded by issuance of new Shares under Chapter 17 of the Listing Rules. The Stock Exchange has granted the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may fall to be issued and allotted pursuant to all the Awards granted under the NBT RSU Scheme. Shares that shall be transferred to the Grantees upon vesting of the Awards may comprise (as the case may be) (i) new Shares, that rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time, to be issued and allotted to the Trustee and/or (ii) existing Shares in issue to be purchased by the Trustee on-market or off market out of cash contributed by the Company and/or (iii) Shares so transferred to the Trustee to be held on trust for the Grantees and set aside for the Awards.

No Grantees shall fall within any category described in Rule 17.06A(2) of the Listing Rules, namely (a) the Director, chief executive or substantial shareholder of the Company, or an associate of any of them; (b) a participant of whom the total number of options and awards granted and to be granted thereto exceeds the 1% individual limit as prescribed under Rule 17.03D of the Listing Rules; or (c) a Related Entity Participant or Service Provider Participant of whom the total number of options and awards granted and to be granted thereto in any 12-month period exceeds 0.1% of the relevant class of shares in issue.

## Number of Shares Available for Future Grants

Pursuant to Rule 17.03(3) of the Listing Rules, and as disclosed in the Circular, the maximum number of Shares which may be issued in respect of all Awards that may be granted under the NBT RSU Scheme and all options and/or awards involving issue of new Shares that may be granted under any other share schemes of the Company shall be 119,121,600 Shares (“**Scheme Limit**”), representing 10% of the Shares in issue (excluding treasury Shares and Consideration Shares to be issued upon Completion on even date) and approximately 8.44% of the Shares in issue (excluding treasury Shares but including Consideration Shares issued upon Completion on even date) as at the date of this announcement, and the maximum number of Shares which may be issued in respect of all Awards that may be granted to the Service Providers under the NBT RSU Scheme and all options and/or awards involving issue of new Shares that may be granted under any other share schemes of the Company shall be approximately 11,912,160 Shares (“**Scheme Limit**”), representing approximately 1% of the Shares in issue (excluding treasury Shares and Consideration Shares to be issued upon Completion on even date) and approximately 0.84% of the Shares in issue (excluding treasury Shares but including Consideration Shares issued upon Completion on even date) as at the date of this announcement (the “**Service Provider Sublimit**”).

As at the date of this announcement, subsequent to the grant of the Awards, 93,949,548 Shares are available for future grant under the Scheme Limit and 11,912,160 Shares are available for future grant under the Service Provider Sublimit.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

|                           |   |
|---------------------------|---|
| “Award Shares”            | Shares underlying the applicable RSUs provisionally granted to a Grantees pursuant to the Awards  |
| “Board”                   | the board of Directors of the Company   |
| “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  |
| “Directors”               | the directors of the Company  |
| “Employee Participant(s)” | collectively and singly, any employee (whether full-time or part-time), a director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group, and any persons who are granted Awards under the NBT RSU Scheme as an inducement to enter into employment contracts with the Company and/or any member of the Group, in each case until such employee shall cease to be an employee with effect from (and including) the date of termination of his/her employment, and for the avoidance of doubt, a Selected Participant shall not cease to be an Employee Participant in the case of (a) any leave of absence approved by the Company and/or the relevant member of the Group; or (b) transfer or re-designation amongst any member of the Group or any successors thereof |
| “Group”                   | the Company and its subsidiaries  |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “NBT RSU Scheme”          | the restricted share unit scheme of the Company adopted by the Shareholders at the extraordinary general meeting of the Company held on 12 December 2024  |
| “Notice of Grant”         | an offer of Award by way of a grant agreement, letter or any such notice or document in such form as the Board may from time to time determine  |

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| “RSU(s)”                  | restricted share unit(s)   |
| “Scheme Rules”            | rules of the NBT RSU Scheme  |
| “Selected Participant(s)” | collectively and singly, any eligible participants selected by the Board to receive the grant of share awards under the NBT RSU Scheme |
| “Shareholder(s)”          | collectively and singly, the holders of Share(s)   |
| “Share(s)”                | ordinary share(s) in the share capital of the Company with a par value of US\$0.0001 each  |
| “Trustee”                 | TMF Trust (HK) Limited, an independent professional trustee appointed by the Company for the administration of the NBT RSU Scheme      |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |

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

Beijing, 23 December 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.*