

Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated 17 December 2019 (the “**Prospectus**”) issued by Newborn Town Inc. (the “**Company**”).

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This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any securities. This announcement is not a prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Offer Shares.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) or any other jurisdiction where such distribution is prohibited by law. This announcement does not constitute or form a part of any offer to sell or solicitation of any offer to buy or subscribe for securities in Hong Kong, the United States or elsewhere. The securities referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended from time to time (the “**U.S. Securities Act**”) or any state securities laws of the United States and may not be offered or sold in the United States absent registration under the U.S. Securities Act or except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There will be no public offering of securities of the Company in the United States. The Offer Shares may be offered and sold outside the United States to non-U.S. person in offshore transactions in reliance on Regulation S under the U.S. Securities Act.



newborntown

NEWBORN TOWN INC.

赤子城 科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9911)

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILISING ACTIONS AND END OF STABILISATION PERIOD

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus dated 17 December 2019 and the Announcement dated 30 December 2019 has been fully exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on 19 January 2020, in respect of an aggregate of 20,400,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). The Over-allotment Shares will be sold by the Over-allotment Option Grantor, Pixel Perfect Tech Limited, at HK\$1.68 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering, to facilitate the return to the Over-allotment Option Grantor of the borrowed Shares which were used to cover over-allocations in the International Offering.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company announces that the stabilisation period in connection with the Global Offering ended on Sunday, 19 January 2020, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilisation actions undertaken by SBI China Capital Financial Services Limited, the Stabilising Manager, or any of its affiliates or any person acting for it, during the stabilisation period involved:

1. over-allocations of an aggregate of 20,400,000 Shares in the International Offering, representing 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
2. borrowing of an aggregate of 20,400,000 Shares by the Stabilising Manager from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering; and
3. the full exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on 19 January 2020, in respect of an aggregate of 20,400,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price of HK\$1.68 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) to facilitate the return to the Over-allotment Option Grantor of the borrowed Shares, which were used to cover over-allocations under the International Offering.

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus and the allotment results announcement dated 30 December 2019 (the “**Announcement**”) has been fully exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on 19 January 2020, in respect of an aggregate of 20,400,000 Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), to facilitate the return to the Over-allotment Option Grantor of the borrowed Shares which were used to cover over-allocations in the International offering.

Pursuant to the stock borrowing agreement dated 21 December 2019 entered into between the Stabilising Manager and the Over-allotment Option Grantor (the “**Stock Borrowing Agreement**”), the Stabilising Manager has borrowed 20,400,000 Shares from the Over-allotment Option Grantor to cover over-allocations in the International Offering.

The Over-allotment Shares will be sold by the Over-allotment Option Grantor, Pixel Perfect Tech Limited, at HK\$1.68 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Approval of Listing

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange. As the Over-allotment Shares are existing Shares of the Company, dealings in such Shares have commenced on the Stock Exchange at 9:00 a.m. on 31 December 2019.

Shareholding Structure of the Company upon the Full Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the sale of the Over-allotment Shares is as follows:

Shareholders	Immediately before the completion of the sale of the Over-allotment Shares		Immediately after the completion of the sale of the Over-allotment Shares	
	Number of issued Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾	Number of issued Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾
Spriver Tech Limited	233,806,646	23.38%	233,806,646	23.38%
Phoenix Auspicious FinTech Investment L.P.	89,210,948	8.92%	89,210,948	8.92%
Haitong Kaiyuan	73,543,316	7.35%	73,543,316	7.35%
Haitong Xinxi	66,322,516	6.63%	66,322,516	6.63%
Parallel World Limited	73,121,774	7.31%	73,121,774	7.31%
Phoenix Wealth Investment (Holdings) Limited	67,686,042	6.77%	67,686,042	6.77%
Plum Venture	54,133,938	5.41%	54,133,938	5.41%
Future Capital Discovery Fund I, L.P. ⁽³⁾	35,220,568	3.52%	35,220,568	3.52%
Over-allotment Option Grantor ⁽³⁾	54,878,562 ⁽²⁾	5.49%	34,478,562	3.45%
Three D Partners Limited ⁽³⁾	32,540,356	3.25%	32,540,356	3.25%
Bridge Partners Limited	27,795,210	2.78%	27,795,210	2.78%
Gingko Kik Limited	22,864,176	2.29%	22,864,176	2.29%
ICO STORE INC ⁽³⁾	16,753,968	1.68%	16,753,968	1.68%
Hash Global Management Company Ltd. ⁽³⁾	8,756,742	0.88%	8,756,742	0.88%

Shareholders	Immediately before the completion of the sale of the Over-allotment Shares		Immediately after the completion of the sale of the Over-allotment Shares	
	Number of issued Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾	Number of issued Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾
CHUANGQI INTERNATIONAL LIMITED ⁽³⁾	7,220,800	0.72%	7,220,800	0.72%
Universe ⁽³⁾	144,438	0.01%	144,438	0.01%
Other public Shareholders	<u>136,000,000</u>	<u>13.60%</u>	<u>156,400,000</u>	<u>15.64%</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100%</u></u>	<u><u>1,000,000,000</u></u>	<u><u>100%</u></u>

Notes:

- (1) The percentage figures are subject to rounding adjustments.
- (2) Inclusive of the borrowed Shares lent by the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover over-allocations in the International Offering.
- (3) The respective Shares held by Future Capital Discovery Fund I, L.P., the Over-allotment Option Grantor, Three D Partners Limited, ICO STORE INC, Hash Global Management Company Ltd., CHUANGQI INTERNATIONAL LIMITED and Universe are counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

The Company estimates that the Over-allotment Option Grantor will receive the net proceeds of approximately HK\$34.2 million after the sale of the Over-allotment Shares, after deducting the fees, commissions and expenses payable by the Over-allotment Option Grantor in connection with the exercise of the Over-allotment Option. The Company will not receive any of the net proceeds from the sale of the Over-allotment Shares by the Over-allotment Option Grantor.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

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2. borrowing of an aggregate of 20,400,000 Shares by the Stabilising Manager from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering; and
3. the full exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on 19 January 2020, in respect of an aggregate of 20,400,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price of HK\$1.68 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) to facilitate the return to the Over-allotment Option Grantor of the borrowed Shares, which were used to cover over-allocations under the International Offering.

PUBLIC FLOAT

The Directors confirm that immediately following the full exercise of the Over-allotment Option, the Company will continue to comply with the public float requirements under Rule 8.08 of the Listing Rules that at least 25% of the total number of the total issued share capital of the Company must be at all times be held by the public.

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

Hong Kong, 19 January 2020

As at the date of this announcement, the executive Directors of the Company are Mr. LIU Chunhe, Mr. LI Ping and Mr. WANG Kui; and the independent non-executive Directors of the Company are Mr. PAN Xiya, Mr. CHI Shujin and Mr. LIU Rong.