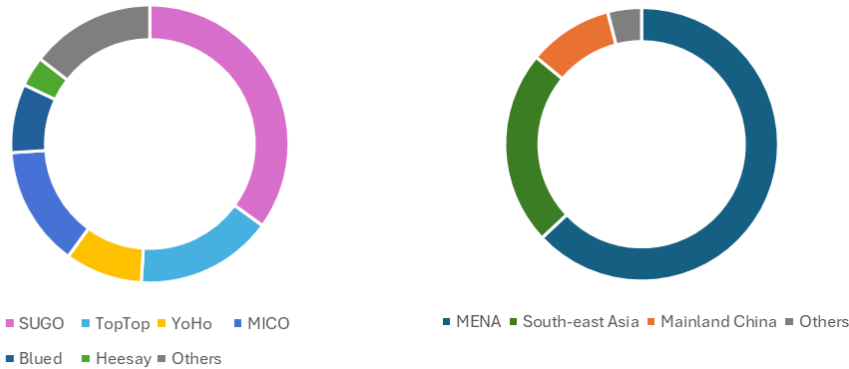


## What's Hot Today:

### ▶ Newborn Town (9911 HK, HK\$8.90, HK\$12.6bn) – Diversified and deep localized products drive growth

Newborn Town is a globally leading China-based internet social entertainment provider with over 60% of its social networking revenue from the Middle East & North Africa (MENA) region. Its flagship products, SUGO (audio-video companion social APP) and TopTop (game social platform) consistently rank in Saudi Arabia's top-3 social and gaming grossing charts, together contributing over half of the social networking segment's revenue.

Fig1: Revenue structure diversification



Source: Company Data, Sunwah Kingsway Research

**Promising MENA market opportunity** – The MENA region offers strong growth prospects for the media market. With a young population (median age 29 vs. 33 globally), MENA has a large and expanding consumer base that is highly receptive to new digital trends. Internet engagement is high, with average daily time spent reaching 7–8 hours, above the global average of 6–7 hours. In the Gulf Cooperation Council (GCC) states, users demonstrate strong willingness to pay for digital services. For online gaming, Saudi Arabia has about 29mn paying gamers, 12% of whom are heavy mobile spenders, with an ARPPU (average revenue per paying user) of USD 205 compared to the global average of USD 45–50. Beyond the GCC, non-GCC MENA countries offer further long-term upside due to their fast developing economies and rising smartphone adoption, as well as large populations (Egypt and Iran alone account for nearly 40% of the MENA population).

China & HK Indices	CLOSE	1D	YTD
HSI	25,893	0.5%	1.0%
HSCEI	8,655	0.5%	-2.9%
HSCCI	4,287	0.7%	6.8%
CSI300	4,636	1.5%	0.1%
Shanghai A	4,180	0.5%	4.9%
Shanghai B	266	0.3%	4.9%
Shenzhen A	2,775	1.5%	4.8%
Shenzhen B	1,195	0.4%	-5.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,916	-0.6%	-0.3%
S&P500	6,816	-0.1%	-0.4%
Nasdaq	22,902	0.4%	-1.5%
Nikkei Index	56,546	-0.7%	12.3%
FTSE Index	10,600	-0.0%	6.7%
CAC Index	8,259	0.2%	1.4%
DA-X Index	23,803	-0.0%	-2.8%

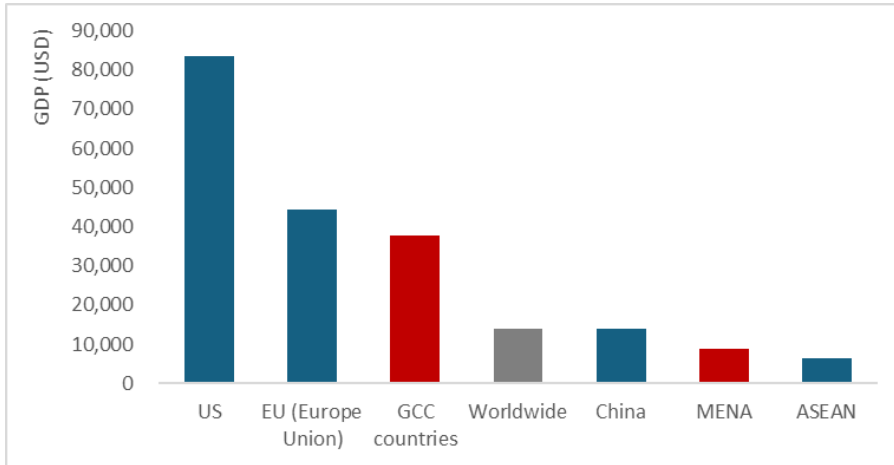
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,749	-0.4%	8.4%
STEEL (US\$/oz.)	2,972	1.3%	16.8%
SILVER (US\$/oz.)	75	0.7%	3.2%
CRUDE OIL (US\$/bbl)	96	-1.3%	82.2%
COPPER (US\$/oz.)	12,845	1.1%	3.4%
ALUMINIUM (US\$/oz.)	3,498	1.3%	16.8%
PLATINUM (US\$/oz.)	2,048	-2.5%	-2.3%
ZINC (US\$/oz.)	3,333	1.2%	6.9%
WHEAT (US\$/bu)	571	-0.6%	14.5%
CORN (US\$/bu)	451	-0.8%	0.2%
SUGAR (US\$/lb)	110	-4.3%	
SOYBEAN (US\$/bu)	1,191	0.9%	11.5%
PVC (US\$/t)	4,992	-3.0%	70.8%
CRB	369	0.2%	3.0%
BDI			17.3%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.831	0.853	159.270	0.789	6.829
HKD	0.128		0.109	20.339	10.079	0.872
EUR	1.172	9.181		186.700	1.081	8.012
JPY	0.006	4.917	0.535		0.496	0.043
CHF	1.268	9.925	1.081	202.014		8.656
RMB	0.146	1.147	0.125	23.324	0.116	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	19	-19.4%

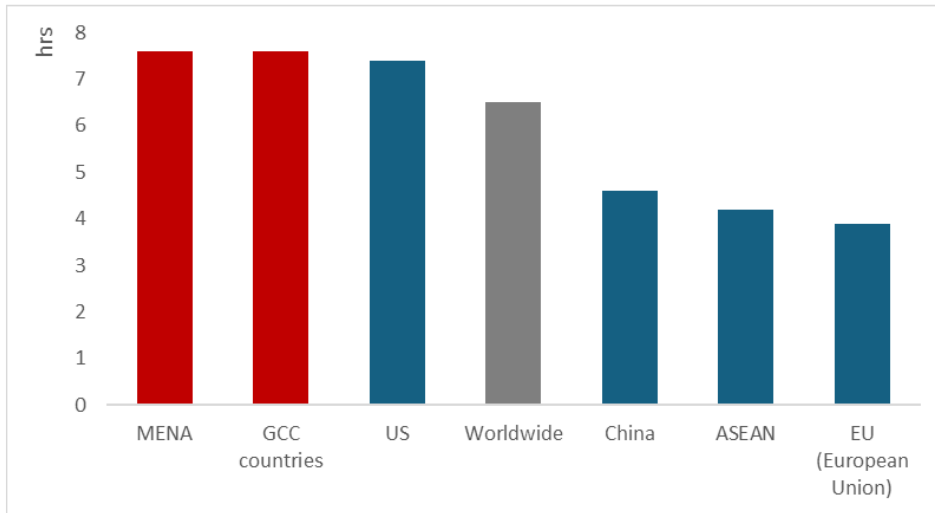
Source: Bloomberg

Fig2: GDP per capita by region



Source: World Bank, Sunwah Kingsway Research

Fig3: Daily Time Spent on Internet by region



Source: Statista, Sunwah Kingsway Research

**High growth potential in other markets** – The company is expanding both geographically and in product diversity. Both SUGO and TopTop are extending beyond MENA into Latin America, Europe, and Japan. In Latin America, SUGO’s monthly revenue surged more than threefold in FY25. On product diversity, Newborn Town launched a new AI product, Aippy, which has received positive feedback in the U.S. and EU markets, and plans to promote it to a broader user base in 2026. In September 2025, the company acquired Playlet, an integrated short-drama company, and intends to release more short-drama content across multiple markets in 2026. The company has also stepped up marketing efforts, as in FY25, sales and marketing expenses accounted for 32.9% of total expenses, up 750bps from 25.4% in the prior period.

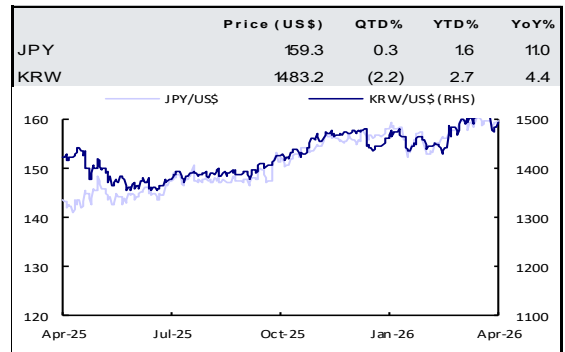
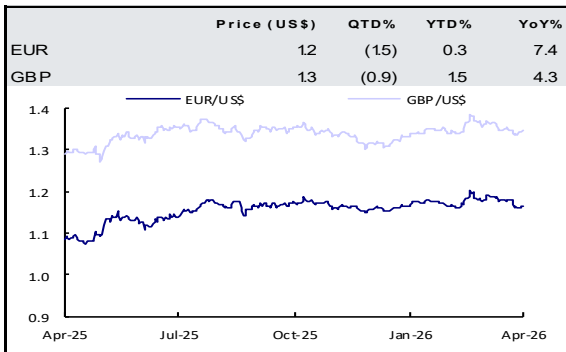
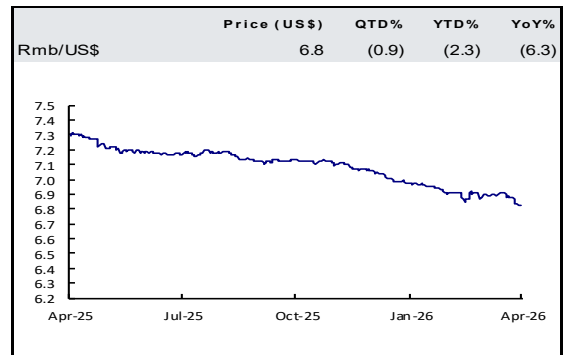
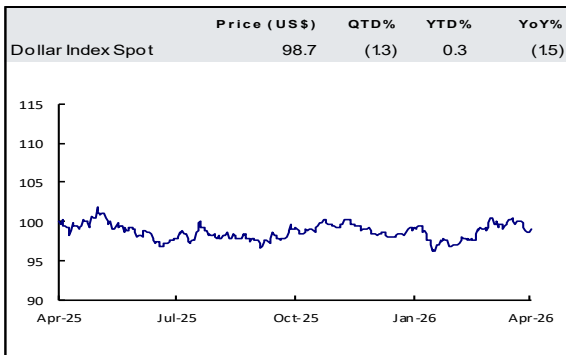
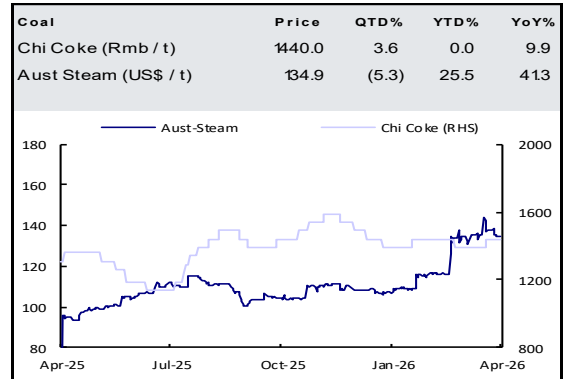
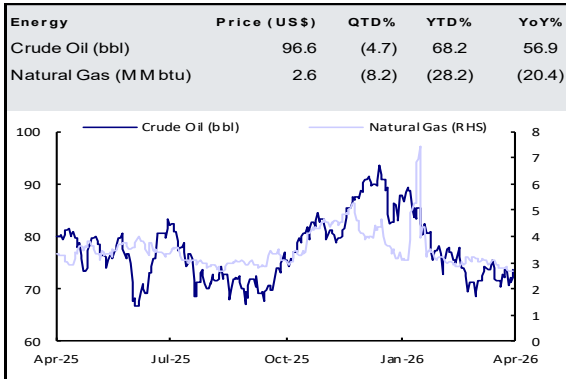
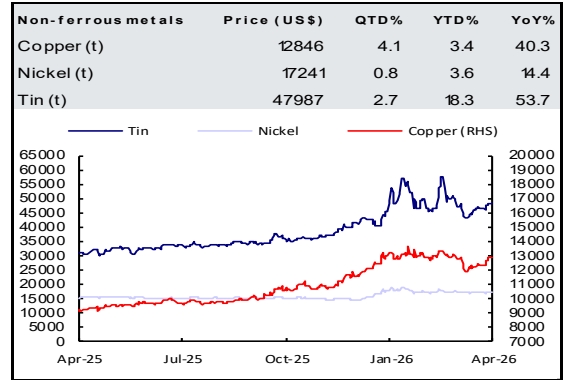
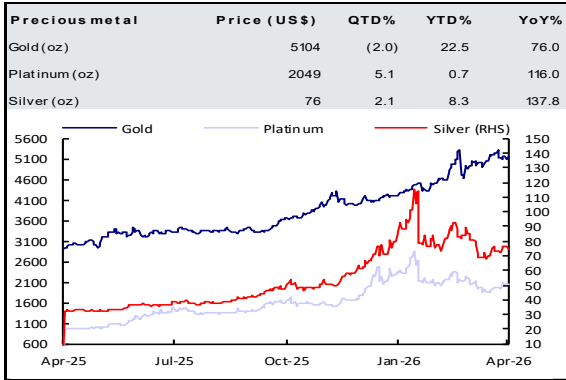
**Robust growth in financials** – In FY25, Newborn Town total revenue grew 35.3% YoY to RMB6.9bn, in line with guidance, while attributable profit surged 94.6% YoY to RMB935mn. Adjusted EBITDA reached RMB1.2bn, up 26.1% YoY. GPM expanded 460bps to 55.8%, driven by AI-driven cost optimization. The company holds a net cash position of RMB2.7b, representing about 20.4% of its current market cap, providing ample cash flow for further marketing and M&A activities.

**Our view:** Newborn Town has established itself as a leading overseas social entertainment company through a diversified product matrix and deep localization. Its flagship apps, SUGO and TopTop have demonstrated steady growth and accelerating global layout, the Mgt expects strong momentum to continue into FY26. The company's success is underpinned by the MENA region's compelling fundamentals with young population, high internet engagement and strong willingness to pay. Meanwhile, non-GCC countries offer long-term upside from their large populations and growing economies.

The company plans to launch 5 to 6 new games in 2026. The turnover of the short drama platform Playlet and the standalone App DramaBite continues to double. The application of AI technology is expected to improve operational efficiency and support business and content development (e.g., for the short-drama platform), as the company's AI token consumption growing more than 30 times YoY in FY25. Additionally, the company announced a RMB30mn share buyback plan, demonstrating confidence in the company's value. Regarding the recent situation in the Middle East, the Mgt expects the impact to be limited.

The counter is currently trading at 8.8x FY26E P/E (vs China internet peers' average of 13.4x). (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Existing Home Sales	MoM		13-Apr-26
PPI	MoM		14-Apr-26
Initial Jobless Claims	WoW		16-Apr-26
Industrial Production	MoM		16-Apr-26
Retail Sales	MoM		21-Apr-26
Durable Goods Orders	MoM		29-Apr-26
Wholesale Inventories	MoM		29-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
Personal Income & Spending	MoM		30-Apr-26
ISM Manufacturing PMI	MoM		1-May-26
Factory Orders	MoM		4-May-26
Trade Balance	MoM		5-May-26
Employment Report	MoM		8-May-26
CPI	MoM		12-May-26
GDP	QoQ		30-Apr-26
Consumer Confidence	MoM		28-Apr-26
New home Sales	MoM		5-May-26
Business Inventories	MoM		21-Apr-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		13-Apr-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26
PMI Manufacturing	MoM		30-Apr-26
Foreign Exchange Reserves	QoQ		7-May-26
PPI	MoM		11-May-26
CPI	MoM		11-May-26

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-Apr-26
Trade Balance	MoM		28-Apr-26
Money Supply - M2	MoM		30-Apr-26
GDP	QoQ		5-May-26
Retail Sales	MoM		6-May-26
PMI	MoM		6-May-26
Foreign Currency Reserve	MoM		7-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

**Kingsway Research Team**

**Analyst**  
**Howard Wong**  
**Alan Li**

**Email**  
[howard.wong@sunwahkingsway.com](mailto:howard.wong@sunwahkingsway.com)  
[alan.li@sunwahkingsway.com](mailto:alan.li@sunwahkingsway.com)

**Phone No.**  
(852) 2283 7307  
(852) 2283 7306



**Disclaimer**

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2026 Kingsway Group. All rights reserved.

**Head Office**

Hong Kong  
Kingsway Financial Services Group Limited  
7/F, Tower One, Lippo Centre,  
89 Queensway, Hong Kong  
Tel: 852-2283-7000  
Fax: 852-2877-2665

**Affiliated & Overseas Offices**

Guangdong  
廣東新華滙富商業保理有限公司  
601-5, Building 3  
130 Jiaoxi Road, Nansha District,  
Guangzhou, 511455, PRC