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**友誼時光**  
F R I E N D T I M E S

**FriendTimes Inc.**

**友誼時光股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6820)**

## **PROFIT WARNING**

This announcement is made by FriendTimes Inc. (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) and the information currently available, the Group is expecting to record revenue of approximately RMB520 million to RMB530 million for the Reporting Period, representing a year-on-year decrease of approximately 14.6% to 16.2%, as well as a quarter-to-quarter increase of approximately 19.4% to 21.6%. During the Reporting Period, the net loss of approximately RMB69 million to RMB79 million was recorded, representing a year-on-year decrease of approximately 14.8% to 2.4%.

The quarter-to-quarter growth in revenue of the Group during the Reporting Period was mainly due to the following reasons:

- (1) The domestic Simplified Chinese version of the game “Twist of the Fate (浮生憶玲瓏)” was launched on 2 January 2024, which was subsequently launched in Hong Kong, Macau, and Taiwan of the PRC, as well as South Korea on March 21 and June 27, respectively; and
- (2) The revenue increment brought by the launch of mini-games, among which the game “Promise of Lingyun (凌雲諾)” delivered a stellar performance, evidenced by its entry into the Top 50 best-selling list of WeChat mini-games.

The net loss of the Group during the Reporting Period was mainly due to the following reasons:

- (1) The normal fall-off in underlying revenue from old games as they proceed with their life cycle; and
- (2) Significant marketing expenses incurred during the launch of new games.

As for new games, the “Ink Sword: Jianghu (墨劍江湖)”, a mobile game which focuses on a poetic quest for martial arts, was officially launched on 19 July 2024, and initiated a crossover collaboration with Mount Emei Scenic Area. Featuring various martial arts genres, the game integrates chivalry, passion, and the mysterious realm of martial arts, aiming to create a world of adventure, retribution, and heroism. The “Ink Sword: Jianghu (墨劍江湖)” quickly entered the Top 50 iOS Best-selling Games in Mainland China after its launch, gaining rapid recognition across major distribution channels. It reached Top 1 on the Vivo and Xiaomi Soaring Lists, Top 2 on the TapTap New Product List, and Top 2 on the Haoyoukuaibao Daily Trending Chart, and received recommendations from the Apple App Store game page and TapTap Today’s Game, with overall performance exceeding expectations.

As for reserve games, the “Culinary Chaos (暴吵萌廚)”, a casual competitive mobile game, secured its game version number in June 2024, and is expected to begin a new round of testing within this quarter. Other mini-games, including “A Story of Lala’s: Rising Star (杜拉拉升職記)”, “Code: Pet Pals (代號：萌寵)” and “Code: Island (代號：海島)”, are currently undergoing testing and promotion, among which “A Story of Lala’s: Rising Star (杜拉拉升職記)” has been successfully included in the Top 100 best-selling list of WeChat mini-games.

Furthermore, in July 2024, the Group officially initiated a crossover collaboration between the Fate IP mobile game series (i.e. the “Twist of the Fate (浮生憶玲瓏)” and “Fate of the Empress (浮生為卿歌)”) and two blockbuster TV dramas (i.e. “Till the End of the Moon (長月燼明)” and “Lost You Forever (長相思)”), with the launch schedules set for July 2 and July 24, respectively.

In view of the abovementioned performance of product operation and reserve games, as well as the fact that the Group will continue to optimize its resources in order to reduce costs, the Board has confidence in the Group’s long-term development and prospects.

The Board wishes to emphasize that the information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Board. Such information has not been audited or reviewed by the auditors and the audit committee of the Company. The above information may be subject to adjustments, if any. Details of the financial results and performance of the Group for the six months ended 30 June 2024 will be disclosed in the interim results announcement of the Group, which is expected to be announced by the end of August 2024.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**FriendTimes Inc.**  
**Jiang Xiaohuang**  
*Chairman and Executive Director*

Hong Kong, 23 July 2024

*As at the date of this announcement, the board of directors comprises Mr. Jiang Xiaohuang, Mr. Xu Lin and Mr. Sun Bo as the executive directors; and Mr. Zhu Wei, Ms. Tang Haiyan and Mr. Zhang Jinsong as the independent non-executive directors.*