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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)

ANNOUNCEMENT OF PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 year ended 31 December 2024 (the “**Reporting Period**”) and the information currently available, the Group is expecting to record revenue of approximately RMB1,150 million to RMB1,180 million for the Reporting Period, representing a year-on-year increase of 8.9% to 11.7%. During the Reporting Period, the net loss of approximately RMB50 million to RMB45 million was recorded, representing a year-on-year decrease of 63.8% to 67.4%.

The year-on-year 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 21 March 2024 and 27 June 2024, respectively;
- (2) The domestic Simplified Chinese version of the game “Ink Sword: Jianghu (墨劍江湖)” was launched on 19 July 2024;

- (3) The revenue increment brought by the launch of mini-games, among which the games “Promise of Lingyun (凌雲諾)” and “A Story of Lala’s: Rising Star (杜拉拉升職記)” delivered a stellar performance, evidenced by their respective entry into the Top 50 best-selling list of WeChat mini-games and the Top 30 Popular Mini-games of Douyin; and
- (4) Based on the aforementioned product performance, the revenue for the first half of 2024 recorded a period-on-period increase of 20.7%, and the revenue for the second half of 2024 recorded a period-on-period increase of 18.6% to 24.3%.

The decrease in loss incurred by the Group during the Reporting Period was mainly due to the following reasons:

- (1) The launch of the game “Ink Sword: Jianghu (墨劍江湖)” and multiple mini-games reaped profits quickly due to their short payback periods;
- (2) The cost-saving initiatives implemented during the Reporting Period resulted in successful reduction in various expenses; and
- (3) By effecting the aforementioned measures, the Group achieved positive profitability in the second half of 2024.

As for reserve games, the “Culinary Chaos (暴吵萌廚)”, which has been long anticipated among players, features engaging kitchen party events due to its unique multiplayer cooperative modes, fun and exquisite food menu designs, diverse map settings, and distinctive character settings. As of the date of this announcement, the game has gained over 2 million online bookings, and garnered a large fanbase and over one million enthusiastic interactions on major social media platforms including TapTap, Red Note, Bilibili, and Douyin. Following completion of two beta tests recently, the game is expected to be officially launched in the second quarter of 2025.

As for technological breakthroughs, the Group is vigorously and extensively promoting the integration of AI into gaming. Under our core goal of “Creativity empowered by technology, and experiences redefined by intelligence”, we are striving to build a holistic AI application system comprised of research and development, publishing, and operations. By introducing a variety of AI tools to optimise modules such as art, programming, translation, and audio, we have significantly improved operational efficiency. At the same time, we are exploring the AI-enabled NPCs in games with the aim of achieving more human-like interactions with the NPCs. Furthermore, by leveraging AI’s deep learning capabilities to train in-game level interactions, we expect to enhance the overall player experience.

In view of the abovementioned performance of product operation and reserve games, as well as the fact that the Group will continue with business expansion and resource optimisation, 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 year ended 31 December 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 year ended 31 December 2024 will be disclosed in the annual results announcement of the Group, which is expected to be announced by the end of March 2025.

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, 28 February 2025

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.