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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**”) on 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 of the Company and potential investors 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 2021 (the “**Year 2021**”) and the information currently available, it is expected that, for Year 2021, the profit for the year, which has the same meaning as stated in the 2020 Annual Report, of the Group will experience a decrease ranging from approximately 40% to 50%, as compared to that for the year ended 31 December 2020 (the “**Year 2020**”).

The above-mentioned expected decrease of profit for the year for Year 2021 by the Group is mainly due to:

- (1) a decrease in revenue from games for Year 2021 given the facts that no major new games were launched for the year as a result of product scheduling and the revenue from existing games has a little and usual decline as a result of life cycle;
- (2) an increase in research and development expenses for Year 2021 due to an increase in investment for research and development arising from our expansion of game product portfolio, our improvement in development ability for self-developed games and our advancement in terms of technology level and for users’ experience, together with our further effort in the reinforcement of system established for talent training and the enhancement of office environment and regular benefits; and

(3) an increase in our share-based remuneration expenses recorded for Year 2021 as a result of the share award scheme.

In the opinion of the Board, the profit for the year of the Group will decrease for Year 2021 in view of the above-mentioned reasons, as compared to that for Year 2020. Meanwhile, our plentiful resources on proprietary games and licensed games and our integrated long-term investment strategy on research and development, distribution and operation will be beneficial to the sustainability of the Group. Therefore, the Board is confident of the long-term development and prospects of the Group.

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 Year 2021 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 Year 2021 will be disclosed in the annual results announcement of the Group, which is expected to be announced by the end of March in 2022.

**Shareholders of the Company and potential investors 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, 14 January 2022

*As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Jiang Xiaohuang, Mr. Xu Lin, Mr. Wu Jie and Mr. Sun Bo; and the independent non-executive Directors, namely, Mr. Zhu Wei, Ms. Tang Haiyan and Mr. Zhang Jinsong.*