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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)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF PRINCIPAL-PROTECTED
STRUCTURED DEPOSITS**

SUBSCRIPTION OF STRUCTURED DEPOSITS

The Board announces that, during the period from 8 August 2022 to 13 September 2022, FriendTimes Technology (a wholly-owned subsidiary of the Company) entered into two Structured Deposit Agreements with Suzhou Branch of Shanghai Pudong Development Bank, pursuant to which FriendTimes Technology would subscribe for principal-protected floating return and closed-end structured deposits in the amount of RMB60,000,000 and RMB80,000,000, respectively, with a cumulative amount of RMB140,000,000.

LISTING RULES IMPLICATIONS

As these two Structured Deposits are offered by the same bank, all of which are entered into within 12 months and have not been called at maturity, the subscriptions will be aggregated for the purpose of calculating the relevant percentage ratios in accordance with Rule 14.22 of the Listing Rules. As two of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all of the applicable percentage ratios are less than 25%, the subscription of the Structured Deposits under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholder's approval requirements pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

The Board announces that, during the period from 8 August 2022 to 13 September 2022, FriendTimes Technology (a wholly-owned subsidiary of the Company) entered into two Structured Deposit Agreements with Suzhou Branch of Shanghai Pudong Development Bank. Pursuant to the Structured Deposit Agreements, FriendTimes Technology agreed to subscribe for principal-protected floating return and closed-end structured deposits issued by Suzhou Branch of Shanghai Pudong Development Bank in the amount of RMB60,000,000 and RMB80,000,000, respectively, with a cumulative amount of RMB140,000,000.

PRINCIPAL TERMS OF THE STRUCTURED DEPOSIT AGREEMENTS

1. The principal terms of the Structured Deposit Agreement dated 13 September 2022 are as follows:

Date of subscription:	13 September 2022
Parties:	(1) FriendTimes Technology; and (2) Suzhou Branch of Shanghai Pudong Development Bank
Product name:	Li Duo Duo Corporate Stable Profit 22JG3780 (Three-month Early Bird) RMB-denominated Structured Deposit Product* (利多多公司穩利22JG3780期 (3個月早鳥款) 人民幣對公結構性存款)
Type of product:	Principal-protected floating return and closed-end Structured Deposit
Subscription amount:	RMB80,000,000
Term of deposit:	90 days commencing from 13 September 2022 and expiring on 13 December 2022
Subject linked:	EUR/USD exchange rate, EUR/USD real-time rate rounding to the nearest four decimal places, as shown on the “EUR CURRENCY QR” screen on Bloomberg’s page
Observation date:	8 December 2022

Expected annualized rate of return:	The guaranteed rate of return of this product is 1.40%, and the floating rate of return is 0% or 1.60% (mid-range floating rate of return) or 1.80% (high-range floating rate of return). The mid-range rate of return is equal to the guaranteed rate of return plus the mid-range floating rate of return, and the high-range rate of return is equal to the guaranteed rate of return plus the high-range floating rate of return. The opening price is the price of the product linked to the subject at 14:00 Beijing time on 14 September 2022, and the ceiling price is the “opening price×105.6%”, and the floor price is “opening price×88.8%”, and the observation price is the price of the product linked to the subject at 14:00 Beijing time on the observation date. If the observation price is less than the floor price, the guaranteed rate of return will be attained; if the observation price is greater than or equal to the floor price and less than the ceiling price, the mid-range rate of return will be attained; if the observation price is greater than or equal to the ceiling price, the high-range rate of return will be attained.
Early termination:	Principal amount of the subscription can only be refunded upon maturity

2. The principal terms of the Structured Deposit Agreement dated 8 August 2022 are as follows:

Date of subscription:	8 August 2022
Parties:	(1) FriendTimes Technology; and (2) Suzhou Branch of Shanghai Pudong Development Bank
Product name:	Li Duo Duo Corporate Stable Profit 22JG3714 (Three-month Early Bird) RMB-denominated Structured Deposit Product* (利多多公司穩利22JG3714期 (3個月早鳥款) 人民幣對公結構性存款)
Type of product:	Principal-protected floating return and closed-end Structured Deposit
Subscription amount:	RMB60,000,000
Term of deposit:	90 days commencing from 8 August 2022 and expiring on 8 November 2022
Subject linked:	EUR/USD exchange rate, EUR/USD real-time rate rounding to the nearest four decimal places, as shown on the “EUR CURRENCY QR” screen on Bloomberg’s page
Observation date:	3 November 2022

Expected annualized rate of return:	The guaranteed rate of return of this product is 1.40%, and the floating rate of return is 0% or 1.65% (mid-range floating rate of return) or 1.85% (high-range floating rate of return). The mid-range rate of return is equal to the guaranteed rate of return plus the mid-range floating rate of return, and the high-range rate of return is equal to the guaranteed rate of return plus the high-range floating rate of return. The opening price is the price of the product linked to the subject at 14:00 Beijing time on 9 August 2022, and the ceiling price is the “opening price×104.75%”, and the floor price is “opening price×86.1%”, and the observation price is the price of the product linked to the subject at 14:00 Beijing time on the observation date. If the observation price is less than the floor price, the guaranteed rate of return will be attained; if the observation price is greater than or equal to the floor price and less than the ceiling price, the mid-range rate of return will be attained; if the observation price is greater than or equal to the ceiling price, the high-range rate of return will be attained.
Early termination:	Principal amount of the subscription can only be refunded upon maturity

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENTS

Subscription of the Structured Deposits was made for treasury management purposes to maximise the return on the unutilised funds of the Group after taking into account, among other things, the level of risk, return on investment, liquidity and the term to maturity. Prior to making an investment, the Group would ensure that there remains sufficient working capital for the Group’s business needs, operating activities and capital expenditures even after making the investment in such financial product. Taking into consideration the nature of the Structured Deposits, the Company considers that the risk level of the subscription of the Structured Deposits is in line with the internal investment policies of the Group. The Group had, in the past, totally recovered the principal and received the expected returns upon the redemption or maturity of similar financial products. The Company will monitor and manage the subscription more closely and effectively. In accordance with the relevant accounting standards, the Structured Deposits are accounted for as financial assets at fair value through profit and loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit under the low interest rate trend, as well as the risk nature and the relatively short term of maturity of the Structured Deposits, the Directors are of the view that this financial product poses little risk to the Group and the terms and conditions of the subscription of the Structured Deposits are fair and reasonable and are in the interests of the Group and its Shareholders as a whole. Further, the subscription of the Structured Deposits was not funded by the proceeds from the Company’s initial public offering.

INFORMATION OF PARTIES

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The principal activities of the Group include research and development, publication and operation of mobile games. FriendTimes Technology is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. Its principal business includes research and development, publication and operation of mobile games.

Shanghai Pudong Development Bank is a national joint stock commercial bank, whose A shares are listed on the Shanghai Stock Exchange (stock code: 600000.SSE). Shanghai Pudong Development Bank principally engages in the provision of banking and the relevant financial services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, according to the information publicly disclosed by Shanghai Pudong Development Bank, Shanghai Pudong Development Bank and its ultimate substantial beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As these two Structured Deposits are offered by the same bank, all of which are entered into within 12 months and have not been called at maturity, the subscriptions will be aggregated for the purpose of calculating the relevant percentage ratios in accordance with Rule 14.22 of the Listing Rules. As two of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all of the applicable percentage ratios are less than 25%, the subscription of the Structured Deposits under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholder's approval requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	board of Directors of the Company
“Company”	FriendTimes Inc., an exempted company incorporated in the Cayman Islands with limited liability on 16 November 2018 and listed on the Stock Exchange on 8 October 2019 (stock code: 06820.HK)
“connected person(s)”	has the meaning ascribed to it under Listing Rules
“Directors”	Directors of the Company
“EUR”	European Dollars, the lawful currency of the Eurozone

“FriendTimes Technology”	FriendTimes Technology Inc. (友誼時光科技股份有限公司), a company established under the laws of the PRC with limited liability on 11 May 2010, and the holding company of Operating Entities, and by virtue of the Contractual Arrangements, accounted for as our subsidiary. Formerly known as: Suzhou FriendTimes Technology Inc. (蘇州玩友時代科技股份有限公司)
“Group”	the Company and its subsidiaries or, where the context refers to any time before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, unless otherwise specified, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Pudong Development Bank”	Shanghai Pudong Development Bank Co., Ltd., a national joint stock commercial bank, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600000.SSE)
“Shareholder(s)”	the holders of Shares
“Shares”	ordinary shares of USD0.00001 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit(s)”	the structured deposit(s) issued by Shanghai Pudong Development Bank, the principal terms of which are summarised in this announcement
“Structured Deposit Agreement(s)”	agreement(s) entered into between FriendTimes Technology and Shanghai Pudong Development Bank in relation to the subscription of the Structured Deposit(s)

“USD” United States dollars, the lawful currency of the United States

“%” percentage

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

Hong Kong, 13 September 2022

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