

# REPORT

INTERIM

2025  
中期報告



Stock Code  
06820.HK

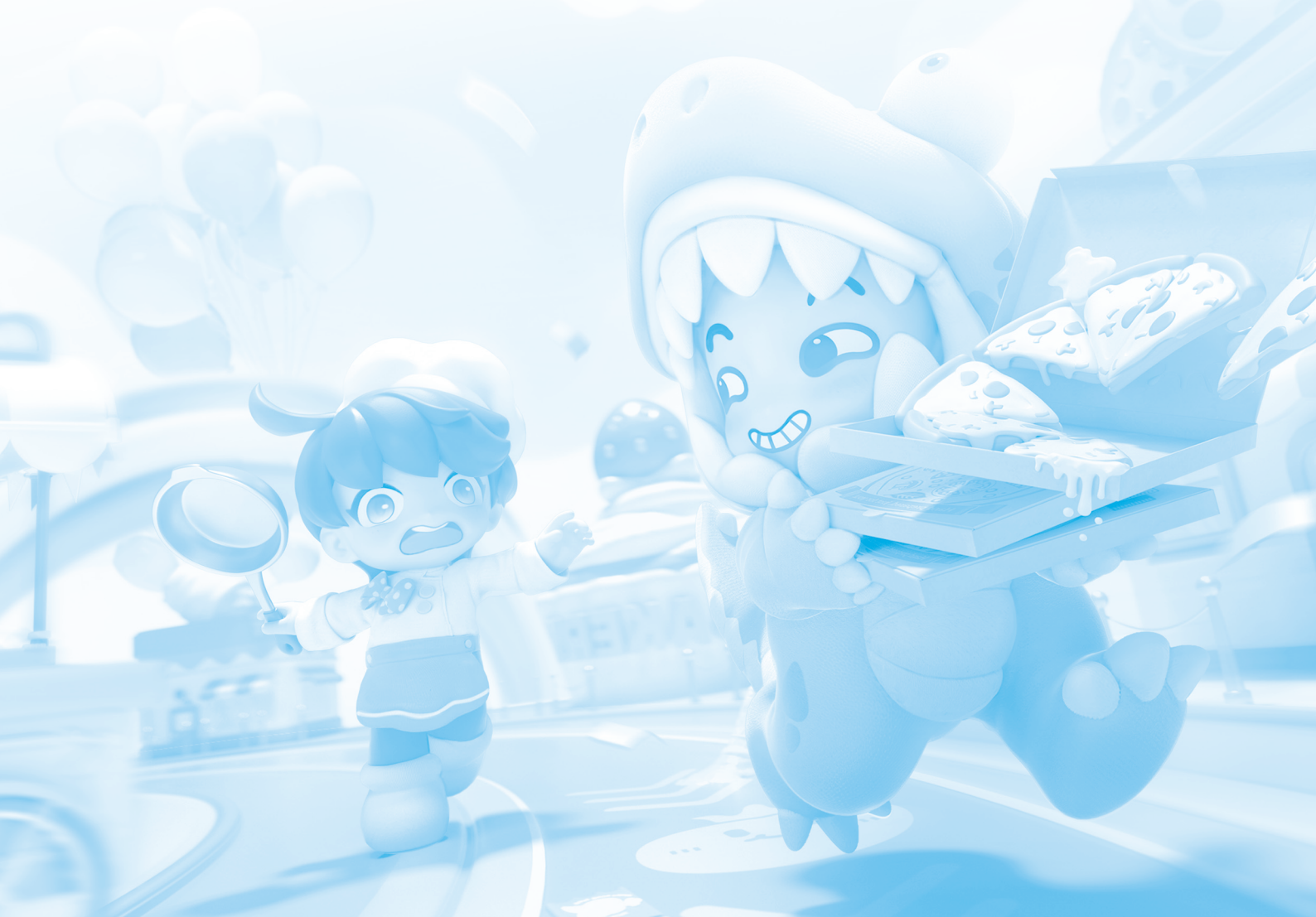


友谊时光  
FRIENDTIMES

FRIENDTIMES INC.  
Incorporated in the Cayman Islands  
with limited liability

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# Definitions

“Adoption Date”	14 September 2020, being the date on which the Board adopted the Share Award Scheme
“AI”	artificial intelligence
“APP”	a third-party application for smartphones
“App Store”	an online app distribution platform created by Apple Inc. for hardware running the iOS operating system
“Audit Committee”	the Company’s audit committee which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group’s financial reporting system, risk management and internal control
“Auditor”	KPMG, Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
“Award”	an award by the Board to a Selected Participant entitling the Selected Participant to receive such number of Awarded Shares and the related income on such terms and conditions as the Board may determine
“Awarded Shares”	in respect of a Selected Participant, such number of Shares determined by the Board under an Award
“Board” or “Board of Directors”	board of directors of the Company
“CEO”	chief executive officer
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	chairman of the Board
“China” or “PRC”	the People’s Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan herein
“Company” or “our Company” or “the Company”	FriendTimes Inc., an exempted company incorporated in the Cayman Islands on 16 November 2018 with limited liability and listed on the Stock Exchange on 8 October 2019 (Stock code: 6820)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of this report, refers to the controlling shareholders of our Company, being Mr. Jiang, Gorgeous Sunshine, Eternal Heart, Ling Long, Future Wisdom, Warm Sunshine and Agile Eagle (as defined respectively in the Prospectus)

# Definitions

“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	any senior and mid-level management, core technical personnel and key employees who, at the absolute discretion of the Board, will contribute or have contributed to any member of the Group
“Group” or “the Group” or “we” or “us”, or “our” or “FriendTimes”	the Company and its subsidiaries, or where the context refers to any time prior to the Company becoming 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)
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IP”	intellectual property
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	8 October 2019, the date on which the Shares of the Company were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“Mini Games”	new game products in form of a mini program, conveniently providing click-to-play experiences without downloading
“Model Code”	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 24 September 2019
“Remuneration Committee”	the Company’s remuneration committee which was established in accordance with the requirements of the Listing Rules
“Reporting Period”	from 1 January 2025 to 30 June 2025
“RMB”	Renminbi, the lawful currency of the PRC

# Definitions

“Scheme Rules”	the rules of the Share Award Scheme, as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules who holds a subsisting Award
“Senior Management”	senior management of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the issued capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares
“Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date (in its present or any amended form)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	the company(ies) which are for the time being and from time to time the subsidiary(ies) (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the PRC or elsewhere
“Taiwan”	Taiwan Province of the PRC
“TapTap”	a game platform developed and operated by TapTap Network (易玩網絡) (official website address: <a href="http://www.taptap.com">www.taptap.com</a> ), which creates a mobile game sharing community and a third-party game download platform that closely connects gamers, developers, and operators. Users can download games, evaluate them, and share gaming experiences with other players on this platform
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed entered into by and among the Company, the Trustee and its nominee (as restated, supplemented and amended from time to time)
“Trustee”	the trustee which has been appointed by the Company to manage the Share Award Scheme
“%”	per cent

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Jiang Xiaohuang (*Chairman of the Board and CEO*)

Mr. Xu Lin

Mr. Sun Bo

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Wei

Mr. Zhang Jinsong

Ms. Tang Haiyan

## MEMBERS OF AUDIT COMMITTEE

Mr. Zhu Wei (*Chairman*)

Mr. Zhang Jinsong

Ms. Tang Haiyan

## MEMBERS OF REMUNERATION COMMITTEE

Mr. Zhang Jinsong (*Chairman*)

Mr. Zhu Wei

Mr. Jiang Xiaohuang

## MEMBERS OF NOMINATION COMMITTEE

Mr. Jiang Xiaohuang (*Chairman*)

Mr. Zhang Jinsong

Ms. Tang Haiyan

## COMPANY SECRETARY

Ms. Fung Wai Sum

## AUTHORISED REPRESENTATIVES

Mr. Jiang Xiaohuang

Ms. Fung Wai Sum

## REGISTERED OFFICE

Campbells Corporate Services Limited

Floor 4, Willow House, Cricket Square

Grand Cayman KY1-9010

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

FriendTimes Building

No. 68 Qitai Road

Suzhou Industrial Park

Jiangsu Province, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

## COMPANY WEBSITE

[www.friendtimes.net](http://www.friendtimes.net)

## STOCK CODE

6820

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited

Floor 4, Willow House, Cricket Square

Grand Cayman KY1-9010

Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

# Corporate Information

## HONG KONG LEGAL ADVISER

Eric Chow & Co.  
in Association with Commerce & Finance Law Offices  
Suite 3401, Alexandra House  
18 Chater Road  
Central  
Hong Kong

## PRINCIPAL BANKS

China Construction Bank Suzhou Branch  
Jianyuan Building, No. 18 Suzhou Avenue  
Suzhou Industrial Park  
Suzhou, Jiangsu Province  
PRC

The Hongkong and Shanghai Banking Corporation Limited  
6/F, 88 Gloucester Road, Wan Chai, Hong Kong

## AUDITOR

KPMG  
Public Interest Entity Auditor registered in accordance with the  
Accounting and Financial Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

# Financial Summary

The following is a summary of the results of the Group:

## RESULTS

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue	623,463	526,072
Gross profit	459,113	360,287
Profit/(loss) for the period	40,713	(72,328)

## ASSETS, LIABILITIES AND EQUITY

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Total assets	1,415,713	1,402,476
Total liabilities	224,953	252,400
Total equity	1,190,760	1,150,076



# Management Discussion and Analysis

## OVERVIEW

As a leading mobile game developer, publisher and operator integrated with research and operation in the PRC, the Group has been focusing on content and quality of products, and is committed to creating timeless high-quality products for the world and becoming a global outstanding cultural and creative enterprise.

The Group is headquartered in Suzhou, China, with branches in regions including Shanghai, Chengdu and Hong Kong in China, and South Korea, and was listed on the Main Board of the Stock Exchange on 8 October 2019. Since our inception in 2010, we have successfully launched core products such as the Legend of Empress (熹妃傳), Royal Chaos (熹妃Q傳), Fate of the Empress (浮生為卿歌), Promise of Lingyun (凌雲諾), Twist of the Fate (浮生憶玲瓏), A Story of Lala's: Rising Star (杜拉拉升職記), Ink Sword: Jianghu (墨劍江湖), Culinary Chaos (暴吵萌廚), and others, which are well received among users.

As a key national cultural export enterprise and a pioneer in the segment of female-oriented games, the Group keeps a professional global distribution and operation team. While consolidating the leading position in the domestic female market, we are also actively exploring the domain of general-user and mini games, as well as overseas markets. We continue to adhere to the corporate cultural mission of "Let Culture Create Values", and are committed to spreading excellent traditional Chinese culture to a wider group and region, so as to build a carrier for global outstanding cultural exchanges, promote cultural inheritance and heritage, constantly explore cultural values, and shape a more profound influence of culture.

## PERFORMANCE REVIEW

For the six months ended 30 June 2025, the total revenue of the Group was approximately RMB623.5 million, representing an increase of approximately 18.5% as compared to the corresponding period in 2024. Profit for the period was approximately RMB40.7 million, turning from loss to profit, representing an increase of approximately 156.3% as compared to the corresponding period in 2024.

The year-on-year growth in profit of the Group during the Reporting Period was mainly due to the following reasons: (1) the revenue increment brought by the launch of new games, among which the mini games A Story of Lala's: Rising Star (杜拉拉升職記) and Promise of Lingyun (凌雲諾) delivered a stellar performance; (2) during the Reporting Period, the increase in the proportion of revenue from high-gross profit channels drove the growth in gross profit margin by approximately 5 percentage points; and (3) during the Reporting Period, both the research and development expenses ratio and sales expenses ratio declined.

# Management Discussion and Analysis

## BUSINESS REVIEW

The Group has consistently adhered to the strategy of “quality, diversification, and globalization”. Besides gaining insight into multiple levels of user requirements, the Group continued to deepen the development of our core competitive areas, while constantly exploring creative breakthroughs. Amid our expansion of various user demographics, we actively developed a diverse range of product categories. With a global perspective in product development, we refined gameplay design, scenario special effects, artistic quality, music effects, and other details for our products, by continuing investments in product iteration and user experience. The product categories launched include ancient-style heroines, Xianxia (a fantasy of Chinese mythology and martial arts), classic martial arts, modern Chinese style, modern workplace, casual esports games, Mini Games, and other products for general users.

The Group has always regarded promoting excellent Chinese traditional culture as our mission. By persisting in the concept of “digitalization empowers culture and innovation drives inheritance”, the Group has extensively infused the essence of oriental aesthetics into our game products, and built a new ecosystem for cultural communication and industry collaboration through cross-industry integration and global layout. We continue to explore intangible cultural heritage treasures, from the landscape artistry of Suzhou gardens, the legendary craftsmanship of Kunqu opera and Suzhou embroidery, and the wisdom of dougong (bracket sets) in traditional architecture, and the enduring charm of the four arts of the Chinese scholar (meaning the mastery of stringed instruments, the strategy game of Go, Chinese calligraphy, and Chinese ink painting), to the culinary civilization of Chinese cuisine, while simultaneously exploring and pursuing the integration of “technology + cultural creativity”. Our commitment to this mission has reinvigorated traditional culture for the new generation to achieve cross-industry communication.

The Group has adopted an “AI + Games” strategy, whereby focusing on driving industrial upgrading and innovation in player experience through technological advancements. In pursuit of our core objective of “Creation Empowered with Intelligent Technology Reshapes Gaming Experiences”, we emphasize a dual-drive approach through technological research and development and practical application scenarios, so as to build a full-link AI application ecosystem that covers research and development, distribution, operations, and corporate management. Our efforts are concentrated on four key areas: platform-based tool development, data asset accumulation, intelligent agent innovation, and AI-native gameplay experiment, which effectively empower various stages such as product initiation, contents planning, research, development and testing, distribution & operation, and advertising & user acquisition. In addition, several of the Group’s games have completed the development of native apps for Huawei’s HarmonyOS, officially joining the Harmony ecosystem. Culinary Chaos (暴吵萌廚) and Twist of the Fate (浮生憶玲瓏) were showcased at Huawei HDC 2025, where we explore the collaboration on more technological application scenarios.

By consistently persisting in the long-term operational strategy, the Group proactively keeps abreast of user requirements to frequently iterate one version after another, update contents, and launch operational activities and IP collaborations, providing players with detailed and comprehensive long-term services. Such strategy will continue to extend the product lifecycle, and stimulate product vitality. In the meantime, we tailor differentiated and localized game contents and marketing materials for overseas users in various regions, so as to better attract and retain local players. In addition to achieving excellent performance and reputation domestically, many of our products are also highly acclaimed in Hong Kong, Macau, and Taiwan of the PRC, South Korea, Japan, Southeast Asia, and North America. As a result, the Group’s products, including the Legend of Empress (熹妃傳), Fate of the Empress (浮生為卿歌), and Promise of Lingyun (凌雲諾), have been maintaining a satisfying revenue performance since they became online.

# Management Discussion and Analysis

## Culinary Chaos (暴吵萌廚)

Culinary Chaos (暴吵萌廚) was officially launched on 28 May 2025, as a real-time chaotic couch co-op cooking mobile game focusing on multi-player cooperation in cooking esports. Players will play as “adorable chefs (小萌廚)” with distinctive personalities and exceptional culinary skills, and take on the intensely exhilarating cooking challenges, including rapidly switching ingredients, precisely controlling the cooking temperature, and creating gourmet dishes through teamwork. This gameplay provides an immersive experience in a highly simulated kitchen environment. Players can form teams freely or opt for random team matching, and elevate their ranking under the season-based ranking system. In addition to its classic gameplay, the game offers various new game modes including Kitchen Showdown (廚房亂鬥), Extreme Challenge (極限挑戰), Restaurant Operation (餐廳經營), and Manor Farm (莊園農場).

Following its launch, Culinary Chaos (暴吵萌廚) quickly topped the charts on various platforms, including Apple App Store, Huawei, Xiaomi, VIVO, and TapTap and collaborated with the iconic childhood snack “Want Want Mini Milk Biscuits (旺仔小饅頭)” and China Academy of Art to bring joint content on the first day of its publication. Under the theme of “In the Name of Culinary”, the game expanded its collaborations across various industries with over 30 food, snack and tea beverage brands, including renowned consumer brands such as Weilong Latiao (衛龍辣條), Juewei Duck Neck (絕味鴨脖), Hefu-Noodle (和府撈麵), Chacha Food (洽洽食品), and YANG'S DUMPLING (小楊生煎). Season I “Street Food Paradise (人間煙火)” started with a night-market street food theme, with the launch of special menus including starch sausage, luosifen (螺螄粉), and grilled cold noodles (烤冷面).

On 14 July 2025, Season 2 “Forest of Elves (精靈之森)” of Culinary Chaos (暴吵萌廚) commenced, introducing new seasonal levels and casual gameplay modes. During this period, the game engaged in cross-industry cooperation with Ele.me on the simultaneous launch of a special “Culinary Chaos” event for Ele.me’s 17th Foodie Festival. Concurrently, Phase II of the “Born to be Star Chef (廚創星)” incentive program for millions of creators was launched to offer various support, including traffic boosts, creation bonuses, exclusive mentorship, and bespoke official exposure opportunities.

On 19 August 2025, Season 3 “The Story of Lanruo (緣起蘭若)” of Culinary Chaos (暴吵萌廚) was launched. Players will venture into a haunted desolate village where phantoms and specters wander around, confronting ghouls and goblins lurking by the Bridge of Oblivion (奈何橋). Following the introduction of immersive new scenes and unique monster-based gameplay, players will embark on a thrilling supernatural adventure inspired by the classic Chinese supernatural tales, Strange Stories from a Chinese Studio (聊齋). This season features themed levels including Lanruo Temple (蘭若寺), Bridge of Oblivion (奈何橋), and Wedding Banquet, where players can cook exclusive seasonal dishes such as Amnesia Soup (孟婆湯) and Reincarnation Cake (輪迴糕). Two new casual gameplay modes, “Ferry on Forgetful River (忘川擺渡)” and “Tales of Lingxiao (靈消奇譚)”, along with more than ten brand-new seasonal skins, are also introduced.

In addition, the game recently introduced rich gaming contents, such as Duo Ranked Battles, God of Cookery Tournament (廚神巔峰賽), Culinary Chaos Networking (萌圈交友), Lobby Interaction (廣場大廳互動), and personal profile skin customization. Looking ahead, we will continue to optimize gaming features and functions, and enhance gameplay modes to deliver an even more exciting experience for players.

# Management Discussion and Analysis

## A Story of Lala's: Rising Star (杜拉拉升職記)

A Story of Lala's: Rising Star (杜拉拉升職記), a female-oriented workplace mobile game, incorporates gameplay modes such as job promotion, dressing up, and leisure activities, in combination with enjoyable Mini Games such as the vacation and travel mode, and the shopping spree mode, allowing players to experience the growth and lifestyle of a modern professional woman in a fashionable urban setting. Since its launch, the mini game A Story of Lala's: Rising Star (杜拉拉升職記) has delivered outstanding performances, evidenced by its entry into the Top 50 best-selling list of WeChat mini-games and the Top 30 Popular Mini-games of Douyin. In overseas markets, A Story of Lala's: Rising Star (杜拉拉升職記) benefited from our extensive localization efforts, successfully attracting a large player base in South Korea and peaking in the Top 30 of South Korea's iOS Best-selling Games.

On 11 June 2025, A Story of Lala's: Rising Star (杜拉拉升職記) launched a crossover event with Legend of Empress (熹妃傳), breaking through time-and-space boundaries to pair the workplace elite Lala with the palace-ruling Empress Xi (熹妃), unlocking exclusive gameplay modes, skins, and in-game buff items. The crossover event coincided with the 10th anniversary of Legend of Empress (熹妃傳), a game that has released more than 100 version updates, more than 1,000 exquisite costumes, and nearly 100 unique gameplay modes over the past decade, maintaining industry-leading user activity and reputation.

## Twist of the Fate (浮生憶玲瓏)

The Twist of the Fate (浮生憶玲瓏), being a love and mystery themed ancient-style mobile game launched on 2 January 2024, is the flagship female-oriented product of the Group promoting the ancient Chinese culture, which builds an open world with "Love & Mystery" for players through a series of gameplay modes such as deciphering clues, collecting adventures, and unlocking multiple identities. Besides mainland China, the game was launched in various regions including Hong Kong, Macau, and Taiwan of the PRC, South Korea, Japan, North America, and Southeast Asia, and accordingly became one of the "National Cultural Export Key Projects". During the Reporting Period, the game maintained stable revenue through a combination of high-frequency version updates, with at least twice per month, and sustained advertising & user acquisition activities.

## Other Mini Games

As for the mini game market, characterized by convenient access, fragmented gameplay, and lightweight experience, such games provide players with a lighter gaming style, meeting their multi-level entertainment needs, while helping the Group identify new user bases. During the Reporting Period, the Group continued to launch high-quality app games, while actively responding to the development trend of the mini game market by releasing multiple mini game products, among which the Promise of Lingyun (凌雲諾) and Legend of Empress (熹妃傳) delivered outstanding performances.

## SHAREHOLDER RETURNS

Since its listing, the Group has distributed an aggregate cash dividend of over RMB750 million to its Shareholders, significantly exceeding the net proceeds of RMB434 million raised from its Listing.

At the same time, the Group has also demonstrated its confidence in its own value through the Share Award Scheme administered by the trustee. During the period from 28 August 2023 to 30 June 2025, we have continuously purchased Shares on the open market through the trustee under the Share Award Scheme, with the aggregate number of Shares purchased representing approximately 3.7% of the Company's total issued share capital.

# Management Discussion and Analysis

To further convey confidence in the Group's long-term prospects, Mr. Jiang Xiaohuang, executive Director, chairman of the Board, CEO and Controlling Shareholder of FriendTimes, has voluntarily undertaken that, for a period of 12 months commencing from 17 July 2025, he will not sell any Shares of the Company held directly or indirectly by him through the Stock Exchange's open market.

## OUTLOOK

The Company's reserve games include Code: Lovers (代號：戀人), Code: Flowers (代號：花), Code: Relics (代號：遺跡), and Code: MX (代號：MX), which are currently under development and testing. Looking into the future, we will deepen the integration of research, development and operations, strengthen underlying technology research and development capabilities, and refine our operational systems. By expanding multi-channel distribution networks and long-term operational mechanisms, we will enhance our full lifecycle product management capabilities. We will continue to iterate on management systems and performance mechanisms, and improve the cost control. We will accelerate the application of AI technologies and innovative experiments, drive process innovation across all scenarios, and strive to bring players more refreshing experiences. By steadfastly implementing a global development strategy, and pursuing our strategy of "regional focus + category breakthrough", we will create a premium game matrix characterized by cultural uniqueness with global aesthetics.

## SOCIAL RESPONSIBILITIES

The Group actively fulfills its corporate social responsibility by integrating the environmental, social, and governance ("ESG") issues into its entire corporate management framework, while striving to build a healthy and harmonious online and offline ecosystem through charity activities. The Group actively responds to national environmental policies related to carbon neutrality, energy conservation, and waste reduction, by promoting sustainable development practices within the Company. In addition to establishing the ESG policies and procedures, the Group actively promotes the participation of its products and platforms, while integrating the sustainability concept into its daily operational management to enhance the environmental awareness among its employees and achieve long-term prosperity for its business development.

By consistently taking practical actions in areas such as education assistance, animal rescue, "red culture education", environmental protection, and epidemic prevention and control, the Group continues to fulfill its social responsibility and mission, demonstrating and delivering a message of love in public welfare. In June 2025, the Group supported the public welfare donation event for the "Forever-Bond Program (石榴籽計劃)" at Sanhe Primary School in Ergun City, Inner Mongolia. At the same time, the Group has established systems for network content security, data security, and account management. As for user privacy protection, under stringent management systems and procedural frameworks, we exercise rigorous control over information security risks, and strictly align with relevant laws and regulations in all operating regions globally, thereby safeguarding data security, while maximally securing user personal information.

In respect of the protection of minors, the Group strictly complies with relevant national policies, connects all of its games to a comprehensive system encompassing real-name authentication, anti-addiction procedures, and age-appropriate reminders, imposes restrictions on underage spending, and operates a parental guardianship project with a dedicated channel for complaints from minors. To strictly enforce the new regulations on preventing addiction among minors issued by the National Press and Publication Administration, we only offer 1 hour of online gaming services to minors from 8 pm to 9 pm on Fridays, Saturdays, Sundays, and statutory holidays, ensuring the healthy growth of minors.



# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2025, the Group recorded revenue of approximately RMB623.5 million, representing an increase of approximately RMB97.4 million or approximately 18.5% from approximately RMB526.1 million for the corresponding period in 2024. This was primarily attributable to the incremental revenue generated by the stellar performance of Mini Games, mainly A Story of Lala's: Rising Star (杜拉拉升職記) and Promise of Lingyun (凌雲諾).

### Revenue from games by activity

The table below sets forth a breakdown of revenue by activity, shown in actual amounts and as percentages to total revenue for the periods indicated:

	Six months ended 30 June				Period to period change %
	2025		2024		
	RMB'000	%	RMB'000	%	
Revenue from games	623,309	99.98%	525,607	99.91%	18.6%
Others	154	0.02%	465	0.09%	−66.8%
Revenue	623,463	100.00%	526,072	100.00%	18.5%

### Revenue from games by geographic markets

The table below sets forth a breakdown of revenue from games by geographic markets in absolute amounts and as percentages to our total revenue from games for the periods indicated:

	Six months ended 30 June				Period to period change %
	2025		2024		
	RMB'000	%	RMB'000	%	
Domestic market	499,181	80.1%	396,209	75.4%	26.0%
Overseas market	124,128	19.9%	129,398	24.6%	-4.1%
Revenue from games	623,309	100.0%	525,607	100.0%	18.6%

# Management Discussion and Analysis

## Cost of sales

The Group's cost of sales decreased by approximately 0.9% from approximately RMB165.8 million for the six months ended 30 June 2024 to approximately RMB164.4 million for the six months ended 30 June 2025, which was mainly due to a decrease in game distribution cost ratio following the launch of Mini Games.

## Gross profit and gross profit margin

As a result of the above, gross profit increased by approximately 27.4% from approximately RMB360.3 million for the six months ended 30 June 2024 to approximately RMB459.1 million for the six months ended 30 June 2025. Gross profit margin increased from approximately 68.5% for the six months ended 30 June 2024 to approximately 73.6% for the six months ended 30 June 2025, which mainly benefited from the increase in the proportion of revenue from our high-margin channels.

## Sales and marketing expenses

For the six months ended 30 June 2025, the Group's sales and marketing expenses amounted to approximately RMB292.1 million, representing an increase of RMB4.7 million or approximately 1.7% from approximately RMB287.3 million for the six months ended 30 June 2024.

## Research and development expenses

For the six months ended 30 June 2025, the Group's research and development expenses amounted to approximately RMB131.8 million, representing a decrease of RMB21.0 million or approximately 13.7% from approximately RMB152.8 million for the six months ended 30 June 2024, which was mainly due to (1) a decrease in expenses related to research and development personnel, and (2) the reduction of the sound and animation expenses.

## General and administrative expenses

For the six months ended 30 June 2025, the Group's administrative expenses amounted to approximately RMB17.8 million, representing a decrease of RMB0.3 million or approximately 1.5% from approximately RMB18.1 million for the six months ended 30 June 2024.

## Finance costs

For the six months ended 30 June 2025, the Group's finance costs amounted to approximately RMB1.4 million, representing a decrease of RMB0.3 million from approximately RMB1.7 million for the six months ended 30 June 2024, which was mainly affected by the decrease in financing cost rate.

## Income tax expense

For the six months ended 30 June 2025, the Group recorded an income tax expense amounted to approximately RMB9.9 million, representing an increase of approximately RMB6.8 million from the income tax expense of approximately RMB3.1 million for the six months ended 30 June 2024, mainly due to the positive profit during the Reporting Period, which resulted in an increase in the income tax expense for the current period.

## Profit for the period

Based on the above reasons, for the six months ended 30 June 2025, our profit for the period amounted to approximately RMB40.7 million, representing an increase of approximately RMB113.0 million or approximately 156.3% from loss of approximately RMB72.3 million for the six months ended 30 June 2024.

# Management Discussion and Analysis

## Liquidity and capital resources

As at 30 June 2025, the Group's current liabilities/net assets amounted to approximately 0.18 (31 December 2024: 0.22).

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB137.8 million. The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs.

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Net cash generated from/(used in) operating activities	32,855	(116,276)
Net cash (used in)/generated from investing activities	(188,195)	163,936
Net cash (used in)/generated from financing activities	(40,621)	8,660
<b>Net change in cash and cash equivalents</b>	<b>(195,961)</b>	56,320
Cash and cash equivalents as at the beginning of the period	334,825	396,216
Effect of foreign exchange rate changes	(1,018)	168
<b>Cash and cash equivalents as at 30 June</b>	<b>137,846</b>	452,704

## Operating activities

During the six months ended 30 June 2025, the Group's net cash flow generated from operating activities was RMB32.9 million, compared to net cash used in operating activities of RMB116.3 million for the six months ended 30 June 2024.

## Investing activities

For the six months ended 30 June 2025, the Group's net cash used in investing activities was RMB188.2 million, which primarily consisted of (i) payments for purchase of investments measured at FVPL of RMB760.3 million; (ii) the proceeds from redemption of investments measured at FVPL of RMB690.7 million; (iii) our payments for purchase of investments of time deposits of RMB209.3 million; and (iv) the proceeds from redemption of time deposit investment of RMB88.2 million; and net cash generated from investing activities for the six months ended 30 June 2024 was RMB163.9 million.

## Financing activities

For the six months ended 30 June 2025, net cash used in financing activities of the Group was RMB40.6 million, which mainly consisted of repayments of unsecured bank borrowings of RMB79.3 million and proceeds from new unsecured bank borrowings of RMB38.9 million; and for the six months ended 30 June 2024, net cash generated from financing activities of the Group was RMB8.7 million.

# Management Discussion and Analysis

## Capital expenditures

The Group's capital expenditures mainly included (1) purchase of equipment such as servers and computers; (2) purchase of intangible assets such as copyrights of literary works used or to be used in our games, software and IP licenses, various office software; and (3) payment of housing rental fees for the acquisition of right-of-use assets. Capital expenditures for the six months ended 30 June 2025 and 30 June 2024 are set out below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Equipment	320	178
Intangible assets	1,253	1,526
Right-of-use assets	1,370	—

## Gearing ratio and capital structure

As at 30 June 2025, gearing ratio (calculated as the sum of bank loans and lease liabilities divided by total equity) was 9.3% (31 December 2024: 13.0%). As at 30 June 2025, the Group's balance of bank borrowings amounted to RMB110.4 million (31 December 2024: RMB149.4 million). The Company's share capital remained unchanged, being 2,180,850,000 Shares.

## Contingent liabilities

As of 30 June 2025, the Group did not have any unrecorded significant contingent liabilities or any guarantees (31 December 2024: Nil).

## Employees and remuneration policies

As at 30 June 2025, the Group had a total of 895 employees (31 December 2024: 887 employees), all based in the PRC. The Group determined the remuneration policy for the employees based on their performance, work experience and the current market salary level. We did not experience any material labour disputes during the six months ended 30 June 2025.

## Restructuring and significant investments

During the six months ended 30 June 2025, the Group did not have any restructuring and significant investments.

# Management Discussion and Analysis

## Financial assets

- As of 30 June 2025, the Group's wealth management products were issued by listed commercial banks in China, including principal-protected floating return products and medium-to-low-risk non-principal-protected floating return products.
- As of 30 June 2025, the wealth management products of the Group that have met the disclosable transaction requirements at the time of purchase under the Listing Rules were disclosed in relevant announcements. None of the remaining wealth management products had a fair value accounting for 5% or more of the Group's total assets.

Each of the following outstanding wealth management products had a percentage of over 5% to the Group's total assets as of 30 June 2025:

Subscription Date	Maturity Date	Product Name	Bank Name	Principal amount of subscription	Type of product and risk rating	Expected return rate	Investment scope of product	Fair value as of 30 June 2025	Fair value relative size to total assets as of 30 June 2025
8 April 2025	9 July 2025	Structured Deposit	Shanghai Pudong Development Bank, Suzhou Wuzhong Sub-branch	RMB30 million	Principal-protected floating return and closed-end, low risk	0.85%~2.2%	Subject linked: EUR/USD	RMB30.13 million	6.37%
28 April 2025	30 July 2025	Structured Deposit	Shanghai Pudong Development Bank, Suzhou Wuzhong Sub-branch	RMB20 million	Principal-protected floating return and closed-end, low risk	0.85%~2.2%	Subject linked: EUR/USD	RMB20.06 million	
5 June 2025	5 September 2025	Structured Deposit	Shanghai Pudong Development Bank, Suzhou Wuzhong Sub-branch	RMB40 million	Principal-protected floating return and closed-end, low risk	0.7%~2.05%	Subject linked: EUR/USD	RMB40.05 million	



# Management Discussion and Analysis

3. As of 30 June 2025, the Group's limited partnership investments were investments in six venture capital partnerships as a limited partner, with fair value at the time of investment not exceeding 5% of the Group's total assets or otherwise not meeting the disclosure requirements for discloseable transactions under the Listing Rules, and therefore not subject to disclosure.

As of 30 June 2025, the said six venture capital partnerships exceeded 5% of the Group's total assets:

Time of investments	Names of partnerships	Nature of funds	Fund manager	Size of funds	Amount of investments	Percentage of investments	Scope of investments	Fair value as of 30 June 2025	Fair value relative size to total assets as of 30 June 2025
July 2020	Suzhou Yongxin Ronghui Venture Capital Partnership (LP)* (蘇州永鑫融慧創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB278.3 million	RMB30.0 million	10.78%	Investing in innovative enterprises in their startup and growth stages through equity investment;	RMB34.5 million	7.24%
November 2021	Suzhou Yongxin Kaituo Venture Capital Partnership (LP)* (蘇州永鑫開拓創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB500.9 million	RMB30.0 million	5.99%	Investing in innovative enterprises in their growth-stage through equity investment;	RMB32.6 million	
November 2022	Suzhou Yongxin Rongchang Venture Capital Partnership (LP)* (蘇州永鑫融暢創業投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB76.3 million	RMB5.0 million	6.55%	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing;	RMB20.5 million	
July 2023	Suzhou Yongxin Rongyao Venture Capital Partnership (LP)* (蘇州永鑫融耀創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB600.0 million	RMB5.0 million	0.83%	Investing in innovative enterprises focusing on pan-intelligent manufacturing industry related areas in their growth-stage through equity investment;	RMB4.9 million	
July 2023	Suzhou Yongxin Rongke Venture Capital Partnership (LP)* (蘇州永鑫融科創業投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB52.1 million	RMB5.0 million	9.60%	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing;	RMB5.0 million	
March 2025	Suzhou Yongxin Ronglun Equity Investment Partnership (LP)* (蘇州永鑫融倫股權投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))	RMB52.1 million	RMB5.0 million	9.60%	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing;	RMB5.0 million	

# Management Discussion and Analysis

4. As of 30 June 2025, the Group's stock investments were all stock investments with an active stock market, and the fair value of stock investments did not exceed 5% or more of the Group's total assets.
5. As of 30 June 2025, the Group's investments in monetary funds referred to low-risk products in the securities investment funds, the fair value of which did not exceed 5% or more of the Group's total assets.
6. The Company has formulated standardized capital and investment management policies to monitor and control potential risks related to investment activities. When considering whether to invest and what kind of products to invest in, the management will consider, among other things, the risk level, investment return, liquidity and maturity of the relevant wealth management products on a case-by-case basis. Our investment portfolio and policies are regularly reviewed by our Directors and management team.

## Material acquisitions and disposals of assets

During the six months ended 30 June 2025 and up to the date of this report, there were no material acquisitions and disposals of assets.

## Off-balance sheet arrangements

The Group has not entered into and has no intention to enter into any off-balance sheet arrangements. The Group has not entered into any financial guarantees or made other commitments to guarantee the payment obligations of any third parties.

## Pledge of assets by the Group

As at 30 June 2025, a portion of the borrowings of the Group's subsidiaries is pledged by time deposits of other subsidiaries in the amount of RMB60.0 million (31 December 2024: RMB60.0 million).

## Foreign currency exchange risks

For the six months ended 30 June 2025, most of the transactions denominated in non-RMB were denominated in U.S. dollars and Hong Kong dollars. The management team closely monitors foreign currency exchange risks to ensure that appropriate measures are implemented in a timely and effective manner. In the past, the Group has not incurred any significant foreign currency exchange losses in its operations. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

## Event after the Reporting Period

The Group did not have any significant events after 30 June 2025 and up to the date of this report.

# Other Information

## COMPLIANCE WITH THE CG CODE

The Company has adopted the code provisions set out in the CG Code as its own corporate governance framework. The Company complied with the code provisions as set out in the CG Code for the six months ended 30 June 2025, save for the deviations from code provision C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separated and should not be performed by the same individual.

Mr. Jiang Xiaohuang is the chairman of the Board and CEO of the Company currently. Due to Mr. Jiang's background, qualifications and experiences in the Company, he is considered to be the best candidate for both roles at present. The Board considers that Mr. Jiang's dual role at this stage is conducive to maintaining the continuity of the Company's policies and the operation efficiency and stability of the Company, which is appropriate and in the best interest of the Company and Shareholders.

Besides, all major decisions of the Company have been made in consultation with members of the Board and appropriate committees, as well as the Senior Management. In addition, Directors are encouraged to participate actively in all meetings of the Board and of such Board committees of which they are members, and the Chairman ensures that all issues raised are properly briefed at the Board meetings, and he works with the Senior Management to provide adequate, accurate, clear, complete and reliable information to all members of the Board in a timely manner. Further, the Board meets with Mr. Jiang regularly to discuss issues relating to the operation of the Group.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. Mr. Jiang holding both positions of the chairman of the Board and CEO of the Company will not have any impact on the balance between power and authority of the Board and the Senior Management. However, the Board will continue to regularly monitor and review the Company's current structure and to make necessary changes when appropriate.

## COMPLIANCE WITH THE MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by Directors. The Company has made specified enquiry with all the Directors, and each of them has confirmed that during the six months ended 30 June 2025, they have always complied with the required standards contained in the Model Code.

The Company has also established employee stock trading regulations on terms no less exacting than the Model Code for employees who are likely to be in possession of unpublished price-sensitive data of the Company. No incident of non-compliance of the employee stock trading regulations by the employees was noted by the Company.

## INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

# Other Information

## AUDIT COMMITTEE

Our Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The members of the Audit Committee are Mr. Zhu Wei, Mr. Zhang Jinsong and Ms. Tang Haiyan, all of whom are independent non-executive Directors. Mr. Zhu Wei is the chairman of the Audit Committee. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment, re-appointment and removal of external auditors; review the financial statements; provide material advice in respect of our financial reporting process; oversee our internal control and risk management systems and audit process; and provide advice and comment to our Board on matters related to corporate governance.

The Audit Committee has reviewed and discussed the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2025 and this interim report and has met with the Auditor who has reviewed the interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

## CHANGE IN INFORMATION OF DIRECTORS

Changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- (1) Ms. Tang Haiyan ceased to act as the independent director of Suzhou Veichi Electric Co., Ltd (蘇州偉創電氣科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688698.SH) with effect from 16 May 2025.
- (2) Ms. Tang Haiyan has been appointed as a member of the nomination committee of the Company (the "Nomination Committee") with effect from 28 August 2025.
- (3) Mr. Zhu Wei has ceased to be a member of the Nomination Committee with effect from 28 August 2025.

Saved as disclosed above, there is no other change in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published annual report.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 30 June, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, at least 25% of the Company's total number of issued Shares were held by the public at all time since the Listing Date.

# Other Information

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to herein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares or underlying Shares of the Company as at 30 June 2025			
Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest <sup>(2)</sup>
Mr. Jiang Xiaohuang <sup>(3)(4)(5)(6)</sup>	Interest of a controlled corporation/ Founder of a discretionary trust	1,245,176,157 (L) <sup>(1)</sup>	57.10%
Mr. Xu Lin <sup>(7)</sup>	Interest of a controlled corporation	7,141,974 (L) <sup>(1)</sup>	0.33%
	Beneficial owner	1,776,000 (L) <sup>(1)</sup>	0.08%
Mr. Sun Bo <sup>(8)(9)</sup>	Interest of a controlled corporation	3,570,987 (L) <sup>(1)</sup>	0.16%
	Beneficial owner	1,650,000 (L) <sup>(1)</sup>	0.08%
	Person having a right to require delivery of the underlying Shares	502,000 (S) <sup>(1)</sup>	0.02%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares of the Company. The letter "S" denotes the person's short position in the Shares of the Company.
- (2) The calculation is based on the total number of 2,180,850,000 Shares in issue as at 30 June 2025.
- (3) 941,774,116 Shares are registered under the name of Eternal Heart Holdings Limited, the issued share capital of which is owned as to 100% by Gorgeous Sunshine Holding Limited, which is in turn the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Eternal Heart Holdings Limited for the purpose of Part XV of the SFO.
- (4) 90,500,000 Shares are registered under the name of Ling Long Holdings Limited, the issued share capital of which is owned as to 100% by Gorgeous Sunshine Holding Limited, which is in turn the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Ling Long Holdings Limited for the purpose of Part XV of the SFO.
- (5) 189,754,000 Shares are registered under the name of Warm Sunshine Holdings Limited, the issued share capital of which is owned as to 100% by Future Wisdom Holdings Limited, which is in turn wholly-owned by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Warm Sunshine Holdings Limited for the purpose of Part XV of the SFO.



# Other Information

- (6) 23,148,041 Shares are registered under the name of Agile Eagle Holdings Limited, the issued share capital of which is owned as to 100% by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Agile Eagle Holdings Limited for the purpose of Part XV of the SFO.
- (7) 7,141,974 Shares are registered under the name of Purple Crystal Holdings Limited, the issued share capital of which is owned as to 100% by Purple Dream Holdings Limited, which is in turn owned as to 17.24% by Mr. Xu. Accordingly, Mr. Xu is deemed to be interested in the Shares held by Purple Crystal Holdings Limited for the purpose of Part XV of the SFO.
- (8) 3,570,987 Shares are registered under the name of Purple Crystal Holdings Limited, the issued share capital of which is owned as to 100% by Purple Dream Holdings Limited, which is in turn owned as to 8.62% by Mr. Sun. Accordingly, Mr. Sun is deemed to be interested in the Shares held by Purple Crystal Holdings Limited for the purpose of Part XV of the SFO.
- (9) Pursuant to the Share Award Scheme, Mr. Sun was granted 502,000 Awarded Shares on 31 January 2021.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executives of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

## ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

# Other Information

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Company and the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares or underlying Shares of the Company as at 30 June 2025			
Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest <sup>(2)</sup>
Mr. Jiang Xiaohuang <sup>(3)(4)(5)</sup>	Interest of a controlled corporation/ Founder of a discretionary trust	1,245,176,157 (L) <sup>(1)</sup>	57.10%
Ms. Mao Yuyan <sup>(6)</sup>	Interest of spouse	1,245,176,157 (L) <sup>(1)</sup>	57.10%
TMF (Cayman) Ltd. <sup>(3)</sup>	Trustee of a trust	1,032,274,116 (L) <sup>(1)</sup>	47.33%
Gorgeous Sunshine Holding Limited <sup>(3)</sup>	Interest of a controlled corporation	1,032,274,116 (L) <sup>(1)</sup>	47.33%
Eternal Heart Holdings Limited	Beneficial owner	941,774,116 (L) <sup>(1)</sup>	43.18%
Ling Long Holdings Limited	Beneficial owner	90,500,000 (L) <sup>(1)</sup>	4.15%
Future Wisdom Holdings Limited <sup>(4)</sup>	Interest of a controlled corporation	189,754,000 (L) <sup>(1)</sup>	8.70%
Warm Sunshine Holdings Limited	Beneficial owner	189,754,000 (L) <sup>(1)</sup>	8.70%
Agile Eagle Holdings Limited <sup>(5)</sup>	Beneficial owner	23,148,041 (L) <sup>(1)</sup>	1.06%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares of the Company.
- (2) The calculation is based on the total number of 2,180,850,000 Shares in issue as at 30 June 2025.
- (3) Eternal Heart Holdings Limited and Ling Long Holdings Limited are wholly-owned by Gorgeous Sunshine Holding Limited which is the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, each of Mr. Jiang, Gorgeous Sunshine Holding Limited and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Eternal Heart Holdings Limited and Ling Long Holdings Limited.
- (4) Warm Sunshine Holdings Limited is wholly-owned by Future Wisdom Holdings Limited which is in turn wholly-owned by Mr. Jiang. Accordingly, each of Mr. Jiang and Future Wisdom Holdings Limited is deemed to be interested in the Shares held by Warm Sunshine Holdings Limited.
- (5) Agile Eagle Holdings Limited is wholly owned by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Agile Eagle Holdings Limited.
- (6) Ms. Mao Yuyan is the spouse of Mr. Jiang and therefore she is deemed to be interested in all the Shares held by Mr. Jiang by virtue of the SFO.

# Other Information

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## SHARE AWARD SCHEME

The Board has approved the adoption of the Share Award Scheme of the Company on 14 September 2020.

### Objectives of the Share Award Scheme

1. to further improve the Group's incentive system, align the interests of certain Eligible Participants with the Group's interests and encourage them to create long- term value for the Group; and
2. to attract and motivate key professional talents to enhance the competitiveness and promote the sustainable development of the Group.

### Eligible Participants of the Share Award Scheme

Any Directors, senior and mid-level management, core technical personnel and key employees who, at the absolute discretion of the Board, will contribute or have contributed to any member of the Group.

### Administration of the Share Award Scheme

1. The Share Award Scheme is subject to the administration of the Scheme Rules and the terms of the Trust Deed (as the case may be);
2. The Board may, by passing ordinary resolutions, appoint any one or more senior management of the Company as Authorised Representative(s) (or form an advisory committee) to give instructions or notices to the Trustee on all matters in connection with the Share Award Scheme and other matters in the routine administration of the Trust; and
3. The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

# Other Information

## Sources of Awarded Shares of the Share Award Scheme

1. Mr. Jiang Xiaohuang, the controlling shareholder of the Company, indirectly transferred 80,000,000 Shares of the Company (representing approximately 3.7% of the issued Shares of the Company as of the date of this report) as a gift, at nil consideration, as the pool of Shares; and
2. Since the adoption of the Share Award Scheme and up to 30 June 2025, a total of 91,434,000 Shares of the Company (representing approximately 4.2% of the issued Shares of the Company as of the date of this report) are purchased as the pool of Shares under the Share Award Scheme.

## Limit of the Share Award Scheme

The Board shall not make any further grant of award such that the total number of Shares granted under the Share Award Scheme will exceed 10 per cent. of the total number of issued Shares as of the Adoption Date.

If the relevant subscription or purchase would result in the Trustee holding in aggregate, more than 10% of the total number of issued Shares of the Company as of the Adoption Date, the Trustee shall not subscribe, purchase or accept any further Shares.

Save as prescribed in the Share Award Scheme or as otherwise restricted by the Listing Rules, for any 12-month period, the aggregate number of Shares granted to any Eligible Participant shall not exceed 1% of the total number of the issued Shares at the relevant time, without Shareholders' approval.

The Share Award Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

## Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

## Duration and Termination of the Share Award Scheme

The Share Award Scheme shall be effective from the Adoption Date and shall be terminated at the earlier of (i) the tenth anniversary from the Adoption Date; or (ii) the date of early termination determined by Authorised Representative(s) (or the advisory committee). The termination of this Share Award Scheme shall not cause any material and adverse effect to any existing rights of any Selected Participants under this Share Award Scheme.

As at 30 June 2025, the remaining life of the Share Award Scheme was approximately 5 years, provided that the Board may decide early termination in accordance with the relevant rules under the Share Award Scheme (which is amended from time to time).

## Implementation of the Share Award Scheme

1. On 14 September 2020, Mr. Jiang Xiaohuang, a controlling shareholder of the Company, decided to indirectly transfer an aggregate of 80,000,000 Shares of the Company as a gift within three years, at nil consideration, as the pool of Shares of the Share Award Scheme.
2. On 1 December 2020, Mr. Jiang Xiaohuang completed the first annual share contribution plan and indirectly transferred an aggregate of 40,000,000 Shares of the Company as a gift at nil consideration, as the pool of Shares of the Share Award Scheme.

# Other Information

3. On 28 December 2020, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant a total of 40,000,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the share award grantees. The grant of Awarded Shares has been effective from 1 January 2021. The share award grantees include (1) Mr. Wu Jie, a former executive Director (awarded 2,000,000 Shares of the Company); (2) Mr. Sun Bo, an executive Director (awarded 2,000,000 Shares of the Company); and (3) employees of the Group (awarded 36,000,000 Shares of the Company). These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 49 months.
4. On 28 June 2021, Mr. Jiang Xiaohuang completed the second annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares of the Company as a gift at nil consideration, as the pool of Shares of the Share Award Scheme.
5. On 4 January 2022, pursuant to the recommendation from the Remuneration Committee of the Company, the Board resolved to grant an aggregate of 16,000,000 Awarded Shares held by the Trustee on behalf of the Selected Participants at nil consideration to the share award grantees. The grant of Awarded Shares has been effective from 5 January 2022. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.
6. On 22 July 2022, Mr. Jiang Xiaohuang completed the third annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares of the Company at nil consideration as the pool of Shares of the Share Award Scheme. By that time, the three-year gift plan of Mr. Jiang Xiaohuang has been completed.
7. On 2 and 5 January 2023, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 2,152,000 and 6,461,600 Awarded Shares respectively, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 and 5 January 2023 respectively. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.
8. On 2 September 2024, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 1,600,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 September 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 11 months.
9. On 31 December 2024, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 18,857,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 31 December 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 37 months.
10. Since the adoption of the Share Award Scheme and up to 30 June 2025, a total of 91,434,000 Shares of the Company are purchased as the pool of Shares under the Share Award Scheme.



# Other Information

The number of Shares available for grant under the Share Award Scheme as at 31 December 2024 and 30 June 2025 was 107,506,000 Shares and 110,890,000 Shares, representing approximately 4.9% and approximately 5.1% of the total number of Shares in issue as at 31 December 2024 and 30 June 2025, respectively. As no new Shares were issued for the grant of Award Shares during the Reporting Period, the number of Shares that may be issued in respect of Award Shares granted under the Share Award Scheme divided by the weighted average number of Shares in issue for the Reporting Period (excluding treasury shares as defined under the Listing Rules) is not applicable.

Set out below are the details of the number of Awarded Shares granted and movements under the Share Award Scheme for the six months ended 30 June 2025:

Name or category of the participant	Date of grant	Vesting period	Purchase price	Unvested as at 1 January 2025	Number of Awarded Shares				Unvested as at 30 June 2025
					Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	
Director									
Mr. Sun Bo	1 January 2021	1 January 2021 to 31 January 2025	nil <sup>(2)</sup>	200,000	—	(200,000) <sup>(1)</sup>	—	—	—
Five highest paid individuals (excluding directors) during the Reporting Period in aggregate									
In aggregate	1 January 2021	1 January 2021 to 31 January 2025	nil <sup>(2)</sup>	760,000	—	(760,000) <sup>(1)</sup>	—	—	—
		1 January 2021 to 31 January 2026	nil <sup>(2)</sup>	—	—	—	—	—	—
In aggregate	5 January 2022	5 January 2022 to 31 January 2025	nil <sup>(2)</sup>	600,000	—	—	(600,000)	—	—
In aggregate	2 September 2024	2 September 2024 to 31 July 2025	nil <sup>(2)</sup>	300,000	—	—	—	—	300,000
In aggregate	31 December 2024	31 December 2024 to 31 January 2025	nil <sup>(2)</sup>	600,000	—	(600,000) <sup>(1)</sup>	—	—	—
		31 December 2024 to 31 January 2026	nil <sup>(2)</sup>	900,000	—	—	—	—	900,000
		31 December 2024 to 31 January 2027	nil <sup>(2)</sup>	1,100,000	—	—	—	—	1,100,000
		31 December 2024 to 31 January 2028	nil <sup>(2)</sup>	—	—	—	—	—	—

# Other Information

Name or category of the participant	Date of grant	Vesting period	Purchase price	Unvested as at 1 January 2025	Number of Awarded Shares				Unvested as at 30 June 2025
					Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	
Employee Participants									
In aggregate	1 January 2021	1 January 2021 to 31 January 2025	nil <sup>(2)</sup>	3,278,800	–	(3,218,800) <sup>(1)</sup>	(60,000)	–	–
In aggregate	5 January 2022	5 January 2022 to 31 January 2025	nil <sup>(2)</sup>	1,000,000	–	–	(1,000,000)	–	–
In aggregate	2 January 2023	2 January 2023 to 31 January 2025	nil <sup>(2)</sup>	300,000	–	–	(300,000)	–	–
		2 January 2023 to 31 January 2026	nil <sup>(2)</sup>	–	–	–	–	–	–
In aggregate	2 September 2024	2 September 2024 to 31 July 2025	nil <sup>(2)</sup>	550,000	–	–	–	–	550,000
In aggregate	31 December 2024	31 December 2024 to 31 January 2025	nil <sup>(2)</sup>	200,000	–	(200,000) <sup>(1)</sup>	–	–	–
		31 December 2024 to 31 January 2026	nil <sup>(2)</sup>	3,050,000	–	–	–	–	3,050,000
		31 December 2024 to 31 January 2027	nil <sup>(2)</sup>	2,840,000	–	–	–	–	2,840,000
		31 December 2024 to 31 January 2028	nil <sup>(2)</sup>	300,000	–	–	–	–	300,000
				15,978,800	–	(4,978,800)	(1,960,000)	–	9,040,000

## Notes:

- (1) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. 28 January 2025) immediately before the date (31 January 2025) on which the Awarded Shares were vested during the Reporting Period was HK\$0.57.
- (2) As all the aforementioned Awarded Shares are donated by Mr. Jiang Xiaohuang, the Board has decided to grant the aforementioned Awarded Shares to the Eligible Participants at nil consideration.
- (3) There is no participant with Awarded Shares granted and to be granted in excess of the 1% individual limit, nor related entity participant or service provider with Awarded Shares granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue.
- (4) Due to inconsistencies between the five highest paid individuals for the year ended 31 December 2024 and the six months ended 30 June 2025, the breakdown of “Unvested as at 1 January 2025” in this report is inconsistent with that of “Unvested as at 31 December 2024” in 2024 annual report, but the total amount of unvested Awarded Shares as at 31 December 2024 and 1 January 2025 is consistent.

# Review Report



## **Review report to the board of directors of FriendTimes Inc.**

*(Incorporated in Cayman Islands with limited liability)*

### **INTRODUCTION**

We have reviewed the interim financial report set out on pages 31 to 50 which comprise the consolidated statement of financial position of FriendTimes Inc. as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

#### **KPMG**

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
28 August 2025

# Consolidated Statement of Profit or Loss

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	4	<b>623,463</b>	526,072
Cost of sales		<b>(164,350)</b>	(165,785)
<b>Gross profit</b>		<b>459,113</b>	360,287
Other net income	5	<b>14,065</b>	23,719
Sales and marketing expenses		<b>(292,062)</b>	(287,321)
Research and development expenses		<b>(131,831)</b>	(152,831)
General and administrative expenses		<b>(17,837)</b>	(18,108)
<b>Profit/(loss) from operations</b>		<b>31,448</b>	(74,254)
Finance costs		<b>(1,424)</b>	(1,731)
Changes in fair value of financial assets measured at fair value through profit or loss ("FVPL")		<b>20,560</b>	6,728
<b>Profit/(loss) before taxation</b>	6	<b>50,584</b>	(69,257)
Income tax	7	<b>(9,871)</b>	(3,071)
<b>Profit/(loss) for the period</b>		<b>40,713</b>	(72,328)
<b>Earnings/(loss) per share</b>			
Basic and diluted (RMB)	8	<b>0.02</b>	(0.03)

The accompanying notes form parts of the financial statements.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Profit/(loss) for the period</b>	<b>40,713</b>	(72,328)
<b>Other comprehensive income for the period</b>		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company	(1,065)	308
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside mainland China	(173)	1,455
<b>Other comprehensive income for the period</b>	<b>(1,238)</b>	1,763
<b>Total comprehensive income for the period</b>	<b>39,475</b>	(70,565)

The accompanying notes form parts of the financial statements.



# Consolidated Statement of Financial Position

as at 30 June 2025 — unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	211,487	220,499
Intangible assets		3,308	3,240
Right-of-use assets		7,890	7,063
Financial assets measured at FVPL	10	113,475	95,659
Other receivables	11	7,591	7,591
Deferred tax assets		—	5,412
Time deposits	13	193,082	184,761
		<b>536,833</b>	524,225
<b>Current assets</b>			
Contract costs		3,822	1,987
Financial assets measured at FVPL	10	281,612	204,241
Trade and other receivables	11	85,138	84,537
Pledged bank deposits		1,843	1,903
Restricted cash		3,780	3,464
Cash and cash equivalents	12	137,846	334,825
Time deposits	13	364,839	247,294
		<b>878,880</b>	878,251
<b>Current liabilities</b>			
Trade and other payables	14	91,830	86,038
Bank loans	15	110,424	149,420
Contract liabilities		15,708	10,543
Current taxation		1,428	1,430
Lease liabilities		675	—
		<b>220,065</b>	247,431

# Consolidated Statement of Financial Position

as at 30 June 2025 — unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Net current assets</b>		<b>658,815</b>	630,820
<b>Total assets less current liabilities</b>		<b>1,195,648</b>	1,155,045
<b>Non-current liabilities</b>			
Contract liabilities		<b>4,854</b>	4,969
Deferred tax liabilities		<b>34</b>	—
<b>NET ASSETS</b>		<b>1,190,760</b>	1,150,076
<b>CAPITAL AND RESERVES</b>	16		
Share capital		<b>154</b>	154
Reserves		<b>1,190,606</b>	1,149,922
<b>TOTAL EQUITY</b>		<b>1,190,760</b>	1,150,076

Approved and authorised for issue by the Board of Directors on 28 August 2025.

**Jiang Xiaohuang**  
Executive Director

**Sun Bo**  
Executive Director

The accompanying notes form parts of the financial statements.

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company								
	Share capital RMB'000	Share premium RMB'000	Share Award Scheme RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained earnings RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	154	19,637	(48,519)	214,118	25,830	(2,087)	(5,900)	1,000,329	1,203,562
<b>Changes in equity for the six months ended 30 June 2024:</b>									
Loss for the period	—	—	—	—	—	—	—	(72,328)	(72,328)
Other comprehensive income	—	—	—	—	—	1,763	—	—	1,763
Total comprehensive income	—	—	—	—	—	1,763	—	(72,328)	(70,565)
Shares held for share award scheme (Note 16(b))	—	—	(5,201)	—	—	—	—	—	(5,201)
Equity settled share-based payments (Note 16(c))	—	—	—	365	—	—	—	—	365
<b>Balance at 30 June 2024 and 1 July 2024</b>	154	19,637	(53,720)	214,483	25,830	(324)	(5,900)	928,001	1,128,161
Profit for the period	—	—	—	—	—	—	—	23,472	23,472
Other comprehensive income	—	—	—	—	—	507	—	—	507
Total comprehensive income	—	—	—	—	—	507	—	23,472	23,979
Shares held for share award scheme	—	—	(7,713)	—	—	—	—	—	(7,713)
Equity settled share-based payments (Note 16(c))	—	—	—	5,649	—	—	—	—	5,649
<b>Balance at 31 December 2024</b>	154	19,637	(61,433)	220,132	25,830	183	(5,900)	951,473	1,150,076

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company								
	Share capital	Share premium	Share Award Scheme	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2025</b>	154	19,637	(61,433)	220,132	25,830	183	(5,900)	951,473	1,150,076
<b>Changes in equity for the six months ended 30 June 2025:</b>									
Profit for the period	-	-	-	-	-	-	-	40,713	40,713
Other comprehensive income	-	-	-	-	-	(1,238)	-	-	(1,238)
Total comprehensive income	-	-	-	-	-	(1,238)	-	40,713	39,475
Shares held for share award scheme (Note 16(b))	-	-	(896)	-	-	-	-	-	(896)
Equity settled share-based payments (Note 16(c))	-	-	-	2,105	-	-	-	-	2,105
<b>Balance at 30 June 2025</b>	154	19,637	(62,329)	222,237	25,830	(1,055)	(5,900)	992,186	1,190,760

The accompanying notes form parts of the financial statements.

# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
<b>Operating activities:</b>			
Cash generated from/(used in) operations		32,835	(116,253)
Income tax paid		20	(23)
<b>Net cash generated from/(used in) operating activities</b>		<b>32,855</b>	<b>(116,276)</b>
<b>Investing activities:</b>			
Payment for purchase of property, plant and equipment, intangible assets and other non-current assets		(1,572)	(1,704)
Proceeds from disposal of property, plant and equipment		—	76
Payment for investments measured at FVPL		(760,283)	(408,725)
Proceeds from investments measured at FVPL		690,669	616,460
Proceeds from disposal of interests in associate		—	5,000
Payment for purchase of time deposits		(209,305)	(88,927)
Proceeds from redemption of time deposits		88,214	33,192
Interest received		4,082	8,564
<b>Net cash (used in)/generated from investing activities</b>		<b>(188,195)</b>	<b>163,936</b>
<b>Financing activities:</b>			
Capital element of lease rentals paid		695	—
Proceeds from bank loans		38,907	77,449
Repayment of bank loans		(79,327)	(63,588)
Payment for the purchase of shares held for Share Award Scheme		(896)	(5,201)
<b>Net cash (used in)/generated from financing activities</b>		<b>(40,621)</b>	<b>8,660</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(195,961)</b>	<b>56,320</b>
<b>Cash and cash equivalents at the beginning of the period</b>	12	<b>334,825</b>	<b>396,216</b>
<b>Effect of foreign exchange rate changes</b>		<b>(1,018)</b>	<b>168</b>
<b>Cash and cash equivalents at 30 June</b>	12	<b>137,846</b>	<b>452,704</b>

The accompanying notes form part of these financial statements.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## I CORPORATE INFORMATION

FriendTimes Inc. (“**the Company**”) was incorporated in the Cayman Islands on 16 November 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 October 2019 (the “**Listing**”).

The Company and its subsidiaries (together, “**the Group**”) are a mobile game developer, publisher and operator in ancient Chinese style female-oriented games in the PRC and overseas market.

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 30.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2024 are available in the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2025.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE

The Group is principally engaged in provision of mobile game development and publishing services.

For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by business lines		
— Revenue from self-developed games published by the Group	<b>603,909</b>	511,246
— Revenue from self-developed games published through intellectual property license arrangement and others	<b>19,554</b>	14,826
	<b>623,463</b>	526,072

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 4 REVENUE (continued)

### (i) Disaggregation of revenue (continued)

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Over-time	623,462	526,070
Point-in-time	1	2
	<b>623,463</b>	526,072

The Group's customer base is diversified and includes nil customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2025, the aggregated amount of the transaction price allocated to the unsatisfied performance obligations under the Group's existing contract is RMB20,562,000 (31 December 2024: RMB15,512,000), among which RMB15,708,000 (31 December 2024: RMB10,543,000) is expected to be recognised within one year. This amount represents revenue expected to be recognised in the future from unamortised mobile game revenue and unamortised licensing fees. The Group will recognise as the control of services is transferred to the customer, which is expected to occur over the next 30 months.

### (iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the games were published, the intellectual property was licensed or the services were provided.

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Mainland of the PRC	499,335	396,674
Overseas	124,128	129,398
	<b>623,463</b>	526,072

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 5 OTHER NET INCOME

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Government grants	1,581	3,753
Interest income from bank deposits	9,040	11,983
Investment income from wealth management products	444	475
Income from the sales of investment in listed securities	4,313	1,790
Dividend income from private funds	458	103
Net exchange (loss)/gain	(1,696)	576
Gain on disposal of interests in associate	–	5,000
Others	(75)	39
	<b>14,065</b>	<b>23,719</b>

## 6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

### (a) Staff costs

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Salaries, bonus and other benefits		121,625	135,778
Equity settled share-based payments	16(c)	2,105	365
Contributions to defined contribution plans	(i)	23,757	23,746
		<b>147,487</b>	<b>159,889</b>

- (i) Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group's contributions made to the defined contribution retirement scheme are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 6 PROFIT/(LOSS) BEFORE TAXATION (continued)

### (b) Other items

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment	9,332	12,002
Depreciation of right-of-use assets	543	543
Amortisation of intangible assets	1,184	1,091
Impairment losses recognised in trade and other receivables	744	23

## 7 INCOME TAX

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Current tax:</b>		
Under-provision in prior years	4,425	—
<b>Deferred tax:</b>		
Reversal of temporary differences	5,446	3,071
	9,871	3,071

## 8 EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share for the six months ended 30 June 2025 and 2024 is calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2025	2024
Profit/(loss) attributable to the equity shareholders of the Company (RMB'000)	40,713	(72,328)
Weighted average number of ordinary shares in issue ('000)	2,101,172	2,116,111
Basic earnings/(loss) per share	0.02	(0.03)



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 8 EARNINGS/(LOSS) PER SHARE (continued)

### (b) Diluted earnings/(loss) per share

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

## 9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB320,000 (six months ended 30 June 2024: RMB178,000).

## 10 FINANCIAL ASSETS MEASURED AT FVPL

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Current</b>			
Investment in wealth management products	(i)	227,430	169,757
Investment in listed equity securities	(ii)	54,182	34,484
		<b>281,612</b>	204,241
<b>Non-current</b>			
Investment in Limited Liability Partnerships ("LLPs")	(iii)	108,475	90,659
Investment in unlisted equity securities	(iv)	5,000	5,000
		<b>113,475</b>	95,659
Financial assets measured at FVPL in the consolidated financial statement		<b>395,087</b>	299,900

- (i) The wealth management products as at 30 June 2025 are issued by creditworthy PRC commercial banks and PRC securities company with variable interest rate.
- (ii) Listed equity securities as at 30 June 2025 represent the fair value of equity shares listed on an active stock market. The directors of the Company consider that the closing price of the securities is the fair value of the investment.
- (iii) The investment in LLPs as at 30 June 2025 represent the Group's 10.78%, 6.55%, 5.99%, 0.83%, 9.60%, 22.9% and 9.60% shares in seven venture capital partnerships as a limited partner. The underlying assets in which these LLPs invested are mainly growth-oriented high-tech enterprises.
- (iv) The Group invested a PRC-domiciled entity at a cash consideration of RMB5,000,000 in April 2024. As at 30 June 2025, the Group held a 3.88% share in the investee.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## II TRADE AND OTHER RECEIVABLES

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables	(a)	74,936	66,311
Less: loss allowance		(756)	(12)
Trade receivables, net		74,180	66,299
Deposits and prepayments		1,675	2,109
VAT deductible		5,337	7,285
Income tax recoverable		2,625	7,071
Other receivables		8,912	9,364
		92,729	92,128
Trade and other receivables, net of loss allowance			
— current portion		85,138	84,537
— non-current portion		7,591	7,591
		92,729	92,128

### (a) Ageing analysis

As at 30 June 2025 and 31 December 2024, the ageing analysis of trade receivables, based on the due date and net of allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	74,179	66,235
Over 3 months but within 1 year	757	76
Less: Loss allowance	(756)	(12)
Trade receivables, net	74,180	66,299

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 12 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at banks	131,571	302,519
Cash at other financial institutions	6,275	32,306
Cash and cash equivalents in the consolidated statement of financial position	137,846	334,825

## 13 TIME DEPOSITS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Current</b>		
Time deposits with maturity over three months but less than one year	364,839	247,294
<b>Non-current</b>		
Time deposits with maturity over one year	193,082	184,761
Time deposits in the consolidated statement of financial position	557,921	432,055

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 14 TRADE AND OTHER PAYABLES

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	(a)	56,019	38,102
Accrued payroll		28,112	42,602
Other payables and accruals		7,699	5,334
Trade and other payables		91,830	86,038

All trade and other payables are expected to be settled within one year or are repayable on demand.

(a) An ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	55,954	37,300
Over 3 months but within 6 months	59	791
Over 6 months but within 12 months	4	3
Over 1 year	2	8
	56,019	38,102

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 15 BANK LOANS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bank loans	110,424	149,420

As at 30 June 2025, the bank loans of RMB110,424,000 were discounted letters of credit which bore interest rate of 1.45% to 1.90% per annum and will be mature in April 2026.

## 16 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

The Board of directors did not recommend a payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

### (b) Shares held for Share Award Scheme

During the six months ended 30 June 2025, the Company acquired 1,420,000 ordinary shares through the designated trustees under the share award scheme for the purpose of granting shares (for the six months ended 30 June 2024: 5,158,000).

### (c) Equity settled share-based transactions

The Company has adopted a share award scheme on 14 September 2020 (the “**Share Award Scheme**”) for the purpose of incentivizing directors, senior management and certain key employees for their contribution to the Group, and to attract and retain skilled and experienced personnel for the future growth of the Group by providing them with the opportunity to own equity interests in the Company. Mr Jiang Xiaohuang, the controlling shareholder of the Company, decided to indirectly transfer an aggregate of 80,000,000 shares of the Company as a gift within three years, at nil consideration, as the pool of shares of the Share Award Scheme. A trust has been set up for the administration and vesting of restricted shares (“**RSUs**”) granted pursuant to the Share Award Scheme.

As of 30 June 2025, the aggregate of 85,070,600 RSUs were granted for nil consideration to eligible employees of the Group under the Share Award Scheme. These RSUs vest for a period from one month to 49 months. In addition to the service condition, there are other vesting conditions related to the employee's performance and the Group's performance for each of the vesting period.

During the six months ended 30 June 2025, no RSU (2024: Nil) was granted and a total number of 4,978,800 shares (2024: 3,437,600 shares) had been vested. As at 30 June 2025, a total of 9,040,000 shares was outstanding for vesting.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments, including investment in wealth management product which is categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the directors is held once a year, to coincide with the reporting dates.

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Level 1 Assets		
Listed equity securities	54,182	34,484
Level 2 Assets		
Unlisted equity securities	5,000	5,000
Investment in LLPs	108,475	90,659
Level 3 Assets		
Investment in wealth management products	227,430	169,757
	395,087	299,900

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

#### (ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of Level 2 assets is generally obtained through the use of valuation methodologies with observable market inputs or by reference to the latest round of financing, i.e. the prior transaction price or the third-party pricing information. As the investees are in normal operation without any significant business milestone events during the period, the fair value of the unlisted equity investments and LLP is determined with reference to the latest round of financing price, adjusted by unobservable inputs based on information such as its latest available financial information, where applicable as at 30 June 2025.

#### (iii) Information about Level 3 fair value measurements

The fair value of the investment in wealth management products issued by banks as at 30 June 2025 is determined using the forecast future cash flow discounted by risk-adjusted discount rate. The valuation requires the directors to make estimates about the expected future cash flows. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit and loss, are reasonable, and that they were the most appropriate values as at the reporting period end. As at 30 June 2025, the expected investment income ranged from RMB1,253,000 to RMB1,387,000, and the risk adjusted discount rate ranged from 1.49% to 4.30%. The fair value measurement is positively correlated to the expected investment income and negatively correlated to the risk adjusted discount rate.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 RMB'000	2024 RMB'000
Investment in wealth management products		
At 1 January	169,757	356,133
Payment for purchases	686,871	350,459
Realised gain from investment recognised in "other income" in the consolidated statement of profit or loss	444	475
Proceeds upon maturity	(631,385)	(565,450)
Changes in fair value of financial assets measured at fair value through profit or loss	1,764	2,199
Foreign exchange adjustment	(21)	12
At 30 June	227,430	143,828

Any gains or losses arising from the remeasurement of the Group's unlisted equity investments held for strategic purpose are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### (b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2025 and 31 December 2024 due to short-term maturity of these instruments.

## 18 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Short-term employee benefits	2,218	1,907
Equity settled share-based payments	475	97
Post-employee benefits	92	86
	2,785	2,090

Total remuneration is included in "staff costs" (see Note 6(a)).

## 19 SUBSEQUENT EVENTS

No significant subsequent events have occurred subsequent to 30 June 2025.