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友誼時光
F R I E N D T I M E S

FriendTimes Inc.

友誼時光股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6820)

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

SUBSCRIPTION OF STRUCTURED DEPOSITS

The Board announces that, on 27 June 2023 and 25 August 2023, FriendTimes Technology (a wholly-owned subsidiary of the Company) entered into two Structured Deposit Agreements with Suzhou Industrial Park branch of Bank of NingBo, pursuant to which FriendTimes Technology would subscribe for principal-protected floating return and closed-end structured deposits in the amount of RMB30,000,000 and RMB50,000,000, respectively, with a cumulative amount of RMB80,000,000.

LISTING RULES IMPLICATIONS

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

BACKGROUND

The Board announces that, on 27 June 2023 and 25 August 2023, FriendTimes Technology (a wholly-owned subsidiary of the Company) entered into two Structured Deposit Agreements with Suzhou Industrial Park branch of Bank of NingBo, pursuant to which FriendTimes Technology would subscribe for principal-protected floating return and closed-end structured deposits in the amount of RMB30,000,000 and RMB50,000,000, respectively, with a cumulative amount of RMB80,000,000.

PRINCIPAL TERMS OF THE STRUCTURED DEPOSIT AGREEMENTS

1. The principal terms of the Structured Deposit Agreement dated 25 August 2023 are as follows:

Date of subscription:	25 August 2023
Parties:	(1) FriendTimes Technology; and (2) Suzhou Industrial Park branch of Bank of NingBo
Product name:	Unit Structured Deposit of Bank of NingBo
Type of product:	Principal-protected floating return and closed-end Structured Deposit
Subscription amount:	RMB50,000,000
Interest period:	91 days from commencement of interest accrual on 29 August 2023 to maturity on 28 November 2023 (inclusive of the interest commencement date and exclusive of the maturity date)
Subject linked:	The spot price of EUR/USD published on Bloomberg's "EUR CURRENCY BFIX" at 14:00 Beijing time every day during the observation period
Observation period:	The entire period from 14:00 on the product interest commencement date to 14:00 on the product maturity date (Beijing time)
Expected annualized rate of return:	1.00% to 3.15% per annum (expected annualized rate of return = "Guaranteed Return 1.0%" + ("High Return 3.15%" – "Guaranteed Return 1.0%") *A/N. N is the total number of days of observation, and A is the number of days when the price of EUR/USD is within (or equal to) ["beginning price -0.0557, beginning price +0.0557"]. The lowest expected annualized rate of return available to the Company is 1.00% and the highest expected annualized rate of return is 3.15%.)
Early termination:	Principal amount of the subscription can only be refunded upon maturity

2. The principal terms of the Structured Deposit Agreement dated 27 June 2023 are as follows:

Date of subscription:	27 June 2023
Parties:	(1) FriendTimes Technology; and (2) Suzhou Industrial Park branch of Bank of NingBo
Product name:	Unit Structured Deposit of Bank of NingBo
Type of product:	Principal-protected floating return and closed-end Structured Deposit
Subscription amount:	RMB50,000,000
Interest period:	89 days from commencement of interest accrual on 29 June 2023 to maturity on 26 September 2023 (inclusive of the interest commencement date and exclusive of the maturity date)
Subject linked:	The spot price of EUR/USD published on Bloomberg's "EUR CURRENCY BFIX" at 14:00 Beijing time every day during the observation period
Observation period:	The entire period from 14:00 on the product interest commencement date to 14:00 on the product maturity date (Beijing time)
Expected annualized rate of return:	1.00% to 3.15% per annum (expected annualized rate of return = "Guaranteed Return 1.0%" + ("High Return 3.15%" - "Guaranteed Return 1.0%") *A/N. N is the total number of days of observation, and A is the number of days when the price of EUR/USD is within (or equal to) ["beginning price -0.051, beginning price +0.051"]. The lowest expected annualized rate of return available to the Company is 1.00% and the highest expected annualized rate of return is 3.15%.)
Early termination:	Principal amount of the subscription can only be refunded upon maturity

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENTS

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

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

INFORMATION OF PARTIES

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

Bank of NingBo is a joint-stock commercial bank with independent legal personality, whose A shares are listed on the Shenzhen Stock Exchange (stock code: 002142). Bank of NingBo Principally engages in the provision of banking and the relevant financial services.

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

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Board”	Board of Directors of the Company
“Bank of NingBo”	Bank of NingBo Corporation, a joint-stock commercial bank with independent legal personality, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 002142)
“Company”	FriendTimes Inc., an exempted company incorporated in the Cayman Islands with limited liability on 16 November 2018 and listed on the Stock Exchange on 8 October 2019 (stock code: 06820.HK)
“connected person(s)”	has the meaning ascribed to it under Listing Rules
“Directors”	Directors of the Company
“EUR”	European Dollars, the lawful currency of the European Union
“FriendTimes Technology”	FriendTimes Technology Inc. (友誼時光科技股份有限公司), a company established under the laws of the PRC with limited liability on 11 May 2010, and the holding company of Operating Entities, and by virtue of the Contractual Arrangements, accounted for as our subsidiary. Formerly known as: Suzhou FriendTimes Technology Inc. (蘇州玩友時代科技股份有限公司)
“Group”	the Company and its subsidiaries or, where the context refers to any time before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, unless otherwise specified, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holders of Shares
“Shares”	ordinary shares of USD0.00001 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit(s)”	the structured deposit(s) issued by Bank of NingBo, the principal terms of which are summarised in this announcement
“Structured Deposit Agreement(s)”	agreement(s) entered into between FriendTimes Technology and Bank of NingBo in relation to the subscription of the Structured Deposit(s)
“USD”	United States dollars, the lawful currency of the United States
“%”	percentage

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

Hong Kong, 25 August 2023

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