友谊时光
FRIENDTIMES

FriendTimes Inc.
友誼時光股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6820)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors hereby announces the unaudited interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**") (the "**Interim Results**") together with comparative figures for the corresponding period in 2025, which have been prepared in accordance with HKFRS Accounting Standards.

FINANCIAL PERFORMANCE SUMMARY

	For the six months ended 30 June		
	2026	2025	Changes
	RMB'000	*RMB'000*	*%*
	(Unaudited)	(Unaudited)	
Revenue	**599,494**	623,463	–3.8%
Gross profit	**450,617**	459,113	–1.9%
Profit for the period	**70,859**	40,713	74.0%

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 and becoming a global outstanding cultural and creative enterprise.

The Group is headquartered in Suzhou, China, with branches in regions including 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), Bloom Reverie (花與緋想), Heartbeat Fall (心跳陷落), 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 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.

Review

For the six months ended 30 June 2026, the total revenue of the Group was approximately RMB599.5 million, representing a decrease of approximately 3.8% as compared to the corresponding period in 2025. Profit for the period was approximately RMB70.9 million, representing an increase of approximately 74.0% as compared to the corresponding period in 2025, which was mainly attributable to the net gain from fair value changes in financial assets measured at fair value through profit or loss and the increase in investment income.

FriendTimes has consistently implemented its strategies of "diversification and quality" and the integration of research and operations, creating an efficient closed-loop system from demand capture to product optimization. The research and development team gains deep insights into market trends and user preferences, enhancing the success rate of products under development. The distribution and operation teams provide real-time feedback that fuels iterative research and development improvements, fostering a virtuous cycle of research and operations synergy. Leveraging such model, we continue to expand user demographics, tap into emerging market growth, and cultivate new revenue drivers. While solidifying its leading position in the ancient-style female-oriented segment, the Group actively explores product forms with more creative and lightweight characteristics. We have gradually established three core matrices of ancient-style female-oriented, modern female-oriented, and creative products, covering both APP-based games and mini-games. By refining gameplay design, scenario special effects, artistic quality, and music performance, we continuously invest in product iteration to effectively extend product lifecycles. This commitment aims to deliver increasingly rich and diverse gaming experiences to players.

FriendTimes continues to deepen its product matrix and enhance its long-term operational strength for diversified products. In terms of ancient-style games, we have consolidated our leading advantages through immersive storytelling, national aesthetics, and innovative interaction mechanisms. In terms of modern-themed works, we have focused on modern life scenes of women, accurately targeting interest demographics with distinct metropolitan symbols and fashionable expressions. In terms of creative products, we have continuously enriched the diversified charm of the product line through differentiated gameplay design and stylized expressions. After systematic planning, significant breakthroughs in product categories have been achieved: in the first half of 2026, ancient-style female-oriented products accounted for 53.2% of revenue, modern-themed products accounted for 38.5%, and creative products accounted for 8.3%. During the Reporting Period, several games delivered a stellar performance, with A Story of Lala's: Rising Star (杜拉拉升職記) entering the TOP 10 of the Douyin mini-game best-seller list, Legend of Empress (熹妃傳) entering the TOP 50 of the Douyin mini-game best-seller list, and Heartbeat Fall (心跳陷落) breaking into the TOP 50 of both Douyin and WeChat mini-game best-seller lists.

With the core strategy of "Creation Empowered with Intelligent Technology Reshapes Gaming Experiences", FriendTimes continuously deepens the integration of AI with its game business, building an AI application system covering the entire process of research and development, distribution, and operations. Focusing on four core directions: platform-based tool development, data asset accumulation, intelligent agent innovation, and AI-native gameplay experiment, the Company has established an AI tool matrix covering multiple stages such as art, programming, copywriting, translation, and audio, and achieved standardized reuse of creative experience through the integration of knowledge and databases. Throughout the research and development production process, AI has been deeply integrated in the entire art creation workflow, covering UI design, modeling, animation, and 2D/3D artwork output, significantly improving resource production efficiency. Meanwhile, AI code generation technology has been widely applied in program development, system testing, and bug fixing, effectively shortening project iteration cycles and reducing labor and time costs. AI capabilities have also been introduced into automated testing process to enhance stability and coverage. In addition, the Company actively embraces the domestic operating system ecosystem, and several of its games have completed the development of native apps for Huawei's HarmonyOS, officially joining the HarmonyOS ecosystem.

In the operation and distribution part, the Company has achieved systematic AI-driven empowerments, with a particular focus on scenarios such as localization, customer service, advertising campaigns, and resource management. AI-powered localization translation has been fully incorporated into the overseas versions of all our games, ensuring cultural adaptation and response speed. AI-powered intelligent customer service provides players with efficient and precise interactive services, optimizing user experience. AI-assisted strategies have been integrated into advertising campaigns to enhance user acquisition efficiency and conversion rates. In terms of internal resource management, the Company has established an intelligent art asset management platform. By utilizing AI smart tagging and retrieval functions, this platform enables the efficient reuse of art resources, thereby reducing costs associated with duplicate production. Meanwhile, in the early stages of product initiation and version updates, it assists in completing the design of game characters, scenes, and props, optimizes gameplay, animations, and style testing outcomes, accelerates project validation processes and improves efficiency in product initiation decision-making and version iteration.

In terms of IP operation and brand promotion, the Company leverages AIGC technology to efficiently generate creative content, producing several AI-generated animated series. For instance, derivative animated series based on A Story of Lala's: Rising Star (杜拉拉升職記) and Heartbeat Fall (心跳陷落), as well as series such as "Don't Kneel, Senior Brother – I Walk the Ruthless Path" (師兄別跪了,我修了無情道), have been launched on platforms such as Douyin, Xiaohongshu, Channels, and Hongguo, with cumulative views exceeding 10 million. Concurrently, the Company embeds derivative short series into marketing activities including brand publicity, user acquisition, and material production, creating more immersive creative content through dramatic visual storytelling. These short series extend the narrative dimension of IPs, strengthening players' recognition of, and emotional connection to, the game's worldview, thereby accumulating content assets for long-term brand building. Currently, the Company's AI applications are extending from the full chain of distribution, operations, and product planning to content creativity and brand marketing, further unleashing the synergistic potential of "AI + Games".

FriendTimes maintains an open mind in response to industrial transformation and the rapid iteration of global artificial intelligence, empowers business innovation with strategic investment and financial investment, injecting new momentum into the sustainable development of the Company. For example, the Company recently participated in the investment in IBDTEC Technology Co., Ltd (中山市博頓光電科技有限公司) ("**IBDTEC**"). IBDTEC specializes in domestically developed high-end ion sources and ion beam equipment, possessing the full-chain core technologies spanning key components and complete equipment to application processes, and laying a solid industrial foundation for next-generation atomic-scale manufacturing. It has established a rare strategic foothold in future-oriented industries such as fusion energy and quantum technology, as well as in frontier new quality industries including aerospace, optical communications, and pan-semiconductors. In addition, the Company invested in Linkerbot Beijing Technology co., Ltd.(靈心巧手(北京)科技股份有限公司) ("**Linkerbot**"). Linkerbot is a global leader in dexterous hands, focusing on high-performance end-effectors and dexterous operation infrastructure. It has built a physical AI foundation, encompassing operating systems, skill libraries and embodied intelligence big models. Its products cover a full spectrum of applications spanning research, general-purpose, industrial and service scenarios, making it the only company worldwide to have achieved mass production of over one thousand units of high-degree-of-freedom dexterous hands.

During the Reporting Period, as an industry player, the Company led the angel round investment of Shanghai Novacore Technology Co., Ltd. (上海深穹星核科技有限公司) ("**Novacore**") to accelerate its technology iteration in the field of ultra-high simulation human faces and promote the commercial landing of AI companion scenarios. Novacore focuses on the integration of "intent understanding" big models and ultra-simulation human faces, making breakthroughs in real-time dialogue interaction, subtle emotion recognition, and "fast and slow brain" architecture to achieve continuous evolution of intelligent agents in interaction. Starting from capital cooperation, both parties will carry out deep synergy around emotional companionship and interactive experience, and jointly explore innovative applications of embodied intelligence in entertainment technology. Meanwhile, the Company also conducted diversified financial investments in fields such as AI hardware, quantum, brain-computer interfaces, and aerospace. The Company has established deep cooperative relationships with multiple leading fund management institutions, effectively diversifying investment risks and optimizing its asset allocation structures through a combination of direct investments and fund portfolio allocations.

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 lightweight content such as the vacation and travel mode and the shopping spree mode, outlining a vivid picture of the growth and lifestyle of the new generation of professionals in a fashionable metropolitan setting. Since its launch, the mini-game version has delivered particularly outstanding performances, evidenced by its entry into the Top 10 best-selling list of Douyin mini-games and the Top 50 best-selling list of WeChat mini-games. With its agile approach to metropolitan storytelling, it has reached a broader user demographics. In overseas markets, A Story of Lala's: Rising Star (杜拉拉升職記) benefited from our in-depth localization strategy, breaking into the Top 20 of South Korea's iOS Best-selling Games, demonstrating strong cross-cultural appeal.

In 2026, A Story of Lala's: Rising Star (杜拉拉升職記) continued to release vitality through product iterations and cross-border integration. The game rolled out a series of content updates centered around new gameplay, fashion collections, companions, vehicle systems, and diverse travel scenarios, constantly broadening the narrative boundaries and imaginative space of the metropolitan workplace. In March, the game partnered with virtual singer Luo Tianyi to launch a themed campaign, "Voice of the Workplace:

Sing Your Way to the Top (聲動職場，唱響高光逆襲)", portraying the rhythm of urban life with music. In April, the game launched the fifth Creative Fashion Collection Competition (第五期創意時裝徵集大賽) with the theme of "Hometown Memories, Eastern Elegance (雲裳故里，衣袂東方)", encouraging players to turn the colors, scenery textures, and memories of their hometowns into clothing, telling nostalgia stories from the bottom of their hearts through fashion language. In June, the game's derivative short series of the same name "Invitation from the Deceased (亡魂請柬)" was launched. Presented in the new format of AI-powered short series, it expanded the IP's narrative dimension and offered players an immersive new story experience.

Heartbeat Fall (心跳陷落)

The oriental supernatural romance mobile game Heartbeat Fall (心跳陷落) was officially launched on 27 May 2026. As a card game that combines immersive storytelling with romantic interaction, it draws on supernatural tales to invite players on a heart-throbbing journey beyond the mortal world. Set in a vibrant otherworldly city, players take on the role of Director of the Special Task Force, piecing together clues in a series of mysterious cases while meeting and forming bonds with fated individuals of extraordinary identities, creating moments that resonate with emotion. The game features core gameplay mechanics including exploration, puzzle-solving, immersive storytelling, and agent development, complemented by a free and customizable dress-up system that lets players enjoy the unique charm of this alternate dimension even during their adventures.

On its launch day, the game kicked off an offline collaboration with Beijing Happy Valley. The four male leads crossed dimensions to open an exclusive romantic event with the "Senluo Parade (森羅巡遊)". In July, the derivative short series of the same name, Tales of Senluo (森羅異聞錄), premiered, joining forces with a new agent named Shen Tu to venture into hidden realms and uncover the truth behind the mysterious legends. To date, Heartbeat Fall (心跳陷落) has maintained a steady performance, securing a spot in the Top 50 of both the Douyin and WeChat mini-game best-seller charts. With its unique oriental supernatural appeal, it has captured the hearts of a wide audience of players.

Legend of Empress (熹妃傳)

The aesthetic ancient-style cultivation mobile game Legend of Empress (熹妃傳) is based on a classic best-selling novel and combines core gameplay such as card collection and development, strategic combat, and DIY dress-up, along with lighter leisure activities including manor management, fishing and cooking, and pet raising, allowing players to enjoy the leisurely charm of ancient life alongside political scheming. In May 2024, the mini-game version performed well after launch, ranking among the Top 30 best-selling titles on Douyin's mini-game chart. In April 2026, the game launched a cross-temporal collaboration with A Story of Lala's: Rising Star (杜拉拉升職記), using the "Phoenix Workplace Illustrated Guide (鳳鳴職場圖鑒)" to connect workplace wisdom across ancient and modern times. As one of the Company's classic evergreen titles with a history of over ten years, Legend of Empress (熹妃傳) has maintained a steady monthly revenue performance across both mobile and web platforms, consistently generating stable returns for the Company.

Reserve Games

The Company's reserve games include Yumemeguri Shoujo～ Isekai Kyuutei Kitan～ (夢巡り少女～異世界宮廷綺譚～), Hello Kitty My Dream Store (凱蒂貓夢想商店), Code: Time Travel (代號：穿越), Code: HZ (代號：HZ), and Code: QJ (代號：QJ) etc., which are currently under development and testing.

OUTLOOK

Looking into the future, we will constantly deepen the construction of our research and operations integration system, strengthen underlying technology research and development capabilities, and further enhance our full lifecycle product management capabilities by expanding multi-channel distribution networks and refined long-term operational mechanisms. We will iterate on management systems and performance mechanisms, and continuously 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.

SHAREHOLDER RETURNS

Since its listing, the Group has distributed an aggregate cash dividend of over RMB790 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 2026, 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 4.5% of the Company's total issued share capital.

To fully demonstrate confidence in the Group's long-term development prospects, Mr. Jiang Xiaohuang, executive Director, chairman of the Board, CEO and Controlling Shareholder, increased his shareholding in the Company during the period from 23 to 30 June 2026, with an aggregate number of Shares increased representing approximately 0.3% of the Company's total issued share capital.

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. 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. We will continue to strengthen pre-prevention, in-process monitoring, and post-management, and increase the governance of the game content ecology to effectively maintain a healthy and clear game environment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*2*	**599,494**	623,463
Cost of sales		**(148,877)**	(164,350)
Gross profit		**450,617**	459,113
Other net income		**4,540**	14,065
Sales and marketing expenses		**(306,376)**	(292,062)
Research and development expenses		**(154,045)**	(131,831)
General and administrative expenses		**(17,972)**	(17,837)
(Loss)/profit from operations		**(23,236)**	31,448
Finance costs		**(723)**	(1,424)
Changes in fair value of financial assets measured at fair value through profit or loss ("**FVPL**")		**118,617**	20,560
Profit before taxation	*3*	**94,658**	50,584
Income tax	*4*	**(23,799)**	(9,871)
Profit for the period		**70,859**	40,713
Earnings per share			
Basic and diluted *(RMB)*	*5*	**0.03**	0.02

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**70,859**	40,713
Other comprehensive income for the period		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company	**(2,444)**	(1,065)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland	**(632)**	(173)
Other comprehensive income for the period	**(3,076)**	(1,238)
Total comprehensive income for the period	**67,783**	39,475

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**195,387**	202,718
Intangible assets		**4,268**	2,196
Right-of-use assets		**7,049**	7,469
Financial assets measured at FVPL	*6*	**298,085**	106,847
Other receivables	*7*	**7,187**	7,187
Deferred tax assets		**–**	7,270
Time deposits	*13*	**144,910**	185,347
		656,886	519,034
Current assets			
Contract costs		**4,969**	3,555
Financial assets measured at FVPL	*6*	**281,540**	356,510
Trade and other receivables	*7*	**73,283**	61,226
Pledged bank deposits		**1,836**	7,979
Restricted cash		**4,225**	2,626
Cash and cash equivalents		**194,449**	153,015
Time deposits		**263,638**	330,652
		823,940	915,563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Current liabilities			
Trade and other payables	*8*	**75,886**	98,376
Interest-bearing borrowings		**82,051**	70,340
Contract liabilities		**30,483**	20,205
Current taxation		**–**	1,400
Lease liabilities		**–**	685
		188,420	191,006
Net current assets		**635,520**	724,557
Total assets less current liabilities		**1,292,406**	1,243,591
Non-current liabilities			
Contract liabilities		**1,827**	3,593
Deferred tax liabilities		**15,896**	–
NET ASSETS		**1,274,683**	1,239,998
CAPITAL AND RESERVES	*9*		
Share capital		**154**	154
Reserves		**1,274,529**	1,239,844
TOTAL EQUITY		**1,274,683**	1,239,998

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial information set out in this announcement does not constitute the interim financial report of the Group for the six months ended 30 June 2026 but is extracted from the interim financial report which 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 18 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

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.

The 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 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes 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.

The financial information relating to the financial year ended 31 December 2025 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 2025 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 2026.

2 REVENUE AND SEGMENT REPORTING

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by business lines		
— Revenue from self-developed games published by the Group	**590,296**	603,909
— Revenue from self-developed games published through intellectual property license arrangement and others	**9,198**	19,554
	599,494	623,463

(ii) 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	
	2026	2025
	RMB'000	*RMB'000*
Chinese Mainland	**507,667**	499,335
Overseas	**91,827**	124,128
	599,494	623,463

3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Salaries, bonus and other benefits		**132,888**	121,625
Equity settled share-based payments	*9(c)*	**6,895**	2,105
Contributions to defined contribution plans	*(i)*	**25,553**	23,757
		165,336	147,487

(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.

(b) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**8,280**	9,332
Depreciation of right-of-use assets	**420**	543
Amortisation of intangible assets	**1,388**	1,184
Impairment losses recognised in trade and other receivables	**48**	744

4 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax:		
Under-provision in prior years	**632**	4,425
Deferred tax:		
Origination and reversal of temporary differences	**23,167**	5,446
	23,799	9,871

5 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the six months ended 30 June 2026 and 2025 is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2026	2025
Profit attributable to the equity shareholders of the Company (RMB'000)	**70,859**	40,713
Weighted average number of ordinary shares in issue ('000 shares)	**2,085,190**	2,101,172
Basic earnings per share	**0.03**	0.02

(b) Diluted earnings 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.

6 FINANCIAL ASSETS MEASURED AT FVPL

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Investment in LLPs	**294,085**	101,847
Investment in unlisted equity securities	**4,000**	5,000
Investment in wealth management products	**205,527**	280,768
Investment in listed equity securities	**76,013**	75,742
	579,625	463,357
Financial assets measured at FVPL included in the consolidated financial statement:		
Current	**281,540**	356,510
Non-current	**298,085**	106,847
	579,625	463,357

7 TRADE AND OTHER RECEIVABLES

		At 30 June 2026	At 31 December 2025
	Note	***RMB'000***	*RMB'000*
Trade receivables	*(a)*	**55,697**	54,842
Less: loss allowance		**(812)**	(764)
Trade receivables, net		**54,885**	54,078
Deposits and prepayments		**1,163**	2,049
VAT deductible		**1,998**	821
Income tax recoverable		**70**	2,080
Other receivables		**22,354**	9,385
		80,470	68,413
Trade and other receivables, net of loss allowance			
— current portion		**73,283**	61,226
— non-current portion		**7,187**	7,187
		80,470	68,413

(a) Ageing analysis

As at 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables, based on the due date and net of allowance, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**54,861**	54,031
Over 3 months but within 1 year	**836**	811
Less: Loss allowance	**(812)**	(764)
Trade receivables, net	**54,885**	54,078

8 TRADE AND OTHER PAYABLES

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	*(a)*	**42,680**	41,152
Accrued payroll		**29,546**	51,673
Other payables and accruals		**3,660**	5,551
Trade and other payables		**75,886**	98,376

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 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**40,414**	40,737
Over 3 months but within 6 months	**1,856**	16
Over 6 months but within 12 months	**11**	399
Over 1 year	**399**	–
	42,680	41,152

9 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividends in respect of the previous financial year, approved and paid during the interim period	**36,343**	–

(b) Shares held for Share Award Scheme

During the six months ended 30 June 2026, the Company acquired 7,578,000 ordinary shares through the designated trustees under the share award scheme for the purpose of granting shares (for the six months ended 30 June 2025: 1,420,000 shares).

(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 2026, the aggregate of 104,856,000 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 2026, the aggregate of 19,786,000 RSUs (for the six months ended 30 June 2025: Nil) was granted and a total number of 21,131,000 shares (for the six months ended 30 June 2025: 4,978,800 shares) had been vested. As at 30 June 2026, a total of 6,815,000 shares was outstanding for vesting.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB599.5 million, representing a decrease of approximately RMB24.0 million or approximately 3.8% from approximately RMB623.5 million for the corresponding period in 2025. This was primarily attributable to a decrease in revenue from overseas markets, partially offset by a steady and slight increase in revenue from the domestic market.

Revenue from games by activity

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

	For the six months ended 30 June				
	2026		2025		Period to period change
	RMB'000	**%**	*RMB'000*	%	%
Revenue from games	**599,369**	**99.98%**	623,309	99.98%	–3.8%
Others	**125**	**0.02%**	154	0.02%	–19.0%
Revenue	**599,494**	**100.00%**	623,463	100.00%	–3.8%

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 of our total revenue from games for the periods indicated:

	For the six months ended 30 June				
	2026		2025		Period to period change
	RMB'000	**%**	*RMB'000*	%	%
Domestic market	**507,542**	**84.7%**	499,181	80.1%	1.7%
Overseas market	**91,827**	**15.3%**	124,128	19.9%	–26.0%
Revenue from games	**599,369**	**100.0%**	623,309	100.0%	–3.8%

Cost of sales

The Group's cost of sales decreased by approximately 9.4% from approximately RMB164.4 million for the six months ended 30 June 2025 to approximately RMB148.9 million for the six months ended 30 June 2026, which was mainly due to the decrease in distribution cost ratio resulting from the increased proportion of revenue from Mini Games.

Gross profit and gross profit margin

As a result of the above, gross profit decreased by approximately 1.9% from approximately RMB459.1 million for the six months ended 30 June 2025 to approximately RMB450.6 million for the six months ended 30 June 2026. Gross profit margin increased from approximately 73.6% for the six months ended 30 June 2025 to approximately 75.2% for the six months ended 30 June 2026, which was 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 2026, the Group's sales and marketing expenses amounted to approximately RMB306.4 million, representing an increase of RMB14.3 million or approximately 4.9% from approximately RMB292.1 million for the six months ended 30 June 2025, which was mainly due to the concentrated promotional expenses for new products.

Research and development expenses

For the six months ended 30 June 2026, the Group's research and development expenses amounted to approximately RMB154.0 million, representing an increase of RMB22.2 million or approximately 16.9% from approximately RMB131.8 million for the six months ended 30 June 2025, which was mainly due to (1) an increase in costs for research and development personnel optimization, (2) an increase in sound and animation expenses, and (3) an increase in share-based remuneration expenses.

General and administrative expenses

For the six months ended 30 June 2026, the Group's general and administrative expenses amounted to approximately RMB18.0 million, representing an increase of RMB0.2 million or approximately 0.8% from approximately RMB17.8 million for the six months ended 30 June 2025.

Finance costs

For the six months ended 30 June 2026, the Group's finance costs amounted to approximately RMB0.7 million, representing a decrease of RMB0.7 million from approximately RMB1.4 million for the six months ended 30 June 2025, which was mainly affected by the decrease in financing amount.

Income tax expense

For the six months ended 30 June 2026, the Group's income tax expense amounted to approximately RMB23.8 million, representing an increase of approximately RMB13.9 million from the income tax expense of approximately RMB9.9 million for the six months ended 30 June 2025, mainly due to the increase in deferred tax expenses arising from taxable temporary differences.

Profit for the period

Based on the above reasons, for the six months ended 30 June 2026, our profit for the period amounted to approximately RMB70.9 million, representing an increase of approximately RMB30.2 million or approximately 74.0% from profit of approximately RMB40.7 million for the six months ended 30 June 2025, which was mainly attributable to the net gain from fair value changes in financial assets measured at FVPL and the increase in investment income.

Liquidity and capital resources

As at 30 June 2026, the Group's current liabilities/net assets amounted to approximately 0.15 (31 December 2025: 0.15).

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB194.4 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	
	2026	2025
	RMB'000	*RMB'000*
Net cash (used in)/generated from operating activities	**(26,323)**	32,855
Net cash generated from/(used in) investing activities	**97,284**	(188,195)
Net cash (used in) financing activities	**(23,610)**	(40,621)
Net change in cash and cash equivalents	**47,351**	(195,961)
Cash and cash equivalents as at the beginning of the period	**153,015**	334,825
Effect of foreign exchange rate changes	**(5,917)**	(1,018)
Cash and cash equivalents as at 30 June	**194,449**	137,846

Operating activities

During the six months ended 30 June 2026, the Group's net cash flow used in operating activities was RMB26.3 million, compared to net cash generated from operating activities of RMB32.9 million for the six months ended 30 June 2025.

Investing activities

For the six months ended 30 June 2026, the Group's net cash generated from investing activities was RMB97.3 million, which primarily consisted of (i) payment for purchase of investments measured at FVPL of RMB750.5 million; (ii) proceeds from redemption of investments measured at FVPL of RMB743.7 million; (iii) proceeds from redemption of time deposit investment of RMB175.6 million; and (iv) payment for purchase of time deposit investments of RMB79.7 million; and net cash used in investing activities for the six months ended 30 June 2025 was RMB188.2 million.

Financing activities

For the six months ended 30 June 2026, net cash used in financing activities of the Group was RMB23.6 million, which mainly consisted of (i) proceeds from interest-bearing borrowings of RMB89.0 million; (ii) repayment of interest-bearing borrowings of RMB78.0 million, and (iii) payment of dividends of RMB36.3 million; and net cash used in financing activities for the six months ended 30 June 2025 was RMB40.6 million.

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 2026 and 30 June 2025 are set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Equipment	**949**	320
Intangible assets	**3,460**	1,253
Right-of-use assets	**–**	1,370

Gearing ratio and capital structure

As at 30 June 2026, gearing ratio was 6.4% (31 December 2025: 5.7%). As at 30 June 2026, the Group's balance of interest-bearing borrowings amounted to RMB82.1 million (31 December 2025: RMB70.3 million). The Company's number of issued Shares remained unchanged, being 2,180,850,000 Shares.

Contingent liabilities

As of 30 June 2026, the Group did not have any unrecorded significant contingent liabilities or any guarantees (31 December 2025: Nil).

Employees and remuneration policies

As at 30 June 2026, the Group had a total of 854 employees (31 December 2025: 912 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 2026.

Restructuring and significant investments

During the six months ended 30 June 2026, the Group did not have any restructuring and significant investments.

Financial assets

1. As of 30 June 2026, the Group's wealth management products were issued by listed commercial banks and securities firms in China, mainly including principal-protected floating return products and medium-to-low-risk non-principal-protected floating return products, with only a small portion allocated to medium-risk non-principal-protected floating return products.

2. As of 30 June 2026, 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 2026:

Subscription Date	Maturity Date	Product Name	Bank Name	Principal amount of subscription (RMB million)	Type of product and risk rating	Expected return rate	Investment scope of product	Fair value as of 30 June 2026 (RMB million)	Fair value relative size to total assets as of 30 June 2026
17 June 2026	16 December 2026	Structured Deposit	China Zheshang Bank, Suzhou High-tech Zone Sub-branch	20.0	Principal-protected floating return and closed-end, low risk	1.20%-2.40%	Subject linked: EUR/USD	20.01	
17 June 2026	17 March 2027	Structured Deposit	China Zheshang Bank, Suzhou High-tech Zone Sub-branch	30.0	Principal-protected floating return and closed-end, low risk	1.20%-2.40%	Subject linked: EUR/USD	30.02	5.41%
17 June 2026	16 June 2027	Structured Deposit	China Zheshang Bank, Suzhou High-tech Zone Sub-branch	30.0	Principal-protected floating return and closed-end, low risk	1.30%-2.50%	Subject linked: EUR/USD	30.02	

3. As of 30 June 2026, the Group's limited partnership investments were investments in 11 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 2026, the following eight venture capital partnerships (private funds) under the same fund manager exceeded 5% of the Group's total assets:

Time of investments	Names of private funds	Nature of funds	Fund manager	Scope of investments	Initial size of funds (RMB million)	Initial cost of investments (RMB million)	Initial percentage of investments	Cost of investments as of 30 June 2026 (RMB million)	Fair value as of 30 June 2026 (RMB million)	Fair value relative size to total assets as of 30 June 2026
July 2020	Suzhou Yongxin Ronghui Venture Capital Partnership (L.P.)* (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))	Investing in innovative enterprises in their startup and growth stages through equity investment	278.3	30.0	10.78%	27.9	34.0	
November 2021	Suzhou Yongxin Kaituo Venture Capital Partnership (L.P.)* (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))	Investing in innovative enterprises in their growth-stage through equity investment	500.9	30.0	5.99%	27.0	116.8	
November 2022	Suzhou Yongxin Rongchang Venture Capital Partnership (L.P.)* (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))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	76.3	5.0	6.55%	3.2	23.3	
July 2023	Suzhou Yongxin Rongyao Venture Capital Partnership (L.P.)* (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))	Investing in innovative enterprises in their growth-stage through equity investment	600.0	5.0	0.83%	5.0	21.4	15.61%
July 2023	Suzhou Yongxin Rongke Venture Capital Partnership (L.P.)* (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))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	52.1	5.0	9.60%	5.0	5.0	
March 2025	Suzhou Yongxin Ronglun Equity Investment Partnership (L.P.)* (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))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	52.1	5.0	9.60%	5.0	5.7	

Time of investments	Names of private funds	Nature of funds	Fund manager	Scope of investments	Initial size of funds (RMB million)	Initial cost of investments (RMB million)	Initial percentage of investments	Cost of investments as of 30 June 2026 (RMB million)	Fair value as of 30 June 2026 (RMB million)	Fair value relative size to total assets as of 30 June 2026
January 2026	Suzhou Yongxin Zhiyuan Venture Capital Partnership (L.P.)* (蘇州永鑫致遠創業投資合夥企業(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))	Investing in innovative enterprises focusing on pan-AI intelligent manufacturing industry related areas in their growth-stage through equity investment;	200.0	20.0	10.00%	20.0	20.0	15.61%
April 2026	Suzhou Yongxin Hangrui Venture Capital Partnership (L.P.)* (蘇州永鑫航鋭創業投資合夥企業(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))	Investing in innovative enterprises focusing on pan-commercial aerospace industry related areas in their growth-stage through equity investment;	200.0	5.0	2.50%	5.0	5.0	

4. As of 30 June 2026, the Group's stock investments were all stock investments with an active stock market, and no single stock investment had a fair value exceeding 5% or more of the Group's total assets.

5. As of 30 June 2026, 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 determining 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 2026 and up to the date of this announcement, 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 2026, the Group obtained borrowings and loans pledged by assets, and the amount of the secured assets was RMB36.1 million (31 December 2025: RMB35.8 million).

Foreign currency exchange risks

For the six months ended 30 June 2026, most of the Group's 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 2026 and up to the date of this announcement.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the six months ended 30 June 2026, neither the Company nor any of its Subsidiaries purchased, sold or redeemed the listed securities of the Company (including the sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

Share Award Scheme

The Board 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.

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 total number of issued Shares of the Company as of the date of this announcement) 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 2026, a total of 108,392,000 Shares of the Company (representing approximately 5.0% of the total number of issued Shares of the Company as of the date of this announcement) 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% 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 2026, the remaining life of the Share Award Scheme was approximately 4 years, provided that the Board may decide early termination in accordance with the relevant rules under the Share Award Scheme (as 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.

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. On 23 March 2026, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant 10,254,500 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 23 March 2026. 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 22 months.

11. On 26 June 2026, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant 9,531,500 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 26 June 2026. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with exercise periods all being the date of grant.

12. Since the adoption of the Share Award Scheme and up to 30 June 2026, a total of 108,392,000 Shares of the Company are purchased as the pool of Shares under the Share Award Scheme.

The number of Shares available for grant under the Share Award Scheme as at 31 December 2025 and 30 June 2026 was 120,598,000 Shares and 108,392,000 Shares, representing approximately 5.5% and approximately 5.0% of the total number of Shares in issue as at 31 December 2025 and 30 June 2026, respectively.

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 2026:

Name or category of the participant	Date of grant	Vesting period	Purchase price	Unvested as at 31 December 2025	Number of Awarded Shares Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Unvested as at 30 June 2026
Five highest paid individuals (excluding directors) during the Reporting Period in aggregate									
In aggregate	31 December 2024	31 December 2024 to 31 January 2026	nil(4)	600,000	–	(600,000) (1)	–	–	–
		31 December 2024 to 31 January 2027	nil(4)	800,000	–	–	–	–	800,000
In aggregate	23 March 2026	23 March 2026 to 23 March 2026	nil(4)	–	4,000,000	(4,000,000) (2)	–	–	–
		23 March 2026 to 31 January 2027	nil(4)	–	800,000	–	–	–	800,000
		23 March 2026 to 31 January 2028	nil(4)	–	200,000	–	–	–	200,000
In aggregate	26 June 2026	26 June 2026 to 26 June 2026	nil(4)	–	9,000,000	(9,000,000) (3)	–	–	–
Employee Participants									
In aggregate	31 December 2024	31 December 2024 to 31 January 2026	nil(4)	3,335,000	–	(3,335,000) (1)	–	–	–
		31 December 2024 to 31 January 2027	nil(4)	3,125,000	–	–	–	–	3,125,000
		31 December 2024 to 31 January 2028	nil(4)	300,000	–	–	–	–	300,000
In aggregate	23 March 2026	23 March 2026 to 23 March 2026	nil(4)	–	3,664,500	(3,664,500) (2)	–	–	–
		23 March 2026 to 31 January 2027	nil(4)	–	1,360,000	–	–	–	1,360,000
		23 March 2026 to 31 January 2028	nil(4)	–	230,000	–	–	–	230,000
In aggregate	26 June 2026	26 June 2026 to 26 June 2026	nil(4)	–	531,500	(531,500) (3)	–	–	–
				8,160,000	19,786,000	(21,131,000)	–	–	6,815,000

Notes:

(1) These Shares were all vested on the same date and the closing price of the Shares on the trading day (i.e. 30 January 2026) immediately before the date (31 January 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.61.

(2) These Shares were all vested on the same date and the closing price of the Shares on the trading day (i.e. 20 March 2026) immediately before the date (23 March 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.465.

(3) These Shares were all vested on the same date and the closing price of the Shares on the trading day (i.e. 25 June 2026) immediately before the date (26 June 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.375.

(4) 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.

(5) 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.

(6) Due to inconsistencies between the five highest paid individuals for the year ended 31 December 2025 and the six months ended 30 June 2026, the breakdown of "Unvested as at 1 January 2026" in this announcement is inconsistent with that of "Unvested as at 31 December 2025" in the 2025 annual report, but the total amount of unvested Awarded Shares as at 31 December 2025 and 1 January 2026 is consistent.

(7) During the Reporting Period, no Awarded Shares were granted to or vested in any Directors, chief executive or substantial Shareholders of the Company, or their respective associates; and as at 30 June 2026, no unvested Awarded Shares were held by any Directors, chief executive or substantial Shareholders of the Company, or their respective associates.

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 2026, 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 currently the Chairman and CEO of the Company. 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 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 FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by Directors. The Company has made specific enquiry with all the Directors, and each of them has confirmed that during the six months ended 30 June 2026, 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 with the employee stock trading regulations by the employees was noted by the Company.

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 announcement, at least 25% of the Company's total number of issued Shares were held by the public at all times since the Listing Date.

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 who possesses suitable professional qualifications. 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 2026 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.

PUBLICATION OF THE INTERIM RESULTS AND 2026 INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.friendtimes.net). The 2026 interim report of the Group containing all the information required by Appendix D2 to the Listing Rules will be despatched to Shareholders who have requested for corporate communications in printed copy and published on the aforementioned websites in due course in accordance with the Listing Rules.

DEFINITIONS

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

"Adoption Date"	14 September 2020, being the date on which the Board adopted the Share Award Scheme
"AI"	artificial intelligence
"AIGC"	AI Generated Content, refers to the use of artificial intelligence technology to generate content
"APP"	a third-party application for smartphones
"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, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
"Award"	an award granted 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, but for the purpose of this announcement and for geographical reference only, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"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 announcement, 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)
"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
"FVPL"	fair value through profit or loss
"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
"Mini Games"	new game products in form of a mini program, conveniently providing click-to-play experiences without downloading
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company dated 24 September 2019
"Reporting Period"	1 January 2026 to 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"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
"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

"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

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

Hong Kong, 18 August 2026

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.