

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Final Offer Price

- The final Offer Price has been determined at HK\$1.52 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%).

Net Proceeds from the Global Offering

- Based on the Offer Price of HK\$1.52 per Offer Share and the 330,000,000 Offer Shares (before any exercise of the Over-allotment Option), the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and other offering expenses, is estimated to be approximately HK\$449.5 million. The Company intends to use the net proceeds from the Global Offering in the manner set out in the paragraph headed “Net proceeds from the Global Offering” below in this announcement.

Applications under the Hong Kong Public Offering

- The Offer Shares initially offered under the Hong Kong Public Offering have been significantly over-subscribed. A total of 14,948 valid applications have been received pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms, through giving **electronic application instructions** to HKSCC via CCASS and to the **HK eIPO White Form** Service Provider under the **HK eIPO White Form** service (www.hkeipo.hk) for a total of 262,208,000 Hong Kong Offer Shares, representing approximately 7.95 times of the 33,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering is less than 15 times of the number of Hong Kong Offer Shares initially available under the Global Offering, no reallocation as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus has been applied and no Offer Shares have been reallocated from the International Offering to the Hong Kong Public Offering. The final number of Offer Shares allocated to the Hong Kong Public Offering is 33,000,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering (prior to any exercise of the Over-allotment Option).

International Offering

The International Offer Shares initially offered under the International Offering have been moderately over-subscribed for approximately 1.7 times of the total number of 297,000,000 International Offer Shares initially available for subscription under the International Offering. The final number of International Offer Shares allocated to a total of 116 places under the International Offer comprises 346,500,000 International Offer Shares, including an over-allocation of 49,500,000 Shares, representing 105.0% of the total number of Offer Shares initially available under the Global Offering.

A total of 73 places have been allotted one board lot of the International Offer Shares, representing approximately 62.9% of 116 places under the International Offering. These places have been allotted approximately 0.04% of the total International Offer Shares after over-allocation.

The Directors confirm that no Offer Share under the International Offering has been allocated to applicants who are core connected persons (as defined in the Listing Rules) of the Company, the Directors, the existing Shareholders or their respective close associates within the meaning of the Listing Rules, whether in their own names or through nominees. The International Offering is in compliance with the Placing Guidelines for Equity Securities as set out in Appendix 6 to the Listing Rules. None of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Co-lead Managers, the Underwriters and their respective affiliate companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) has taken up any Offer Shares for its own benefit under the Global Offering. None of the Offer Shares subscribed by the places or the public has been financed directly or indirectly by any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders, or existing Shareholders or any of its subsidiaries or their respective close associates, and none of the places and the public who has subscribed the Offer Shares is accustomed to taking instructions from any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. The Directors confirm that none of the places under the International Offering will be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering. As such, the Directors confirm that none of the places will, individually, become a substantial Shareholder after the International Offering within the meaning of the Listing Rules and there will not be any new substantial Shareholder immediately after the Global Offering within the meaning of the Listing Rules, and the Company's public float percentage will satisfy the minimum percentage prescribed by Rule 8.08 of the Listing Rules immediately after completion of the Global Offering. The Directors further confirm that (i) the three largest public Shareholders will not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (ii) the Shares will be held by at least 300 shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

Over-allotment Option

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters exercisable in whole or in part at one or more times, at the sole discretion of the Sole Representative (for itself and on behalf of the International Underwriters), at any time within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering to require the Company to issue up to an aggregate of 49,500,000 additional Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover, among other things, over-allocation in the International Offering, if any. There has been an over-allocation of 49,500,000 Shares in connection with the Global Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between the Stabilising Manager and Warm Sunshine. Such borrowed Shares will be covered by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price, or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at www.friendtimes.net and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. As at the date of this announcement, the Over-allotment Option has not been exercised.

Results of Allocations

- In relation to the Hong Kong Public Offering, the Company announces that the results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering (where supplied) and the number of Hong Kong Offer Shares successfully applied for under **WHITE** or **YELLOW** Application Forms, by **HK eIPO White Form** and by giving **electronic application instructions** to HKSCC via CCASS, will be made available at the times and dates and in the manner specified below:
 - in the announcement to be posted on the Company's website at www.friendtimes.net and the Hong Kong Stock Exchange's website at www.hkexnews.hk on Friday, 4 October 2019;
 - from the designated results of allocations website at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/IPOResult) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 4 October 2019 to 12:00 midnight on Thursday, 10 October 2019;
 - by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 4 October 2019 to Thursday, 10 October 2019 (excluding Saturday, Sunday and public holiday);
 - in the special allocation results booklets which will be available for inspection during opening hours from Friday, 4 October 2019 to Wednesday, 9 October 2019 at all the receiving bank's designated branches.

Dispatch of Share Certificates and Refund Monies

- Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** Application Forms or through the **HK eIPO White Form** service by submitting an electronic application through the designated website at **www.hkeipo.hk** and who have been successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect Share certificates (where applicable) in person may collect their Share certificate(s) (where applicable) in person from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 4 October 2019 or such other date as notified by the Company in the newspapers.
- Share certificates for Hong Kong Offer Shares allotted to applicants using **WHITE** Application Forms or **HK eIPO White Form** who have applied for less than 1,000,000 Hong Kong Offer Shares are expected to be dispatched by ordinary post to those entitled to the address specified in the relevant **WHITE** Application Form or in the relevant application instructions through the **HK eIPO White Form** service at their own risk on Friday, 4 October 2019.
- Wholly or partially successful applicants using a **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC will have their share certificate(s) issued in the name of HKSCC Nominees and deposited into CCASS for credit to their or their designated CCASS Participant's stock account as stated by the applicant in their **YELLOW** Application Form on Friday, 4 October 2019 or, in the event of a contingency, on any other date determined by HKSCC or HKSCC Nominees.
- Applicants applying through a designated CCASS Participant (other than a CCASS investor participant) should check the number of Hong Kong Offer Shares allocated to them with that CCASS participant.
- Applicants on **WHITE** or **YELLOW** Application Forms who have applied for 1,000,000 Hong Kong Offer Shares or more and have provided all information required by their **WHITE** or **YELLOW** Application Forms, may collect their refund cheque(s) (where applicable) in person from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, between 9:00 a.m. to 1:00 p.m. on Friday, 4 October 2019 or such other date as notified by the Company in the newspapers.
- Refund cheques for applicants using **WHITE** or **YELLOW** Application Forms who have applied for less than 1,000,000 Hong Kong Offer Shares are expected to be dispatched by ordinary post to those entitled at their own risk on Friday, 4 October 2019.

- For applicants who have applied through the **HK eIPO White Form** service and paid the application monies from a single bank account, any refund monies will be dispatched to that bank account in the form of e-Auto Refund payment instructions. For applicants who have applied through **HK eIPO White Form** service and paid the application monies from multiple bank accounts, any refund monies will be dispatched to the address as specified on the **HK eIPO White Form** application in the form of refund cheque(s) by ordinary post and at their own risk.
- Refund monies (if any) for applicants giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their brokers or custodians on Friday, 4 October 2019.

Commencement of Dealings

- Assuming that the Global Offering becomes unconditional in all aspects at 8:00 a.m. on Tuesday, 8 October 2019, dealings in the Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 8 October 2019. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 6820.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and respective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

FINAL OFFER PRICE

The final Offer Price has been determined at HK\$1.52 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE GLOBAL OFFERING

Based on the Offer Price of HK\$1.52, the net proceeds from the Global Offering, after deducting underwriting fees and commissions and other offering expenses and assuming that the Over-allotment Option is not exercised, are estimated to be approximately HK\$449.5 million. If the Over-allotment Option is fully exercised, the Company will receive the net proceeds for 49,500,000 Shares to be issued. The Company intends to use such net proceeds for the following purposes:

- approximately HK\$134.8 million (approximately 30.0% of the net proceeds) is expected to be used for the expansion and enhancement of our game portfolio and the research and development of our core proprietary technologies;
- approximately HK\$157.3 million (approximately 35.0% of the net proceeds) is expected to be used for our advertising, marketing and promotion campaigns to strengthen our competitive position in the PRC as well as various important overseas markets;

- approximately HK\$67.4 million (approximately 15.0% of the net proceeds) is expected to be used to strengthen our IP portfolio and enrich IP related content offerings;
- approximately HK\$45.0 million (approximately 10.0% of the net proceeds) is expected to be used for our strategic acquisition of both upstream and downstream game-related businesses; and
- approximately HK\$45.0 million (approximately 10.0% of the net proceeds) is expected to be used for working capital and general corporate purposes.

Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for further details of the Company’s intended use of net proceeds from the Global Offering.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

Hong Kong Public Offering

The Offer Shares initially offered under the Hong Kong Public Offering have been significantly over-subscribed. At the close of the application lists at 12:00 noon on Friday, 27 September 2019, a total of 14,948 valid applications pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms, through giving **electronic application instructions** to HKSCC via CCASS, and to the **HK eIPO White Form** Service Provider under the **HK eIPO White Form** service (www.hkeipo.hk) for a total of 262,208,000 Hong Kong Offer Shares were received, representing approximately 7.95 times of 33,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.

Out of the 14,948 valid applications for a total of 262,208,000 Hong Kong Offer Shares:

- 14,927 valid applications for a total of 140,208,000 Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$1.96 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) of HK\$5 million or less (equivalent to approximately 8.50 times of 16,500,000 Shares initially available for allocation in pool A of the Hong Kong Public Offering); and
- 21 valid applications for a total of 122,000,000 Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$1.96 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) of more than HK\$5 million (equivalent to approximately 7.39 times of 16,500,000 Shares initially available for allocation in pool B of the Hong Kong Public Offering) were received.

No applications have been rejected due to invalid applications. 13 multiple applications or suspected multiple applications have been identified and rejected. No application has been rejected due to bounced cheque. No application for more than 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (that is, more than 16,500,000 Hong Kong Offer Shares) has been identified.

As the over-subscription in the Hong Kong Public Offering is less than 15 times of the number of Hong Kong Offer Shares initially available under the Global Offering, no reallocation as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus has been applied and no Offer Shares have been reallocated from the International Offering to the Hong Kong Public Offering. The final number of Offer Shares allocated to the Hong Kong Public Offering is 33,000,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering (prior to any exercise of the Over-allotment Option).

The Hong Kong Offer Shares offered in the Hong Kong Public Offering were conditionally allocated on the basis set forth in the paragraph headed “Basis of Allotment under the Hong Kong Public Offering” below.

International Offering

The International Offer Shares initially offered under the International Offering have been moderately over-subscribed for approximately 1.7 times of the total number of 297,000,000 International Offer Shares initially available for subscription under the International Offering. The final number of International Offer Shares allocated to a total of 116 places under the International Offer comprises 346,500,000 International Offer Shares, including an over-allocation of 49,500,000 Shares, representing 105.0% of the total number of Offer Shares initially available under the Global Offering.

A total of 73 places have been allotted one board lot of the International Offer Shares, representing approximately 62.9% of 116 places under the International Offering. These places have been allotted approximately 0.04% of the total International Offer Shares after over-allocation.

The Directors confirm that no Offer Share under the International Offering has been allocated to applicants who are core connected persons (as defined in the Listing Rules) of the Company, the Directors, the existing Shareholders or their respective close associates within the meaning of the Listing Rules, whether in their own names or through nominees. The International Offering is in compliance with the Placing Guidelines for Equity Securities as set out in Appendix 6 to the Listing Rules. None of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and Joint Lead Managers, the Co-lead Managers, the Underwriters and their respective affiliate companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) has taken up any Offer Shares for its own benefit under the Global Offering. None of the Offer Shares subscribed by the places or the public has been financed directly or indirectly by any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders, or existing Shareholders or any of its subsidiaries or their respective close associates, and none of the places and the public who has subscribed the Offer Shares is accustomed to taking instructions from any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. The Directors confirm that none of the places under the International Offering will be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering. As such, the Directors confirm that none of

the placees will, individually, become a substantial Shareholder after the International Offering within the meaning of the Listing Rules and there will not be any new substantial Shareholder immediately after the Global Offering within the meaning of the Listing Rules, and the Company's public float percentage will satisfy the minimum percentage prescribed by Rule 8.08 of the Listing Rules immediately after completion of the Global Offering. The Directors further confirm that (i) the three largest public Shareholders will not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (ii) the Shares will be held by at least 300 shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters exercisable in whole or in part at one or more times, at the sole discretion of the Sole Representative (for itself and on behalf of the International Underwriters), at any time within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering to require the Company to issue up to an aggregate of 49,500,000 additional Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover, among other things, over-allocation in the International Offering, if any. There has been an over-allocation of 49,500,000 Shares in connection with the Global Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between the Stabilising Manager and Warm Sunshine. Such borrowed Shares will be covered by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price, or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at **www.friendtimes.net** and the website of the Hong Kong Stock Exchange at **www.hkexnews.hk**. As at the date of this announcement, the Over-allotment Option has not been exercised.

BASIS OF ALLOTMENT UNDER THE HONG KONG PUBLIC OFFERING

Subject to the satisfaction of the conditions set out in the section headed “Structure of the Global Offering — Conditions of the Global Offering” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms, under the **HK eIPO White Form** service and through giving **electronic application instructions** to HKSCC via CCASS will be conditionally allocated on the basis set out below:

No. of shares applied for	No. of valid applications	Basis of allotment/ballot Pool A	Approximate percentage allotted of the total no. of shares applied for
2,000	11,657	5,829 out of 11,657 applicants to receive 2,000 shares	50.00%
4,000	1,256	709 out of 1,256 applicants to receive 2,000 shares	28.22%
6,000	397	250 out of 397 applicants to receive 2,000 shares	20.99%
8,000	206	138 out of 206 applicants to receive 2,000 shares	16.75%
10,000	360	252 out of 360 applicants to receive 2,000 shares	14.00%
20,000	425	344 out of 425 applicants to receive 2,000 shares	8.09%
30,000	100	89 out of 100 applicants to receive 2,000 shares	5.93%
40,000	46	44 out of 46 applicants to receive 2,000 shares	4.78%
50,000	128	126 out of 128 applicants to receive 2,000 shares	3.94%
100,000	237	2,000 shares plus 32 out of 237 applicants to receive an additional 2,000 shares	2.27%
200,000	47	2,000 shares plus 15 out of 47 applicants to receive an additional 2,000 shares	1.32%
300,000	12	2,000 shares plus 6 out of 12 applicants to receive an additional 2,000 shares	1.00%
400,000	11	2,000 shares plus 6 out of 11 applicants to receive an additional 2,000 shares	0.77%
500,000	6	2,000 shares plus 4 out of 6 applicants to receive an additional 2,000 shares	0.67%
600,000	9	2,000 shares plus 8 out of 9 applicants to receive an additional 2,000 shares	0.63%
700,000	2	4,000 shares	0.57%
800,000	6	4,000 shares	0.50%
900,000	2	4,000 shares	0.44%
1,000,000	13	4,000 shares plus 2 out of 13 applicants to receive an additional 2,000 shares	0.43%
2,000,000	7	8,000 shares	0.40%
TOTAL	<u>14,927</u>		

No. of shares applied for	No. of valid applications	Basis of allotment/ballot Pool B	Approximate percentage allotted of the total no. of shares applied for
3,000,000	11	540,000 shares	18.00%
5,000,000	3	744,000 shares	14.88%
6,000,000	2	842,000 shares	14.03%
8,000,000	2	1,012,000 shares	12.65%
13,000,000	1	1,384,000 shares	10.65%
16,500,000	<u>2</u>	1,618,000 shares	9.81%
TOTAL	<u><u>21</u></u>		

The final number of Offer Shares comprised in the Hong Kong Public Offering is 33,000,000 Offer Shares, representing 10.0% of the total number of Offer Shares in the Global Offering (before any exercise of the Over-allotment Option).

The number of Offer Shares comprised in the International Offering is 297,000,000 Offer Shares, representing 90.0% of the total number of the Offer Shares under the Global Offering.

RESULTS OF ALLOCATIONS

The results of allocations under the Hong Kong Public Offering, including the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering (where supplied) and the number of Hong Kong Offer Shares successfully applied for under **WHITE** or **YELLOW** Application Forms, by **HK eIPO White Form** and by giving **electronic application instructions** to HKSCC via CCASS, will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company’s website at www.friendtimes.net and the Hong Kong Stock Exchange’s website at www.hkexnews.hk on Friday, 4 October 2019;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/IPOResult) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Friday, 4 October 2019 to 12:00 midnight on Thursday, 10 October 2019;
- by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 4 October 2019 to Thursday, 10 October 2019 (excluding Saturday, Sunday and public holiday);
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 4 October 2019 to Wednesday, 9 October 2019 as set out below:

Bank of China (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	Aberdeen Branch	25 Wu Pak Street, Aberdeen, Hong Kong
	Causeway Bay Branch	505 Hennessy Road, Causeway Bay, Hong Kong
Kowloon	Wong Tai Sin Branch	Shop G13 & G13A, G/F, Temple Mall South, Wong Tai Sin, Kowloon
	Ma Tau Kok Road Branch	39–45 Ma Tau Kok Road, To Kwa Wan, Kowloon
	Mong Kok Branch	589 Nathan Road, Mong Kok, Kowloon
New Territories	Tai Wai Branch	74–76 Tai Wai Road, Sha Tin, New Territories
	East Point City Branch	Shop Nos. 217 D–E, Level 2, East Point City, 8 Chung Wa Road, Tseung Kwan O, New Territories
	Texaco Road Branch	Shop A112, East Asia Gardens, 36 Texaco Road, Tsuen Wan, New Territories