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DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2024 (the “**Reporting Period**”) amounted to approximately US\$4.5 million, representing a decrease of approximately 5.3% from approximately US\$4.8 million for the corresponding period in 2023.
- Gross profit for the Reporting Period amounted to approximately US\$2.0 million, representing an increase of approximately 8.8% from approximately US\$1.9 million for the corresponding period in 2023.
- Loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$1.9 million, representing a decrease of approximately 25.9% from approximately US\$2.6 million for the corresponding period in 2023.
- Non-IFRS adjusted loss attributable to owners of the Company⁽¹⁾ for the Reporting Period amounted to approximately US\$1.9 million, representing a decrease of approximately 25.9% from approximately US\$2.6 million for the corresponding period in 2023.

In this announcement, “**we**”, “**us**” and “**our**” refer to Digital Hollywood Interactive Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

⁽¹⁾ Non-IFRS adjusted loss attributable to owners of the Company was derived from the loss attributable to the owners of the Company for the period, excluding share-based compensation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE PROSPECTS

In February 2024, the number of active users in the mobile game APP industry in The People's Republic of China (the "PRC") reached 659 million, representing a year-on-year growth rate of over 12%. WeChat mini programs accounted for 80.3% of the overall traffic in the mobile game industry. In April 2024, the actual sales revenue of the game market in the PRC amounted to RMB22.432 billion. As shown in the statistics for the previous year published in 2024, drawing attention to small games and hybrid casual games, researching the innovation and integration of gameplay and exploring emerging markets have become a general trend in the industry.

In the first half of 2024, the Group was committed to the global distribution of overseas H5 games and setting a distribution plan for H5 games with innovative categories and diverse gameplay, striving to create influential and eye-catching high-quality games.

In the first half of 2024, the Group's platform-based operation strategy has begun to show results. The platform has undertaken and introduced more domestic and overseas games. The total number of user registrations in the first half of 2024 increased by 39% as compared with the same period in 2023 and increased by 9.5% as compared with the second half of 2023, and 12 additional products were put into operation in the Reporting Period.

In the first half of 2024, against the backdrop of the general environment that restricted companies from international expansion, such as intense competition on overseas business, rising costs on traffic acquisition and insufficient localization factors, the Group broke through its inherent business model and, while firmly holding on to the European and American game markets, increased its publishing efforts in the Brazilian and Latin American markets where it has been actively engaged in the game business for many years.

The Group and Barcelona Football Club once again joined hands in the first half of 2024 for the co-branding of Eternal Fury and Barcelona Fantasy Football, which will be launched in the Brazilian market. We believe that during the forthcoming new season of 2024-2025 Spanish Serie A and European football, the co-branding game will inject new vitality in the Brazilian mobile game market. In addition, in the second half of 2024, the Group will continue to promote casual games with competitive feature and role-playing mobile games with adorable characters on account of the characteristics of Brazilian mobile game users to create more possibilities.

Looking ahead, in the second half of 2024, in the process of promoting Chinese game companies to overseas markets, the Group will continue to firmly focus on the core business deployment of distribution and operation, exploring market opportunities, refining localized operation, as well as reducing costs and increasing efficiency. The Group will also strengthen the long-term operation of its products, expand diversified categories, develop side play of its game products, and deepen the integration of art styles, game interfaces and localized elements to achieve growth and success in its overseas business.

With a foothold on the global game market, the Group will continue to actively explore the overseas game market and steadfastly promote the direction of platform-based operation. The Group will strive to make progress while maintaining stability by fully focusing on increasing user stickiness, product innovation and localization. It will also strive to effectively connect more high-quality R&D enterprises with overseas markets, and fully leverage its competitive advantages of overseas market expansion accumulated for years in the long-term competition of overseas game publication which requires wisdom, patience and innovation.

Based on its global H5 distribution efforts, the opportune moment has come for the Group to sincerely carry out in-depth distribution cooperation with domestic game developers in the fields of H5 games as well as global mobile games in English and Latin America languages, in order to embrace more development opportunities.

FINANCIAL REVIEW

Overview

Loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$1.9 million, representing a decrease of approximately US\$0.7 million or 25.9% from approximately US\$2.6 million for the corresponding period in 2023. Non-IFRS adjusted loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$1.9 million, representing a decrease of approximately US\$0.7 million or 25.9% as compared with approximately US\$2.6 million for the corresponding period in 2023.

Revenue

For the Reporting Period, revenue of the Group amounted to approximately US\$4.5 million, representing a decrease of approximately US\$0.3 million or 5.3% as compared with approximately US\$4.8 million for the corresponding period in 2023. The decline in revenue was mainly due to the decrease in revenue from certain legacy games.

Cost of Revenue and Gross Profit Margin

For the Reporting Period, cost of revenue of the Group amounted to approximately US\$2.5 million, representing a decrease of approximately US\$0.4 million or 14.3% as compared with approximately US\$2.9 million for the corresponding period in 2023. The resulting gross profit margin increased to 44.7% in 2024 from 38.9% for the corresponding period in 2023.

Other Gains/(Losses), Net

For the Reporting Period, other gains of the Group amounted to approximately US\$0.2 million, as compared with other losses of the Group which amounted to approximately US\$0.4 million for the corresponding period in 2023. The fluctuation in other gains/(losses) of the Group was primarily due to the decrease in donations.

Selling and Marketing Expenses

For the Reporting Period, selling and marketing expenses of the Group amounted to approximately US\$1.8 million, representing an increase of approximately US\$0.06 million or 3.3% from approximately US\$1.8 million for the corresponding period in 2023, primarily due to the increase in advertising and promotion.

Administrative Expenses

For the Reporting Period, administrative expenses of the Group amounted to approximately US\$1.5 million, representing an increase of approximately US\$0.1 million or 6.8% from approximately US\$1.4 million for the corresponding period in 2023, primarily due to the increase in office rents.

Research and Development Expenses

For the Reporting Period, research and development expenses of the Group amounted to approximately US\$0.7 million, representing a decrease of approximately US\$0.2 million or 21.1% from approximately US\$0.9 million for the corresponding period in 2023, primarily due to corresponding employee benefits decrease in turnover of headcount.

Loss Attributable to Owners of the Company

As a result of the above, loss attributable to owners of the Company decreased by approximately US\$0.7 million or 25.9% from approximately US\$2.6 million for the corresponding period in 2023 to approximately US\$1.9 million for the Reporting Period.

Non-IFRS Adjusted Loss Attributable to Owners of the Company

To supplement this interim results announcement which is presented in accordance with the International Financial Reporting Standards (the “**IFRS**”), we also use unaudited non-IFRS adjusted loss attributable to owners of the Company as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business.

For the Reporting Period, non-IFRS adjusted loss attributable to owners of the Company amounted to approximately US\$1.9 million, representing a decrease of approximately 25.9% from approximately US\$2.6 million for the corresponding period in 2023. Our non-IFRS adjusted loss attributable to owners of the Company for the Reporting Period and the corresponding period of 2023 was calculated according to the loss attributable to the owners of the Company for the period.

Liquidity, Treasury Policy and Source of Funding and Borrowing

As at June 30, 2024, the Group’s total bank balances, cash and short-term deposits amounted to approximately US\$23.2 million, representing an increase of approximately 4.0% as compared with approximately US\$22.3 million as at December 31, 2023. The increase in total bank balances, cash and short-term deposits during the Reporting Period was primarily resulted from the increase in the net cash flow generated from operating activities.

As at June 30, 2024, current assets of the Group amounted to approximately US\$29.3 million, including bank balances and cash of approximately US\$23.2 million and other current assets of approximately US\$6.1 million. Current liabilities of the Group amounted to approximately US\$8.1 million, including trade payables and contract liabilities of approximately US\$2.6 million and other current liabilities of approximately US\$5.5 million. As at June 30, 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 3.6, as compared with 3.5 as at December 31, 2023. The Group adopts a prudent treasury management policy to ensure that our Group maintains a healthy financial position.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations (excluding lease liabilities) as at June 30, 2024 and the resulting gearing ratio is nil (December 31, 2023: nil). The Group intends to finance the expansion, investments and business operations with internal resources.

Significant Investments

The Group did not have any material investments for the Reporting Period.

Material Acquisitions

The Group did not have any material acquisitions of subsidiaries, associates and joint ventures for the Reporting Period.

Material Disposals

The Group did not have any material disposals of subsidiaries, associates and joint ventures for the Reporting Period.

Pledge of Assets

As at June 30, 2024, none of the Group's assets was pledged (as at December 31, 2023: nil).

Contingent Liabilities

The Group had no material contingent liabilities as at June 30, 2024 (as at December 31, 2023: nil).

Foreign Exchange Exposure

As at June 30, 2024, the Group mainly operated in the global market and the majority of its transactions were settled in United States Dollars (the "USD"), being the functional currency of the group entities to which the transactions relate. We currently do not hedge transactions undertaken in foreign currencies but manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currencies exposures. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"), Euro ("EUR") and Hong Kong Dollars ("HKD"). Currency exposure arising from the net assets of our foreign operations is not significant. As at June 30, 2024, the Group did not have significant foreign currency exposure from its operations.

USE OF PROCEEDS FROM THE IPO

The net proceeds from the initial public offering of the Company dated December 15, 2017 (the “**IPO**”) amounted to approximately US\$35.4 million after deducting share issuance costs and listing expenses. During the Reporting Period, the net proceeds from the listing were utilized in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” in the Company’s prospectus dated December 5, 2017 (the “**Prospectus**”), with the balance unutilized amounted to approximately US\$1.8 million. Due to the epidemic, the funds used for investment will be deferred to be fully utilized, and it is expected to be utilized on or before June 30, 2025. The balance of fund will continue to be utilized according to the manner as disclosed in the Prospectus. The Group held the unutilized net proceeds in short-term deposits with licensed institutions in Hong Kong. In the second half of 2024, the Company will use the proceeds raised from the IPO in accordance with its development strategies, market conditions and intended use of such proceeds. Details are set out in the following table:

	Net utilized amount available as at December 31, 2023 <i>USD’000</i>	Actual net amount utilized during the Reporting Period <i>USD’000</i>	Net unutilized amount as at June 30, 2024 <i>USD’000</i>	Expected timeline for utilizing the remaining net proceeds ^(Note)
Investment	2,167.1	392.9	1,774.2	Expected to be fully utilized on or before June 30, 2025
Development and research	–	–	–	Fully utilized
Expansion of online game business	–	–	–	Fully utilized
Marketing and advertisement	–	–	–	Fully utilized
Working capital and other general corporate purposes	–	–	–	Fully utilized
Total	<u>2,167.1</u>	<u>392.9</u>	<u>1,774.2</u>	

Note: The expected timeline for utilizing the remaining net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to changes based on the current and future development of the market conditions.

HUMAN RESOURCES

As at June 30, 2024, the Group had 83 employees (as at December 31, 2023: 142), 20 of which were responsible for game development and maintenance, 36 for game operation and offline events organization, and 27 for general administration and corporate management. The total remuneration expenses, excluding share-based compensation expense, for the Reporting Period were approximately US\$1.6 million, representing a decrease of approximately 11.4% as compared to the corresponding period in 2023. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes basic salaries, allowances, bonuses, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Company's board (the "**Board**") of directors (the "**Directors**") on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses include, among others, further educational studies, skills training and professional development courses for management personnel.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (For the six months ended June 30, 2023: nil).

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceedings during the Reporting Period.

SIGNIFICANT EVENTS OCCURRED SINCE THE END OF THE REPORTING PERIOD

The Group did not have any significant events after June 30, 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the principles and code provisions as set out in Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code during the Reporting Period, save for the deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code as disclosed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate role of chairman and chief executive officer and Mr. LU Yuanfeng currently performs these two roles. With extensive experience in the internet industry, Mr. LU Yuanfeng is responsible for the overall strategic planning and general management of the Group and his leadership is instrumental to the Company's growth and business expansion since its establishment on November 24, 2014. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management the Group. The balance of power and authority is ensured by the operation of the Group by the senior management and the Board, which comprises experienced individuals. The Board currently comprises four executive Directors (including Mr. LU Yuanfeng) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Save as disclosed above, the Company is in compliance with the requirements under all code provisions of the Corporate Governance Code. The Board will continue to review and monitor the practices of the Company with an aim to maintain a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Having made specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The audit committee of the Board, comprising Professor CHAU Chi Wai, Wilton (chairman), Mr. LI Yi Wen and Mr. LU Qibo, has discussed with the management and reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period and confirms that the applicable accounting principles, standards and requirements have been compiled with, and that adequate disclosures have been made.

The Board is pleased to announce the unaudited interim condensed consolidated financial results of the Group for the Reporting Period, together with the comparative figures for the corresponding period in 2023:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024

		Six months ended June 30,	
		2024	2023
	<i>Note</i>	USD	USD
		(Unaudited)	(Unaudited)
Revenue	4	4,525,877	4,780,940
Cost of revenue		<u>(2,503,097)</u>	<u>(2,922,040)</u>
Gross profit		2,022,780	1,858,900
Selling and marketing expenses		(1,809,231)	(1,751,881)
Administrative expenses		(1,484,598)	(1,390,576)
Research and development expenses		(699,854)	(887,369)
Other gains/(losses), net	8	<u>212,331</u>	<u>(389,886)</u>
Operating loss		(1,758,572)	(2,560,812)
Finance income		37,668	88,928
Finance costs		(133,558)	(34,441)
Share of gains/(losses) of associates		<u>4,647</u>	<u>(2,143)</u>
Loss before income tax		(1,849,815)	(2,508,468)
Income tax expense	9	<u>(64,159)</u>	<u>(73,796)</u>
Loss for the period		<u>(1,913,974)</u>	<u>(2,582,264)</u>
Other comprehensive expense:			
Items that may be reclassified to profit or loss			
– Exchange differences on translating foreign operations		(144,106)	(463,132)
Items that will not be reclassified to profit or loss			
– Changes in fair value of equity investments at fair value through other comprehensive income		<u>(1,500)</u>	<u>(12,001)</u>
Other comprehensive expense for the period, net of income tax		<u>(145,606)</u>	<u>(475,133)</u>
Total comprehensive expense for the period		<u>(2,059,580)</u>	<u>(3,057,397)</u>
Loss for the period attributable to:			
Owners of the Company		<u>(1,913,974)</u>	<u>(2,582,264)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		<u>(2,059,580)</u>	<u>(3,057,397)</u>
Loss per share (expressed in USD cents per share)	<i>10</i>		
– Basic		<u>(0.10)</u>	<u>(0.14)</u>
– Diluted		<u>(0.10)</u>	<u>(0.14)</u>
Dividends	<i>11</i>	–	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	<i>Note</i>	As at June 30, 2024 <i>USD</i> (Unaudited)	As at December 31, 2023 <i>USD</i> (Audited)
Assets			
Non-current assets			
Property, plant and equipment		590,664	743,952
Right-of-use assets		619,738	783,276
Intangible assets		258,374	201,412
Interests in associates		34,409	30,485
Equity investments at fair value through other comprehensive income		120,023	121,523
Prepayments and other receivables		3,572,833	3,705,817
Deferred tax assets		160,356	160,356
		5,356,397	5,746,821
Current assets			
Trade receivables	5	1,218,649	1,167,784
Contract costs		493,017	543,869
Prepayments and other receivables		4,417,329	8,243,951
Bank and cash balances		23,157,932	22,258,994
		29,286,927	32,214,598
Total assets		34,643,324	37,961,419
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2,000,000	2,000,000
Reserves		24,125,237	26,184,817
		26,125,237	28,184,817
Total equity		26,125,237	28,184,817

	<i>Note</i>	As at June 30, 2024 USD (Unaudited)	As at December 31, 2023 USD (Audited)
Liabilities			
Current liabilities			
Trade payables	7	956,551	1,293,778
Contract liabilities		1,629,280	1,755,200
Other payables and accruals		4,978,550	5,471,552
Lease liabilities		366,996	364,212
Current tax liabilities		129,432	234,036
		<u>8,060,809</u>	<u>9,118,778</u>
Non-current liabilities			
Lease liabilities		<u>457,278</u>	<u>657,824</u>
Total liabilities		<u>8,518,087</u>	<u>9,776,602</u>
Total equity and liabilities		<u>34,643,324</u>	<u>37,961,419</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Digital Hollywood Interactive Limited (the “**Company**”) was incorporated in the Cayman Islands on November 24, 2014 as an exempted company with limited liability. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the development, operations and publishing of web-based games and mobile games business (“**Game Business**”) in North America, Europe, the PRC and other regions.

The interim condensed consolidated financial information is presented in the United States Dollars (“**USD**”), unless otherwise stated, and have been approved for issue by the Company’s Board of Directors on August 27, 2024.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim financial reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

3 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised IFRSs issued by International Accounting Standards Board (“**IASB**”) that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

4 REVENUE AND SEGMENT INFORMATION

	Six months ended June 30,	
	2024	2023
	<i>USD</i>	<i>USD</i>
	(Unaudited)	(Unaudited)
Online game revenue	4,525,866	4,780,939
Advertising revenue	11	1
	<u>4,525,877</u>	<u>4,780,940</u>
Disaggregation of revenue from contracts with customers:		
Timing of revenue recognition		
Over time	<u>4,525,877</u>	<u>4,780,940</u>

Segment information

For management purpose, the executive directors of the Company consider that the Group generates revenue primarily from the provision of online game services. The executive directors of the Company review the operating results of the business as one segment to make strategic decisions about resources to be allocated. Therefore, the executive directors of the Company consider that there is only one segment of the Group and no further analysis is presented.

5 TRADE RECEIVABLES

The ageing analysis of trade receivables, based on recognition date of trade receivables, and net of allowance, is as follows:

	As at	As at
	June 30,	December 31,
	2024	2023
	<i>USD</i>	<i>USD</i>
	(Unaudited)	(Audited)
0-30 days	671,538	409,335
31-90 days	299,030	353,209
91-180 days	167,133	215,252
Over 180 days	80,948	189,988
	<u>1,218,649</u>	<u>1,167,784</u>

6 SHARE CAPITAL AND SHARES HELD FOR THE SHARE OPTION SCHEME

	Number of ordinary shares	Amount <i>USD</i>
Authorized: Ordinary shares of USD0.001 (2023: USD0.001) each		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	<u>4,000,000,000</u>	<u>4,000,000</u>

A summary of the Company's share capital and shares held for the Share Option Scheme are as follows:

	Number of shares in issue	Share capital <i>USD</i>	Shares held for the Share Option Scheme <i>USD</i>
As at June 30, 2024 (unaudited)	<u>2,000,000,000</u>	<u>2,000,000</u>	<u>(138,978)</u>
As at December 31, 2023 (audited)	<u>2,000,000,000</u>	<u>2,000,000</u>	<u>(138,978)</u>

7 TRADE PAYABLES

The aging analysis of trade payables based on invoice date is as follows:

	As at June 30, 2024 <i>USD</i> (Unaudited)	As at December 31, 2023 <i>USD</i> (Audited)
0-90 days	380,629	421,301
91-180 days	211,264	231,464
181-360 days	99,264	166,008
Over 360 days	<u>265,394</u>	<u>475,005</u>
	<u>956,551</u>	<u>1,293,778</u>

8 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2024	2023
	USD	USD
	(Unaudited)	(Unaudited)
Net foreign exchange (losses)/gains	(86,699)	265,635
Donations	–	(676,172)
Government grants	7,550	19,698
Others	291,480	953
	212,331	(389,886)

9 INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	USD	USD
	(Unaudited)	(Unaudited)
Current tax		
– Overseas withholding income tax	64,159	73,796
	64,159	73,796

10 LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	Six months ended 30 June	
	2024	2023
	USD	USD
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of calculating basic and diluted loss per share	<u>(1,913,974)</u>	<u>(2,582,264)</u>
	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue		
less shares held for the Share Option Scheme for the purpose		
of calculating basic and diluted loss per share	<u>1,861,022</u>	<u>1,861,022</u>

The effects of all potential shares are anti-dilutive for the six months ended 30 June 2024 and 2023.

11 DIVIDEND

The Board did not recommend the payment of any dividend for the six months ended June 30, 2024 (June 30, 2023: nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.gamehollywood.com/company/ respectively. The interim report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites respectively in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

By Order of the Board
Digital Hollywood Interactive Limited
LU Yuanfeng
Chairman and Chief Executive Officer

Hong Kong, August 27, 2024

As at the date of this announcement, the executive Directors are Mr. LU Yuanfeng, Mr. HUANG Guozhan, Mr. HUANG Deqiang and Ms. LUO Simin and the independent non-executive Directors are Professor CHAU Chi Wai, Wilton, Mr. LI Yi Wen and Mr. LU Qibo.

* *For identification purpose only*