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Homeland Interactive Technology Ltd.

家鄉互動科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3798)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

	For the six months ended		Year-on-Year
	30 June 2024	2023	Change* (%)
Revenue	835,659	953,477	(12.4)
Gross profit	412,968	640,840	(35.6)
Profit for the period	33,670	402,557	(91.6)
Non-IFRS adjusted net profit attributable to the owners of the Company**	42,002	445,611	90.6

* Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.

** The adjusted net profit attributable to the owners of the Company is adjusted for share-based payment expenses and withholding tax on undistributed profits of subsidiaries operating in the PRC. For further details, please refer to the section headed “Non-IFRS Measures — Adjusted Net Profit” on page 10 of this announcement.

REVENUE BY TYPES OF VIRTUAL PRODUCTS

	For the six months ended 30 June		Year-on-year Change*
	2024	2023	(%)
(RMB in thousands, except for percentages)			
Revenue from:			
— Self-developed mobile games	761,849	818,662	(6.9)
— Third-party mobile games	53,549	94,635	(43.4)
	815,398	913,297	(10.7)
Advertising revenue**	20,261	40,180	(49.6)
Total	835,659	953,477	(12.4)

* Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.

** Advertising revenue represents revenue generated from in-game advertisement slots the Group inserted in its mini-programs, typically measured by user clicks.

OPERATIONAL HIGHLIGHTS

The following table sets forth the major operating data of the Group.

	As at or for the six months ended 30 June 2024	As at or for the six months ended 30 June 2023	As at or for the year ended 31 December 2023
All games (including casual games)			
Daily active users (“DAUs”) * (as at period end)	13,360,659	14,247,326	14,389,388
Paying players**	15,691,516	9,230,631	13,104,865
Average monthly active users (“MAUs”)***	65,697,381	67,949,141	68,289,393

* DAUs, in any given period, refer to the number of daily active players as at the last calendar day of such period.

** Paying players, in any given period, refer to players who pay money to play any of the Company’s mobile game products or to purchase virtual tokens offered by the Company in its mobile game products at least once; a player who pays more than once in such period is counted only once.

*** MAUs, in any given month or period, refer to the number of active players in a given month or the average of MAUs in the given period.

The board of directors (the “**Board**”) of Homeland Interactive Technology Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) together with the comparative figures for the previous corresponding period. The Interim Results have been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants, the auditor of the Company, and the audit committee of the Company (the “**Audit Committee**”).

BUSINESS OVERVIEW AND OUTLOOK

Business Review

During the first half of 2024, the Group continuously optimized its product research and development and distribution methods. On the research and development side, we implemented the concept of pioneering innovation and a long-term, sustainable development strategy, aiming to provide users with higher-quality products. On the distribution side, we experimented with various marketing methods to expand our market share and adapt to the continuous changes in the market and the fierce competitive environment.

After experiencing rapid growth in user scale in 2022 and 2023, the Group has intensified its product iteration efforts, continuously improving user experience in terms of game content, gameplay, artistic quality, and technical optimization. During the first half of 2024, several innovative rule games such as “花語乾坤” and “花語紅顏” were launched to increase the novelty of the game. On the other hand, we have been meticulously refining the artistic expression of our products, with new 3D upgraded versions of 微樂鬥地主 and 微樂四川麻將 being launched for promotion. The upgraded game version brings players more exquisite 3D scenes, UI, and other game visuals. The new version also introduces a brand-new appearance system, where players can obtain personalized appearances in various styles such as ancient style, China-Chic, and techwear through matches, allowing them to freely dress up their characters. Based on the continuous improvement of user experience, the willingness to pay of active players has significantly increased. During the Reporting Period, our number of paying players reached 15,691,516, representing a year-on-year increase of 70.0%.

In terms of customer acquisition, we have strengthened the joint operations with various MCN organizations, and the joint operation cost of the new media sector has increased accordingly. Meanwhile, in response to industry competition, we have increased the advertising investment in several game projects. Due to these layouts, the net profit of the Group has significantly decreased year-on-year. However, this was also influenced by non-operating one-time factors such as share-based payment expenses.

In terms of overseas markets, the operational data of “歡樂捕魚場越南版” and “歡樂捕魚場國際版” showed stable performance during the Reporting Period, and considerable overseas seed users have been accumulated. During the second half of 2024, we will continue to explore overseas gaming markets such as Southeast Asia, Japan, North America, and the Middle East, and optimize and test several casual games. These games are expected to be launched in the near future, and it is expected that they will further increase the proportion of overseas revenue in the near future.

In terms of game industry regulation, the Group has been closely following the latest changes in industry policies and has been actively promoting various online protection measures for underage and adult players, ensuring that our game products meet relevant management requirements.

The management's business decisions aim to ensure the sustainable development of the Group and the long-term interests of shareholders. We have decided not to declare any interim dividend for the Reporting Period. However, in the future, the Company will continue to focus on the return of shareholders' interests and implement a sustainable dividend policy, in order to reward the shareholders through action for their long-term support and trust towards us.

Business Outlook

During the second half of 2024, the Group will focus on implementing the following strategies to drive business expansion and development:

1. Further diversify and optimize our game portfolio, deeply cultivate local regions to increase market penetration.

Leveraging our Group's product brands and years of accumulated regional competitive advantages, we will continue to introduce innovative gameplay to attract potential users in the second and third-tier domestic markets and underdeveloped areas, meeting different entertainment needs. Many provinces in central, northwest, and southeast China still have great potential, and we plan to continue to increase marketing efforts in the target expansion areas to attract and accumulate players to the target level, hoping to generate a fission growth.

2. Continuously explore, experiment, and invest in new marketing channels, collaborate with MCNs and influencers, expand customer acquisition channels, and reduce customer acquisition costs.

As the market environment continues to change, the Group is always under the pressure of increasing market share. The management will continue to try new ways and methods in marketing and customer acquisition and continue to invest. We will formulate different marketing strategies based on the characteristics of different game categories and the traffic rules of different platforms, in order to achieve more efficient user conversion for our Group.

3. *Increase research and development investment to prepare new products for testing and online promotion in domestic and overseas markets.*

During the second half of the year, the Group will continue to strengthen its research and development efforts, preparing to optimize, test, and launch multiple new games. We will continue to adjust the collaboration mechanisms between product teams and optimize the organizational structure to achieve business growth and sustainable development. Some of these products aim to expand overseas markets and generate overseas revenue.

4. *Continue to explore potential business opportunities.*

As an established game developer, we will leverage on our industry experience and collaborate with strategic partners to expand our business. Our Group intends to identify high-potential research and development teams which complement our current game portfolio, and explore new opportunities through different approaches, including incubation, investment and acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

The Group's revenue is consisted of three major components: (i) revenue from self-developed mobile games; (ii) revenue from third-party mobile games; and (iii) advertising revenue. For self-developed mobile games, the Group's revenue is primarily derived from the sales of virtual tokens. Virtual tokens can be used by the customers to play mobile games of the Group or for purchasing virtual products. For third-party mobile games, the Group is only responsible for marketing, providing payment gateway for players to purchase the virtual tokens of respective games directly. The Group recognizes its revenue, net of the portion of proceeds to be shared with the third-party mobile game developers. Advertising revenue is derived principally from online advertising arrangements. The Group inserts certain in-game advertisement slots into its mini-programs and shares the proceeds with those mini-program platform operators.

The Group's revenue for the six months ended 30 June 2024 amounted to approximately RMB835.7 million, representing a decrease of 12.4% from approximately RMB953.5 million recorded in the corresponding period in 2023. During the Reporting Period, the Group's paying players increased by 70.0% year-on-year, but the Group's overall revenue decreased due to the Group's adjustment of its monetization strategy and lowering the recharge threshold, resulting in a decrease in average revenue per paying player.

For the six months ended 30 June 2024, revenue generated from the Group's sale of virtual tokens, distribution of third-party mobile games and advertising accounted for approximately 91.2%, 6.4% and 2.4% of the Group's total revenue, respectively, as compared with approximately 85.9%, 9.9% and 4.2%, respectively, for the six months ended 30 June 2023.

Cost of sales

The Group's cost of sales primarily includes (i) employee benefit expenses; (ii) commissions and fees charged by third-party game distribution channels and payment vendors; (iii) server-related and technical support fees; and (iv) depreciation and amortization. The Group's cost of sales increased by approximately 35.2% to approximately RMB422.7 million in the six months ended 30 June 2024 from approximately RMB312.6 million in the six months ended 30 June 2023, primarily due to (i) a RMB20.6 million increase in commissions and fees paid to third-party distribution channels and payment vendors; (ii) a RMB33.3 million increase in new

media cost; (iii) a RMB24.9 million increase in game operation costs and revenue share to game developer; and (iv) a RMB16.1 million increase in employee benefit expenses. As at 30 June 2024, the Group does not have any trade payables.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by 35.6% to approximately RMB413.0 million for the six months ended 30 June 2024 from approximately RMB640.8 million for the six months ended 30 June 2023, and the Group's gross profit margin decreased to 49.4% for the six months ended 30 June 2024 from 67.2% for the corresponding period in 2023.

Other income

Other income decreased by approximately 33.5% from approximately RMB30.4 million for the six months ended 30 June 2023 to approximately RMB20.2 million for the six months ended 30 June 2024. The decrease was primarily due to a RMB3.8 million decrease in government subsidies, and a RMB3.5 million decrease in write-off of payables from expired room cards.

Other gains and losses

Other gains and losses decreased RMB17.6 million from a gain of approximately RMB27.0 million for the six months ended 30 June 2023 to a gain of approximately RMB9.4 million for the six months ended 30 June 2024. The decrease was primarily due to there was a RMB27.9 million in gain on disposal of investments in associates for the six months ended 30 June 2023, details of which are set out in note 8, and no such event occurred for the six months ended 30 June 2024.

Foreign exchange gains/(losses), net

Foreign exchange losses of approximately RMB0.7 million was recorded for the six months ended 30 June 2024 while foreign exchange gains of approximately RMB9.6 million was recorded for the six months ended 30 June 2023, mainly due to the fluctuation of exchange rate of Renminbi (RMB) against US dollars.

Selling and marketing expenses

The Group's selling and marketing expenses increased by approximately 101.4% from approximately RMB129.7 million for the six months ended 30 June 2023 to approximately RMB261.1 million for the six months ended 30 June 2024. The increase was primarily due to an increase in advertising and marketing expenses of RMB128.1 million. In the first half of 2024, in response to fierce market competition, the Company increased its marketing efforts to maintain and increase its market share, mainly through advertising on streaming platforms and WeChat applets.

Administrative and other expenses

The Group's administrative and other expenses decreased by approximately 15.4% from approximately RMB146.4 million for the six months ended 30 June 2023 to approximately RMB123.9 million for the six months ended 30 June 2024. The decrease was primarily due a decrease of RMB22.4 million in staff costs and a decrease of RMB13.9 million in share-based payment expense.

Profit Before Income Tax

The Group's profit before income tax decreased by approximately 91.0% from approximately RMB449.5 million for the six months ended 30 June 2023 to approximately RMB40.3 million in the corresponding period in 2024. The Group's profit before income tax as a percentage of total revenue decreased from 47.1% for the six months ended 30 June 2023 to 4.8% for the six months ended 30 June 2024, primarily due to (i) the Group's WeChat mini-game revenue increased, and the corresponding channel expenses increased significantly; (ii) the Group changed its promotion model and is in cooperation with MCN organizations to distribute games, which increased new media costs; and (iii) in response to the increasing competition in the industry, the Group increased its marketing efforts in order to retain its market share.

Income Tax Expenses

Income tax expenses decreased by approximately 85.8% from RMB46.9 million for the six months ended 30 June 2023 to RMB6.7 million in the corresponding period in 2024. The Group's effective tax rates were 10.4% and 16.5% for the six months ended 30 June 2023 and 2024, respectively. The decrease in the Group's income tax expenses was due to the decrease in profit before tax. The increase in effective tax rate was mainly due to tax rate increased for the profitable subsidiaries. For further details, please refer to note 5 to the consolidated financial statements of the Company in this announcement.

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by approximately 92.9% from approximately RMB395.3 million for the six months ended 30 June 2023 to approximately RMB28.0 million in the corresponding period in 2024.

Non-IFRS Measures — Adjusted Net Profit

To supplement the Group's consolidated financial statements which are presented in accordance with International Financial Reporting Standards (“IFRS”), the Company also used unaudited non-IFRS adjusted net profit as an additional financial measure in order to evaluate its financial performance by eliminating the impact of certain non-recurring and non-cash items that it does not consider indicative of the performance of its business. The Company's management believes that the presentation of non-IFRS measures, in conjunction with the corresponding IFRS measures, provides useful information to investors relating to the Group's financial condition and results of operations. The term “adjusted net profit” is not defined under IFRS. Other companies in the industry which the Group operates in may calculate such non-IFRS item differently from the Group. The use of adjusted net profit has material limitations as an analytical tool, as adjusted net profit does not include all items that impact the Group's net profit for the Reporting Period and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under IFRS.

The following table sets out the calculation of adjusted net profit attributable to the owners of the Company for the periods indicated:

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period attributable to the owners of the Company	28,009	395,293
Add:		
Share-based payment expenses	13,993	27,818
Withholding tax on undistributed profits of subsidiaries operating in the PRC	—	<u>22,500</u>
Adjusted net profit attributable to the owners of the Company	<u>42,002</u>	<u>445,611</u>

The adjusted net profit attributable to the owners of the Company for the six months ended 30 June 2024, adjusted by excluding the non-cash item of share-based payment expenses and withholding tax on undistributed profits of subsidiaries operating in the PRC, was approximately RMB42.0 million, decreased by 90.6% as compared to approximately RMB445.6 million for the six months ended 30 June 2023.

Liquidity and Capital Resources

For the six months ended 30 June 2024, the Group financed its operations primarily through cash generated from the Group's operating activities. The Group intends to finance its expansion and business operations with internal resources and through organic and sustainable growth.

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements from time to time.

Cash and cash equivalents

The Group primarily operates its business in the PRC and its transactions and revenue were primarily denominated in Renminbi. The Group has certain cash and cash equivalents and trade receivables denominated mostly in Renminbi and is exposed to foreign exchange risk arising from exchange rate fluctuation of RMB against HK dollars and US dollars. As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB1,028.7 million (31 December 2023: approximately RMB1,340.9 million), which primarily consisted of cash at bank and fix bank deposits that with maturity less than three months.

The Group currently does not have any hedging policy for foreign currencies in place. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

Indebtedness

During the six months ended 30 June 2024, the Group did not have any short-term or long-term bank borrowings and had no outstanding bank and other borrowings and other indebtedness apart from lease liabilities for the relevant lease terms amounting to RMB20.5 million in aggregate (31 December 2023: RMB20.8 million).

Gearing ratio

The gearing ratio was zero since there was no debt as at 30 June 2024. The Group's gearing ratio represented the percentage of the sum of non-current and current borrowings over total assets.

Charge on assets

As at 30 June 2024, the Group did not pledge any of its assets.

Capital expenditures

For the six months ended 30 June 2024, the Group's capital expenditure amounted to approximately RMB261.3 million (for the six months ended 30 June 2023: approximately RMB71.2 million, which mainly comprised expenditures on the purchase of office furniture and equipment, motor vehicles, leasehold improvements, the purchase of the copyright of game software and computer software, the purchase of equity instruments at fair value through other comprehensive income and financial assets at fair value through profit or loss as well as investment in joint ventures and associates. The Group funded its capital expenditure by using the cash flow generated from its operations and proceeds from the global offering. The capital expenditure for the six months ended 30 June 2024 was higher primarily due to increased expenditure with respect to the purchase of financial assets at fair value through profit or loss as well as investment in joint ventures and associates.

Contingent liabilities and guarantees

As at 30 June 2024, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against the Group.

Material acquisitions, disposals and future plans for major investment

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, joint ventures, associates or financial assets, or any future plan for major investment.

Employees and Staff Costs

As at 30 June 2024, the Group had a total of 617 full time employees, mainly located in mainland China. In particular, 40 employees are responsible for the Group's research and development, 361 for game development, 52 for technical support, 33 for customer service, 66 for marketing and 65 for operations and general administration. The total staff cost incurred by the Group for the six months ended 30 June 2024 was approximately RMB99.8 million compared to approximately RMB101.2 million in the corresponding period in 2023. The decrease was mainly due to the decrease in share-based payment expenses.

The Group provides orientation and training to new recruits as well as ongoing in-house training for junior employees, which the Group believes can enhance the skills and productivity of its employees. The Group compensates employees with base salaries and performance-based bonuses. The Company has also adopted a share option scheme (the “**Share Option Scheme**”) and a share award scheme (the “**Share Award Scheme**”) on 5 June 2019 and 6 June 2019 respectively to incentivize employees and senior management and to align their interests with that of the Company.

Further details of the Share Option Scheme and the Share Award Scheme will be set out in the interim report of the Company for the six months ended 30 June 2024.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Six months ended 30 June	
		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
Revenue	3	835,659	953,477
Cost of sales		<u>(422,691)</u>	<u>(312,637)</u>
Gross profit		412,968	640,840
Other income		20,203	30,382
Other gains and losses		9,382	26,983
Foreign exchange/(losses) gains, net		(683)	9,621
Selling and marketing expenses		(261,129)	(129,680)
Administrative expenses and other expenses		(123,890)	(146,364)
Share of results of associates		(14,928)	18,488
Share of results of joint ventures		(960)	—
Interest on lease liabilities		<u>(629)</u>	<u>(786)</u>
Profit before income tax		40,334	449,484
Income tax expense	5	<u>(6,664)</u>	<u>(46,927)</u>
Profit for the period	6	<u>33,670</u>	<u>402,557</u>
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investment in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of income tax		<u>—</u>	<u>(3,333)</u>
Other comprehensive expense for the period		<u>—</u>	<u>(3,333)</u>
Total comprehensive income for the period		<u>33,670</u>	<u>399,224</u>

		Six months ended 30 June	
		2024	2023
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
Profit for the period attributable to:			
Owners of the Company		28,009	395,293
Non-controlling interests		<u>5,661</u>	<u>7,264</u>
		<u>33,670</u>	<u>402,557</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		28,009	391,960
Non-controlling interests		<u>5,661</u>	<u>7,264</u>
		<u>33,670</u>	<u>399,224</u>
Earnings per share (in RMB cents)			
— Basic	7	<u>2.23</u>	<u>30.98</u>
— Diluted		<u>2.23</u>	<u>30.73</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		As at 30 June 2024 <i>RMB'000</i> (unaudited)	As at 31 December 2023 <i>RMB'000</i> (audited)
	<i>NOTES</i>		
Non-current assets			
Property, plant and equipment		63,672	66,627
Right-of-use assets		19,254	19,938
Intangible assets		6,467	1,635
Investments in associates	8	81,963	56,186
Investments in joint ventures		28,581	24,640
Financial assets at fair value through profit or loss (“FVTPL”)	9	31,243	31,532
Equity instruments at FVTOCI		17,999	1,499
Loans to employees		5,097	4,755
Rental and other deposits	11	4,590	4,640
Deferred tax assets		48,550	36,959
Prepayments and other receivables	11	—	1,414
Receivables for disposal of subsidiaries		—	48,062
Receivables for disposal of associates	8	—	89,610
Loans to associates		4,000	12,000
		311,416	399,497
Current assets			
Trade receivables	10	110,728	150,527
Financial assets at FVTPL	9	246,262	97,418
Prepayments and other receivables	11	253,735	197,556
Receivables for disposal of subsidiaries		19,159	—
Receivables for disposal of associates	8	93,207	—
Loans to associates		107,102	68,000
Loans to employees		15,200	33,000
Fixed deposits		136,000	—
Cash and cash equivalents		1,028,691	1,340,918
		2,010,084	1,887,419
Current liabilities			
Other payables		43,604	74,393
Deferred revenue		106,515	72,965
Tax payable		24,987	29,654
Lease liabilities		7,812	8,352
Dividend payable		122,026	4,800
		304,944	190,164
Net current assets		1,705,140	1,697,255
Total assets less current liabilities		2,016,556	2,096,752

		As at 30 June 2024 <i>RMB'000</i> (unaudited)	As at 31 December 2023 <i>RMB'000</i> (audited)
Non-current liabilities			
Lease liabilities		12,663	12,402
Deferred tax liabilities		<u>200</u>	<u>200</u>
		<u>12,863</u>	<u>12,602</u>
Net assets		<u>2,003,693</u>	<u>2,084,150</u>
Capital and reserves			
Share capital	12	42	42
Reserves		<u>1,997,143</u>	<u>2,083,261</u>
Equity attributable to owners of the Company		<u>1,997,185</u>	2,083,303
Non-controlling interests		<u>6,508</u>	<u>847</u>
Total equity		<u>2,003,693</u>	<u>2,084,150</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH ENDED 30 JUNE 2024

	Attributable to owners of the Company										
	Share capital <i>RMB'000</i>	Shares held for Share Award Scheme <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Share- based payments reserve <i>RMB'000</i>	FVTOCI reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
As at 1 January 2023 (audited)	42	(30,421)	31,210	15,027	19,718	25,469	(7,785)	1,741,159	1,794,419	(406)	1,794,013
Profit for the period	—	—	—	—	—	—	395,293	395,293	7,264	402,557	
Other comprehensive expense for the period	—	—	—	—	—	—	(3,333)	—	(3,333)	—	(3,333)
Total comprehensive (expense) income for the period	—	—	—	—	—	—	(3,333)	395,293	391,960	7,264	399,224
Recognition of share-based payment expenses under the Share Option Scheme and the incremental fair value under the Compensation Grant	—	—	—	—	—	564	—	—	564	—	564
Recognition of share-based payment expenses under the 2021 Share Award Scheme	—	—	—	—	—	102	—	—	102	—	102
Recognition of share-based payment expenses under the 2023 Share Award Scheme	—	—	—	—	—	27,152	—	—	27,152	—	27,152
Vesting of award shares under the Compensation Grant, the 2021 Share Award Scheme and the 2023 Share Award Scheme	—	28,410	9,053	—	—	(37,463)	—	—	—	—	—
Share-based payment expenses related to the share awards forfeited after the vesting date	—	—	—	—	—	(2,054)	—	2,054	—	—	—
Repurchase of shares (Note ii)	—	(7,657)	—	—	—	—	—	—	(7,657)	—	(7,657)
Dividend recognized as distribution	—	—	—	—	—	—	—	(162,823)	(162,823)	—	(162,823)
As at 30 June 2023 (unaudited)	<u>42</u>	<u>(9,668)</u>	<u>40,263</u>	<u>15,027</u>	<u>19,718</u>	<u>13,770</u>	<u>(11,118)</u>	<u>1,975,683</u>	<u>2,043,717</u>	<u>6,858</u>	<u>2,050,575</u>

Attributable to owners of the Company

	Shares held for Share		Share premium	Statutory reserve	Other reserve	Share-based payments reserve	FVTOCI reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	Share capital	Award Scheme									
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024 (audited) (Note i)	42	(9,551)	40,163	15,027	19,199	13,878	(13,593)	2,018,138	2,083,303	847	2,084,150
Profit for the period	—	—	—	—	—	—	—	28,009	28,009	5,661	33,670
Other comprehensive expense for the period	—	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	—	—	—	28,009	28,009	5,661	33,670
Recognition of share-based payment expenses under the Share Option Scheme and the incremental fair value under the Compensation Grant	—	—	—	—	—	142	—	—	142	—	142
Recognition of share-based payment expenses under the 2021 Share Award Scheme	—	—	—	—	—	43	—	—	43	—	43
Recognition of share-based payment expenses under the 2024 Share Award Scheme	—	—	—	—	—	13,808	—	—	13,808	—	13,808
Vesting of award shares under the Compensation Grant, the 2021 Share Award Scheme and the 2024 Share Award Scheme	—	14,382	12,162	—	—	(26,544)	—	—	—	—	—
Share-based payment expenses related to the share awards forfeited after the vesting date	—	—	—	—	—	(1,327)	—	1,327	—	—	—
Donation from shareholders (Note ii)	—	(64,790)	—	—	64,790	—	—	—	—	—	—
Repurchase of shares (Note iii)	—	(10,894)	—	—	—	—	—	—	(10,894)	—	(10,894)
Dividend recognized as distribution (Note 4)	—	—	—	—	—	—	—	(117,226)	(117,226)	—	(117,226)
As at 30 June 2024 (unaudited)	42	(70,853)	52,325	15,027	83,989	—	(13,593)	1,930,248	1,997,185	6,508	2,003,693

Note i: The other reserve as at 1 January 2024 mainly represents (i) the difference between the consideration paid and share of the subsidiary's net assets acquired from the non-controlling interests in prior years, (ii) the effect of group reorganization on 24 September 2018, pursuant to which Xiamen Kexin Network Technology Company Limited (“**Homeland PRC**”, formerly known as Beijing Kexin Network Technology Company Limited), Jiaxiang Interactive (Xiamen) Network Technology Company Limited (“**Jiaxiang Interactive**”) and Jilin Yutai Network Technology Company Limited (“**Jilin Yutai**”, which is controlled by Mr. Wu Chengze (“**Mr. Wu**”)) entered into a series of contractual arrangements which enable the Group to have control over the assets, liabilities and operating profits from Jiaxiang Interactive and its subsidiaries.

Note ii: During the period ended 30 June 2024, the Company received 32,085,086 share donation from two shareholders, who transferred their shares to Futu Securities International (Hong Kong) Limited which is an account designated for the Share Award Scheme of the Group. These shares are included under “Shares held for Share Award Scheme” at their fair value of RMB64,790,000 determined based on the quoted price of the Company's shares at the date of transfer with the corresponding credit to other reserve as shareholders' contributions.

Note iii: During the period ended 30 June 2024, the Company repurchased 5,164,000 (six months ended 30 June 2023: 4,798,000) of shares with total consideration of RMB10,893,569 (HK\$11,982,260) (six months ended 30 June 2023: RMB7,657,223 (HK\$8,463,960)) on the open market at a price of HK\$1.915 to HK\$2.684 (six months ended 30 June 2023: HK\$1.473 to HK\$1.841) through Futu Securities International (Hong Kong) Limited, which was appointed as an independent trustee for the share award schemes of the Company, for the purpose of future share award schemes. Details are as follows:

Month of repurchase paid	No of ordinary shares	Price per share		Aggregate consideration <i>HK\$'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
January	2,974,000	2.684	2.197	7,439
April	1,352,000	2.248	1.966	2,962
June	<u>838,000</u>	<u>1.915</u>	<u>1.877</u>	<u>1,581</u>
Total	<u>5,164,000</u>			<u>11,982</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash from operating activities	<u>12,162</u>	<u>182,951</u>
Investing activities		
Interest received	11,404	14,559
Purchase of financial assets at FVTPL	(184,079)	(28,502)
Purchase of financial assets at FVTOCI	(16,500)	—
Purchase of property, plant and equipment	(9,861)	(12,394)
Purchase of intangible assets	—	(683)
Acquisition of investment associates and joint ventures	(45,605)	(29,600)
Dividend received	520	44,400
Loans to employees	(452)	(2,000)
Repayment of loans to employees	18,000	5,000
Loans to associate and joint ventures	(21,000)	(12,000)
Loans to third parties	—	(12,760)
Loan received from third parties	2,414	—
Proceeds from disposal of financial assets at FVTPL	39,982	—
Purchase of six-month fixed deposits	(136,000)	—
Consideration received for disposal of subsidiaries	<u>32,030</u>	<u>12,400</u>
Net cash used in investing activities	<u>(309,147)</u>	<u>(21,580)</u>

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Financing activities		
Repayment of lease liabilities	(5,403)	(4,862)
Interest paid on lease liabilities	(629)	(786)
Dividends paid	—	(162,823)
Payment on repurchase of shares	(10,894)	(7,657)
	<u>(16,926)</u>	<u>(176,128)</u>
Net cash used in financing activities		
	<u>(16,926)</u>	<u>(176,128)</u>
Net decrease in cash and cash equivalents	<u>(313,911)</u>	<u>(14,757)</u>
Cash and cash equivalents at the beginning of the period	1,340,918	1,163,316
Effect of foreign exchange rate changes	<u>1,684</u>	<u>7,393</u>
Cash and cash equivalents at the end of the period,		
represented by cash and cash equivalents	<u>1,028,691</u>	<u>1,155,952</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

General information

Homeland Interactive Technology Ltd. (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands on 7 May 2018 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 4 July 2019 (the “**Listing Date**”). The registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Grand Cayman Islands. The address of principal place of business of the Company is 17/F, Qianhai Shimao Finance Centre II No. 3040, Xinghai Avenue Nanshan Street Qianhai Shenzhen-Hong Kong Cooperation Zone Shenzhen, the People’s Republic of China (the “**PRC**”). The Company is controlled by Mr. Wu Chengze, Mr. Jiang Mingkuan and Mr. Su Bo (collectively referred to as the “**Founders**”).

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are primarily engaged in the development, publication and operation of mobile games in the PRC.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and its subsidiaries.

Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values, as appropriate.

Other than application of certain accounting policies listed below which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements Accounting Policies

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (1) income from sales of virtual tokens on the Group's self-developed mobile games; (2) income from third-party mobile games, and; (3) advertising income. The Group's operating activities are attributable to a single operating segment focusing on development and operation of mobile games in the PRC. This operating segment has been identified on the basis of internal management reports, prepared in accordance with the relevant accounting principles and financial regulations applicable in the PRC which materially conform with IFRSs, that are regularly reviewed by the chief operating decision maker ("CODM") of the Group for the purpose of allocating resources and assessing its performance. The CODM reviews the financial results of the Group as a whole for performance assessments. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Revenue from self-developed mobile games and third-party mobile games is recognized at a point in time when the customers obtain control of the services, being at the point the customers consume the virtual tokens in self-developed mobile games or the customers purchase the virtual tokens in the relevant third-party mobile games.

Advertising revenue is recognized at a point in time when the advertisements placed by third-party platforms are displayed in the game interface.

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue from:		
— Self-developed mobile games	761,849	818,662
— Third-party mobile games	<u>53,549</u>	<u>94,635</u>
	815,398	913,297
Advertising revenue	<u>20,261</u>	<u>40,180</u>
	<u><u>835,659</u></u>	<u><u>953,477</u></u>

The Group has a large number of customers, no revenue from any individual customer exceeded 10% or more of the Group's revenue during both periods.

4. DIVIDENDS

During the current interim period, a final dividend of HK\$0.10 cents (equivalent to RMB0.09) per share in respect of the year ended 31 December 2023 was declared and approved by the shareholders in the general meeting. The aggregate amount of the final dividend declared in the interim period was amounted to HK\$128,340,350 (equivalent to RMB117,226,076) and was paid on 11 July 2024.

During the preceding interim period, a final dividend of HK\$0.14 cents (equivalent to RMB0.13) per share in respect of the year ended 31 December 2022 was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$179,676,490 (equivalent to RMB162,823,000).

5. INCOME TAX EXPENSE

The income tax expense of the Group is analyzed as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax — PRC Enterprise Income Tax	21,835	44,336
(Over) under provision in prior years	<u>(3,580)</u>	<u>4,035</u>
	18,255	48,371
Deferred tax	<u>(11,591)</u>	<u>(1,444)</u>
Income tax expense	<u><u>6,664</u></u>	<u><u>46,927</u></u>

The Company and a subsidiary incorporated in the British Virgin Islands (“**BVI**”) is not subject to income tax in the Cayman Islands or the BVI.

No provision for Hong Kong Profits Tax has been made since the entity operating in Hong Kong had no assessable profits for both years.

PRC CIT

The income tax provision of the subsidiaries operating in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for both interim periods, based on the existing legislation, interpretations and practices in respect thereof.

Jilin Xinze was qualified as “High and New Technology Enterprises” (“**HNTE**”) under the Corporate Income Tax Law (“**CIT Law**”) since 2017 with a valid period of three years and such qualification has been renewed in 2020 and 2023 with a valid period of three years respectively. However, in the current interim period, Jilin Xinze transferred all the research and development activities to other entities in the Group, management believed Jilin Xinze is no longer qualified as HNTE. As a result, Jilin Xinze is entitled to a preferential income tax rate at 15% for the preceding period.

For the year ended 31 December 2022, Yaotang (Xiamen) Network Technology Co., Ltd (“**Yaotang Xiamen**”) qualified as a “Double Soft Enterprise” (“**DSE**”) under the CIT Law. According to relevant tax regulations, Yaotang Xiamen is exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year,

commencing from 2022, the first year of profitable operation. Therefore, Yaotang Xiamen was entitled a 50% reduction in the applicable tax rates in current period and was exempted from CIT for the preceding period.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in research and development activities are entitled to claim 200% (six months ended 30 June 2023: 200%) of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year (“**Super Deduction**”). Jiaxiang Interactive, Yaotang Xiamen, Yaotang Shenzhen and Jilin Haiqi (six months ended 30 June 2023: Jiaxiang Interactive and Jilin Xinze) have claimed such Super Deduction in ascertaining its tax assessable profits for current interim period.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Commissions and fees charged by distribution channels and payment vendors	288,031	267,416
Lease expenses in respect of short-term leases on office properties	—	93
Depreciation of property, plant and equipment	8,007	5,375
Depreciation of right-of-use assets	5,530	5,361
Amortization of intangible assets	470	210
Auditors' remuneration	630	750
Directors' emoluments	8,108	20,044
Other staff costs:		
Salaries and other benefits in kind	79,540	68,457
Retirement benefit costs	3,176	3,271
Share-based payments for staff	9,023	9,383
Total staff costs	<u>99,847</u>	<u>101,155</u>

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share from operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share:		
— Profit for the period attributable to owners of the Company	<u>28,009</u>	<u>395,293</u>
	Number of shares	
	2024	2023
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,254,914,473	1,275,889,879
Effect of dilutive potential ordinary shares in respect of the Compensation Grant, the 2021 Share Award Scheme	<u>—</u>	<u>10,340,506</u>
Weighted average number of ordinary shares of the Company for the purpose of diluted earnings per share	<u>1,254,914,473</u>	<u>1,286,230,385</u>

There is no effect of dilutive potential ordinary shares for the current interim period.

8. INVESTMENTS IN ASSOCIATES

	As at 30 June 2024 <i>RMB'000</i> (unaudited)	As at 31 December 2023 <i>RMB'000</i> (audited)
Cost of investment in associates (<i>Note</i>)	111,005	70,300
Share of post-acquisition profits and other comprehensive income, net of dividends received	<u>(29,042)</u>	<u>(14,114)</u>
Total	<u><u>81,963</u></u>	<u><u>56,186</u></u>

Note: During the current interim period, the Group invested in four new associates which mainly operated in multi-channel network business with a total consideration of RMB26,000,000 and further invested in an existing associate with a consideration of RMB14,705,000.

During the preceding interim period, the Group disposed all its interest in Jilin Xinyue and Jilin Anrui to entities controlled by Mr. Luo Wei for consideration of RMB99,000,000 and RMB35,100,000 respectively. The total consideration amounted to RMB134,100,000 will be settled on 31 May 2025. The fair value of the total consideration is determined by discounting the consideration of RMB116,372,000 using the discount rate of 8.05% per annum. This transaction has resulted in the Group recognizing gains of RMB27,879,000 in profit or loss, calculated as follows:

	<i>RMB'000</i> (unaudited)
The fair value of the total consideration	116,372
Less: carrying amount of the 40% investment on the date of loss of significant influence of Jilin Xinyue and Jilin Anrui	<u>88,493</u>
Gain recognized in profit or loss for the period ended 30 June 2023	<u><u>27,879</u></u>
Less: adjust to the supplemental agreement (<i>Note</i>)	<u>(44,660)</u>
Loss recognized in profit or loss for the year ended 31 December 2023	<u><u>(16,781)</u></u>

Note: On 31 August 2023, the Group signed a supplemental agreement with the entities controlled by Mr. Luo Wei to cancel a declared interim dividend total amounting RMB44,660,000 in connection to profit of Julin Xinyue and Jilin Anrui for the period from 1 January 2023 to 30 June 2023. As a result of this supplement agreement, the dividend receivable was considered as part of the cost of the disposal.

Subsequent to the disposal, the Group received early settlements to the deferred consideration amounted to RMB10,000,000 and RMB25,100,000 on 31 July 2023 and 31 August 2023 respectively, which resulted in a gain on early repayment of RMB4,488,000 in other gains and losses. On the other hand, an interest income of RMB3,850,000 was recognized in other income. As at 31 December 2023, the receivables for disposal of associates was RMB89,610,000 and presented under non-current assets on the condensed consolidated statement of financial position. During the current interim period, an interest income of RMB3,597,000 was recognized in other income. As at 30 June 2024, the receivables for disposal of associates was RMB93,207,000 and presented under current assets on the condensed consolidated statement of financial position.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2024 <i>RMB'000</i> (unaudited)	As at 31 December 2023 <i>RMB'000</i> (audited)
Non-current unlisted securities		
— Investment in partnership (<i>note i</i>)	<u>31,243</u>	<u>31,532</u>
Current listed securities held for trading		
— Equity securities listed in Shanghai Stock Exchange (the “SSE”) (<i>note ii</i>)	19,144	34,819
Current unlisted securities held for trading		
— Private funds (<i>note iii</i>)	130,824	62,599
— Money market fund (<i>note iv</i>)	61,294	—
— Structured deposit (<i>note v</i>)	<u>35,000</u>	<u>—</u>
	<u>246,262</u>	<u>97,418</u>

Notes:

- (i) On 31 October 2022, Jiaxiang Interactive, along with other investors (each as a limited partner), Challengers Management Team (as a special limited partner), Challengers Yunteng (as a general partner) and Chuangxinyizhou (as a fund manager) entered into the partnership agreement for the formation of a partnership to carry out equity and equity-related investment with a focus on the consumer industry, corporate services and entertainment sectors. Jiaxiang Interactive, as a limited partner, committed to make capital contribution of RMB100,000,000, which account for 10% interest in the partnership. During the year ended 31 December 2022, Jiaxiang Interactive made a capital contribution of RMB30,000,000 to the partnership.
- (ii) The listed equity investments represent ordinary shares of entities listed on SSE. The investment is held for trading and its fair value is based on the quoted market price.
- (iii) The private funds mainly represent private fund products issued by private funds management companies and mainly invest in debt and equity instruments. The investment is held for trading and its fair value is based on the fund net value calculated by the private funds management companies.
- (iv) The money market fund represents money market fund products issued by commercial bank. The investment is held for trading and its fair value is based on the fund net value provided by the commercial bank.
- (v) The structured deposit represents structured deposit products issued by commercial bank. The investment is held for trading and its fair value is determined by considering the expected return in the product agreements.

10. TRADE RECEIVABLES

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Trade receivables	110,728	150,527
Less: allowance for credit losses	<u>—</u>	<u>—</u>
Total	<u>110,728</u>	<u>150,527</u>

Trade receivables comprise receivables from distribution channels, payment vendors and advertisement agents. The credit terms of trade receivables granted to them are usually 0 to 60 days (31 December 2023: 0 to 60 days). Ageing analysis of trade receivables presented based on date of invoices is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
0–30 days	5,566	99,721
31–60 days	48,921	30,863
61–90 days	43,679	5,123
91–180 days	9,678	9,931
Over 180 days	<u>2,884</u>	<u>4,889</u>
Total	<u><u>110,728</u></u>	<u><u>150,527</u></u>

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date on which the credit was initially granted up to the reporting date. As at 30 June 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB14,139,000 (31 December 2023: RMB21,328,000) which are past due. Out of the past due balances, RMB2,921,000 (31 December 2023: RMB7,673,000) has been past due 90 days or more and is not considered as in default due to the history of cooperation and the sound collection history of the debtors.

11. PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Non-current		
Rental deposits	4,590	4,640
Loans to third parties	<u>—</u>	<u>1,414</u>
	<u>4,590</u>	<u>6,054</u>
Current		
Prepayment for advertisement and promotion fees	118,487	145,384
Earnest money for future business collaboration (note i)	50,000	—
Loans to third parties	26,032	32,432
Prepayment for new media costs	25,604	—
Prepayment for research and development fees	12,849	7,342
Prepayment for software-related and technical support fee	10,931	—
Prepayment to game developers	573	8,000
Prepayment for game and server-related fees	7,048	2,999
Prepayment for market research fees	5,960	—
Receivables of service income	6,285	—
Prepayment for professional fees	2,010	—
Other deposits	5,513	3,865
Others	<u>8,510</u>	<u>6,385</u>
	<u>268,871</u>	<u>206,407</u>
Less: Allowance for credit losses	<u>(15,136)</u>	<u>(8,851)</u>
Total	<u>253,735</u>	<u>197,556</u>

Note:

- (i) During the current interim period, the Group signed a strategic corporation framework agreement with a Hong Kong listed mobile game company to facilitate future business collaborate on game research and development and paid an refundable earnest money amounted to RMB50,000,000.

12. SHARE CAPITAL

	Number of shares	Nominal amount <i>US\$</i>	Shown in the condensed consolidated financial statements <i>RMB'000</i>
Authorized			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024			
— Ordinary shares of US\$0.000005 each	<u>10,000,000,000</u>	<u>50,000</u>	
Issued and fully paid			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024			
— Ordinary shares of US\$0.000005 each	<u>1,283,403,500</u>	<u>6,417</u>	<u>42</u>

OTHER INFORMATION

INTERIM DIVIDEND

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

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

During the six months ended 30 June 2024, Futu Securities International (Hong Kong) Limited, an independent trustee for the Share Award Scheme, purchased 5,164,000 Shares with total consideration of RMB10,893,569 (equivalent to HK\$11,982,260) on the open market for the purpose of future Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold (including sale of treasury shares, if any) or redeemed any listed securities of the Company during the six months ended 30 June 2024.

As at 30 June 2024, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

There was no important event affecting the Group which occurred after the end of the Reporting Period and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2024, the Company has complied with the applicable code provisions of the Code as set forth in the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code and maintaining a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors’ securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the Reporting Period up to the date of this announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Hu Yangyang, Mr. Zhang Yuguo and Ms. Guo Ying. Mr. Hu Yangyang is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company’s unaudited consolidated interim results for the Reporting Period, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

CHANGE IN DIRECTORS’ BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

The changes in the information of the directors since the date of the Company’s 2023 Annual Report are as follows:

Name	Details of Change
Mr. Tang Yinghao	resigned as an executive director of the Company on 6 June 2024
Mr. Su Bo	elected as an executive director of the Company on 5 April 2024

Mr. Su Bo, aged 39, is a founder and the chief investment officer of the Group. Mr. Su is primarily responsible for overseeing and managing the strategic development and expansion plan of the Group. He was an executive director of the Company from May 2018 to May 2023. He has held various other positions in the Group, including an officer responsible for overseeing the financial, legal and administrative matters of the Group and a chief investment officer of the Group since February 2018. Mr. Su has over ten years of experience in the game industry. Prior to founding the Group, Mr. Su worked at Changchun Anxin Power Technology Co., Ltd. (長春安信電力科技有限公司) as a programmer from July 2007 to November 2009. Since September

2017, Mr. Su has also been a mentor of post-graduate students at Changchun University of Technology (長春工業大學). Mr. Su completed his undergraduate degree in computer software from Jilin University (吉林大學) in the PRC through distance learning in June 2007.

Apart from above, there is no change in the directors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's principal place of business in Hong Kong was changed to LM8, 5/F, Lee & Man Commercial Center, 169 Electric Road, North Point, Hong Kong with effect from 31 January 2024. For further details of the changes, please refer to the announcement of the Company dated on 31 January 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and that of the Company (<http://www.jiaxianghudong.com>). The interim report of the Company for the six months ended 30 June 2024 will be available on the websites of the Stock Exchange and that of the Company in due course.

By order of the Board of Directors
Homeland Interactive Technology Ltd.
Wu Chengze
Chairman

Hong Kong, 28 August 2024

As at the date of this announcement, the Board comprises Mr. Wu Chengze, Mr. Su Bo and Mr. Ding Chunlong as executive directors of the Company and Mr. Zhang Yuguo, Mr. Hu Yangyang and Ms. Guo Ying as independent non-executive directors of the Company.

** For identification purpose only*