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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of Homeland Interactive Technology Ltd. (the "**Company**") is pleased to announce the audited consolidated results (the "**Annual Results**") of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**") together with the comparative figures for the previous corresponding period.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Year-on-Year Change*
	2025	2024	**(%)**
	(RMB in thousands, except for percentages)		
Revenue	**1,348,748**	1,386,080	–2.7
Gross profit	**700,770**	629,586	11.3
Profit (loss) before income tax	**119,733**	(91,542)	230.8
Profit (loss) for the year attributable to the owners of the Company	**59,139**	(74,174)	179.7
Adjusted net profit attributable to the owners of the Company**	**147,500**	29,520	399.7

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

** For further details, please refer to the section headed "Non-IFRS Measures — Adjusted Net Profit" on pages 10 to 11 of this announcement.

REVENUE BY TYPES OF VIRTUAL PRODUCTS

	For the year ended 31 December				
	2025		2024		
	Amount *(RMB in thousands)*	**Percentage of total revenue** *(%)*	Amount *(RMB in thousands)*	Percentage of total revenue *(%)*	**Year-on-Year Change*** *(%)*
Revenue from:					
— Self-developed mobile games	**1,199,628**	**88.9**	1,212,269	87.5	–1.0
— Third-party mobile games	**94,252**	**7.0**	140,153	10.1	–32.8
	1,293,880	**95.9**	1,352,422	97.6	–4.3
Advertising revenue**	**54,868**	**4.1**	33,658	2.4	63.0
Total	**1,348,748**	**100.0**	1,386,080	100.0	–2.7

* Year-on-year change % represents a comparison between the current reporting year and the previous year.

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

OPERATIONAL HIGHLIGHTS

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

	As at or for the year ended 31 December 2025	As at or for the six months ended 30 June 2025	As at or for the year ended 31 December 2024
All games (including casual games)			
Daily active users ("**DAUs**")* (as at period end)	**12,099,828**	12,306,675	13,377,495
Paying players**	**11,352,994**	9,089,428	17,756,141
Average monthly active users ("**MAUs**")***	**57,300,177**	59,781,933	64,342,667

* 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 any given month or the average of MAUs in any given period.

BUSINESS OVERVIEW AND OUTLOOK

Business Review

During 2025, the global mobile game market underwent a profound transformation from "scale-driven competition" to "content quality-driven competition," fueled by the dual engines of technological innovation and diversified user demands. Facing the normalization of inventory competition within the industry, the Group remained committed to its core competitive moat by deeply integrating the essence of traditional Chinese culture with modern digital technology. While stabilizing our fundamental business operations, we actively promoted a strategic transition from being "traffic-driven" to "efficiency-driven". This strategic pivot was reflected not only in the refined operation of our core board and card games but also in the practical application of Artificial Intelligence (AI) technologies, the structural reshaping of organizational efficiency, and the optimization of capital allocation.

During the Reporting Period, the Group adhered to its "point-to-surface, localized deep-dive" expansion strategy. Flagship titles like "微樂四川麻將" maintained their industry leadership in specific regional markets through authentic dialect voiceovers and the reconstruction of local folk customs, while "微樂捕魚千炮版" *(Classic of Mountains and Seas Edition)* enhanced the immersive competitive experience by integrating mythological themes. In addition to consolidating core products, the Group initiated a new round of strategic layouts targeting other potential vertical local playstyles. By conducting extensive in-depth offline research, the Group digitally documented unique folk playstyles across various regions and integrated this feedback into real-time product iterations for deep optimization. These precisely localized products significantly resonated with local players' sense of cultural identity and quickly gained substantial traction among regional communities. As of 31 December 2025, the Group recorded approximately 12.1 million Daily Active Users (DAUs) and 57.3 million Average Monthly Active Users (MAUs). Against the backdrop of the rising acquisition costs, these core user metrics remained stable, validating the Group's success in building a solid user stickiness moat through localized content and social scenarios.

Concurrently, the Group implemented a strategic optimization of its user structure. During the Reporting Period, the number of paying players decreased from approximately 17.8 million in 2024 to approximately 11.4 million. This change was not a result of passive market loss but rather a proactive choice driven by the experiment of our "dual-currency mechanism" and the enhancement of social attributes within game sessions. By optimizing the in-game economic ecosystem, the Group successfully filtered and retained higher-quality, more loyal social-oriented core players. Despite the contraction in the number of paying players, the increased contribution from mid-to-hardcore players to revenue resulted in a marginal year-on-year decline of only 2.7% in total revenue, which stood at approximately

RMB1,348.7 million. This "quality-over-quantity" strategy not only improved the overall ARPPU (Average Revenue Per Paying User) but also demonstrated the Group's extreme resilience in revenue scale during the process of user structure reshaping.

In terms of cost control and operational efficiency, the Group achieved comprehensive structural optimization during the Reporting Period. For the year ended 31 December 2025, selling and marketing expenses decreased significantly by approximately 41.7% to RMB260.3 million. This was primarily attributable to a shift in marketing paradigms: on one hand, the Group leveraged the social viral attributes of the WeChat mini-game ecosystem to achieve low-cost organic traffic conversion; on the other hand, the application of AI technologies improved the efficiency of social media content production by 50% to 100%. While driving a 239% month-on-month increase in relevant exposure, this effectively replaced traditional content production costs and large-scale advertising placements. Simultaneously, research and development expenses decreased by 36.4% from RMB73.0 million over the same period last year to RMB46.4 million. This reflected a fundamental reconstruction of R&D efficiency: following the completion of major 3D engine infrastructure in previous periods, the Group fully implemented AIGC-assisted workflows, achieving automated generation of art assets and shortening the production cycle of individual assets by approximately 60%, thereby effectively reducing operational costs while maintaining high-frequency product iterations. Benefiting from the deep optimization of acquisition models and R&D efficiency, the Group achieved a significant financial turnaround, recording a net profit of RMB80.3 million for the year ended 31 December 2025, compared to a loss of RMB76.2 million in 2024. Excluding non-operating and non-cash items such as share-based payment expenses, share of losses of associates and joint ventures, and impairment losses under the expected credit loss model recognized on loans receivables (net of income tax), the Non-IFRS adjusted net profit attributable to the owners of the Company amounted to approximately RMB147.5 million, indicating a substantial recovery in overall profitability.

Building upon the significant recovery of our core business' cash-generating capability, the Group further extended its strategic vision to capital appreciation, aiming to maximize shareholder returns through diversified allocation. During the year ended 31 December 2025, while strictly ensuring principal safety and liquidity, the Group strategically constructed a balanced allocation matrix covering primary markets (high growth potential), secondary markets (stable returns), and forward-looking digital assets. This "steady core growth + proactive capital allocation" dual-drive model is designed to capture dividends from emerging sectors and create additional incremental income, thereby ensuring consistent long-term returns for shareholders of the Company (the "**Shareholders**") that exceed industry averages. The Group is also focused on identifying new business growth drivers, prioritizing the deployment of edge-side AI to optimize response speeds, and is expected to launch a strategic "Character System" in-game in the near future. By upgrading the underlying engine to 3D and combining AI-powered intelligent NPCs with a nurturing system, this will become our core lever for deeply mining User Lifetime Value (LTV).

In summary, during the Reporting Period, the Group has built a "time-adaptive" operational system capable of self-evolution. We are committed to navigating complex market environments to continuously create long-term returns with greater certainty for our users and Shareholders.

Business Outlook

In 2026, our Group will continue our efforts to further solidify our competitive advantages in the gaming industry by continuing the following strategies:

1. Advancing Frontier Technologies and Empowering Processes with Technology

Develop proprietary multimodal AI agent and integrate them across key business functions. Build an AI-ready talent pipeline and accelerate end-to-end AI transformation in R&D and operations to upgrade the full organizational workflow and enhance operational efficiency and market competitiveness.

2. Penetrating Regional Markets and Expanding the User Base

Focus on high-potential niche segments, calibrate platform rules and optimize products to meet localized entertainment needs in lower-tier cities and underserved regions. Formulate differentiated marketing strategies based on traffic algorithms to improve user conversion efficiency, expand user scale, and enhance brand recognition.

3. Strengthen Product Pipeline and Grow Overseas Revenue

Continue user-centric R&D and innovation, advance the testing and rollout of multiple reserve projects to ensure product diversity and competitiveness. Speed up the overseas product launch schedule to establish diversified revenue engines.

4. Broaden Strategic Alliances and Explore New Growth Drivers

Leverage industry experience and the Weile brand to expand strategic partner networks. Explore new business opportunities through incubation, investment, and acquisition to inject fresh growth momentum into the Group.

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 mobiles 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 provides mobile game publishing service to third-party game development companies. The third-party mobile games are hosted, maintained, operated and updated independently by the relevant game developers. 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.

During the Reporting Period, the Group's overall revenue remained broadly stable at RMB1,348.7 million for the year ended 31 December 2025, representing a marginal year-on-year decrease of approximately 2.7% from RMB1,386.1 million in 2024.

This slight contraction was primarily attributable to the Group's proactive strategic adjustments, including the iteration of in-game currency systems for certain self-developed mobile games. While these refinements led to a temporary reduction in the number of paying players, the shift was largely mitigated by our intensified focus on deepening social engagement and enhancing user retention within the "Friends & Family" room features. These improvements significantly elevated the Group's Average Revenue Per Paying User (ARPPU), effectively offsetting the impact of a smaller paying player base.

Specifically, revenue from self-developed mobile games recorded a modest decline of 1.0%, from RMB1,212.3 million in 2024 to RMB1,199.6 million for the year ended 31 December 2025. This transition underscores the resilience of our monetization model and demonstrates our success in prioritizing high-value user quality over sheer volume, thereby reinforcing the Group's long-term profitability.

For the year ended 31 December 2025, revenue generated from the Group's sale of virtual tokens, distribution of third-party mobile games and advertising accounted for approximately 88.9%, 7.0% and 4.1% of the Group's total revenue, respectively, as compared with approximately 87.5%, 10.1% and 2.4%, respectively, for the year ended 31 December 2024.

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) co-operation commissions charged by new media institutions; (iv) commissions charged by game operators; (v) server related and technical support fees; and (vi) depreciation and amortization. The Group's cost of sales decreased by approximately 14.3% to approximately RMB648.0 million for the year ended 31 December 2025 from approximately RMB756.5 million in 2024, primarily due to (i) a RMB88.7 million decrease in co-operation commissions charged by new media institutions; and (ii) a RMB1.0 million decrease in commissions charged by game operators.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by 11.3% to approximately RMB700.8 million for the year ended 31 December 2025 from approximately RMB629.6 million for the year ended 31 December 2024, and the Group's gross profit margin increased to 52.0% for the year ended 31 December 2025 from 45.4% for the year ended 31 December 2024.

Other income

Other income decreased by approximately 2.9% from approximately RMB40.5 million for the year ended 31 December 2024 to approximately RMB39.3 million for the year ended 31 December 2025. The decrease was primarily due to (i) a RMB3.8 million decrease in interest income from bank deposits, loan receivables, receivables for disposal of subsidiaries and associates; (ii) a RMB1.9 million increase in service income; and (iii) a RMB1.8 million increase in government subsidies, which was partially offset by a RMB1.3 million decrease in sundry income.

Other gains and losses

Other gains and losses decreased by RMB65.9 million from a gain of approximately RMB63.6 million for the year ended 31 December 2024 to a loss of approximately RMB2.3 million for the year ended 31 December 2025. The decrease was primarily due to (i) an increase of RMB10.4 million in loss on derecognition of receivables for disposal of an associate; (ii) an increase of RMB3.0 million in loss on non-substantial modification of receivables for disposal of an associate; (iii) a decrease of RMB12.4 million in gain from changes in fair value of financial assets measures at fair value through profit and loss; (iv) a decrease of RMB17.5 million in gain on disposal of investments in associates; (v) a decrease of RMB9.1 million in gain on disposal of subsidiaries; (vi) a decrease of RMB8.6 million on gain on assets disposal transaction; (vii) a decrease of RMB2.3 million on gain on remeasurement of previously held interest in an associate; and (viii) a decrease of RMB1.8 million on gain on early repayment of long-term receivables.

Foreign exchange (losses) gains, net

Foreign exchange loss of approximately RMB8.0 million was recorded for the year ended 31 December 2025 while foreign exchange gains of approximately RMB6.1 million was recorded for the year ended 31 December 2024, 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 decreased by approximately 41.7% from approximately RMB446.7 million for the year ended 31 December 2024 to approximately RMB260.3 million for the year ended 31 December 2025. The decrease was primarily attributable to (i) a significant reduction in advertising expenses reflecting our enhanced promotion efficiency as we transitioned to low-cost organic traffic via the WeChat mini-game ecosystem and utilized AI to increase content production efficiency; and (ii) as we automated the process through the deployment of our proprietary multimodal AI agent, which handled intelligent customer service tasks and allowed for a more efficient, fully intelligent operational cycle.

Administrative and other expenses

The Group's administrative and other expenses decreased by approximately 6.3% from approximately RMB213.2 million for the year ended 31 December 2024 to approximately RMB199.8 million for the year ended 31 December 2025. The decrease was primarily due to (i) a notable reduction in professional service fees; and (ii) optimized control over office rental, utilities, and property management expenses. These cost savings were partially offset by an increase in depreciation and amortization as well as other administrative costs.

Research and development expenses

The Group's research and development expenses decreased from approximately RMB73.0 million for the year ended 31 December 2024 to approximately RMB46.3 million for the year ended 31 December 2025. The decrease was primarily due to (i) a significant reduction in research and development salaries, reflecting the fundamental reconstruction of R&D efficiency through the full implementation of AIGC-assisted workflows; (ii) the automated generation of art assets, which shortened single-asset production cycles; and (iii) the completion of major 3D engine infrastructure and other foundational R&D investments in previous periods, enabling lower-cost product iterations.

Profit (loss) before income tax

The Group's profit before income tax increased by approximately 230.8% from a loss of approximately RMB91.5 million for the year ended 31 December 2024 to a profit of approximately RMB119.7 million for the year ended 31 December 2025. The Group's profit before income tax as a percentage of total revenue increased from -6.6% for the year ended 31 December 2024 to 8.9% for the year ended 31 December 2025, primarily due to the increased gross profit and the decreased selling and marketing expenses.

Income tax (expense) credit

The Group recorded an income tax expense of approximately RMB39.5 million for the year ended 31 December 2025, as compared to an income tax credit of approximately RMB15.3 million for the year ended 31 December 2024. This change was primarily consistent with the Group's turnaround from a loss before income tax of approximately RMB91.5 million in 2024 to a profit before income tax of approximately RMB119.7 million in 2025.

Profit (loss) attributable to owners of the Company

Profit attributable to owners of the Company increased by approximately 179.7% from a loss of approximately RMB74.2 million for the year ended 31 December 2024 to a profit of approximately RMB59.1 million for the year ended 31 December 2025, primarily due to (i) a RMB186.3 million reduction in selling and marketing expenses achieved through low-cost organic traffic and AI-driven content efficiency; (ii) a RMB71.2 million increase in gross profit resulting from a RMB108.5 million decrease in cost of sales through AIGC-assisted workflows and localized deep-dive strategies; and (iii) a RMB26.6 million decrease in research and development expenses following the completion of major 3D engine infrastructure and the implementation of automated asset generation.

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 years indicated:

	For the year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Profit (loss) for the year attributable to the owners of the Company	**59,139**	(74,174)
Add:		
Share-based payment expenses	**7,390**	25,084
Share of loss of associates and joint ventures	**40,790**	30,126
Impairment losses under expected credit loss model recognized on loans receivables (net of income tax)	**40,181**	48,484
Adjusted net profit attributable to the owners of the Company	**147,500**	29,520

For the year ended 31 December 2025, the adjusted net profit attributable to owners of the Company was approximately RMB147.5 million (2024: RMB29.5 million). This figure has excluded the impact of the following non-cash items: (1) share-based payment expenses; (2) the share of losses in undistributed profits of subsidiaries operated by associates and joint ventures in China; and (3) impairment losses on loans receivable recognized under the expected credit loss model (net of tax effects).

Liquidity and Capital Resources

For the year ended 31 December 2025, 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 People's Republic of China (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 HK dollars and US dollars, with the remaining portion denominated in Euros and Singapore dollars, and is exposed to foreign exchange risk arising from exchange rate fluctuation of RMB against HK dollars and US dollars. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB790.7 million (31 December 2024: approximately RMB755.0 million), which primarily consisted of cash at bank. Out of the RMB790.7 million, approximately RMB625.9 million is denominated in Renminbi, approximately RMB162.0 million is denominated in US dollars, approximately RMB2.5 million is denominated in HK dollars, approximately RMB0.3 million is denominated in Singapore dollars, respectively. The Group currently does not hedge transactions undertaken in foreign currencies. Robust cash holdings underpin our capacity to drive future technology innovation, pursue strategic investments, and deliver value to Shareholders.

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.

Investment policies

The Group has adopted a comprehensive "Investment and Wealth Management Policy" (the "**Policy**") to govern its treasury management and investment activities. The Policy is designed to optimize capital allocation through a prudent, tiered approach, prioritizing principal preservation and liquidity while seeking reasonable returns. Set out below are details of the infrastructure of the Group's investments:

Investment objectives and purpose

The Policy establishes a dual-tier framework for the Group's investment activities: (a) the primary objectives are to manage the Group's surplus cash reserves efficiently and to preserve principal and maintain high liquidity to meet the Group's operational needs and dividend distributions; and (b) subject to the satisfaction of the primary objectives, the Group seeks to capture long-term industry growth and capital appreciation through a diversified portfolio. This includes hedging against macroeconomic risks (e.g., inflation and currency fluctuation) and fostering strategic synergies with the Group's core gaming business.

Permissible investments

Under the Policy, the Company may invest in:

(a) cash management instruments (low risk), including capital-protected structured deposits, time deposits, and high-quality money market funds ("**MMFs**"). As of 31 December 2025, approximately 34.8% of the Group's total financial assets consisted of USD Money Market Funds and bank structured deposits, serving as low-risk tools strictly for yield enhancement on idle cash;

(b) strategic and equity portfolio (medium to long term), including high-liquidity Indices and ETFs utilized for hedging purposes and global asset allocation, long-term industrial investments in the TMT sector aimed at creating value chain synergies with the Group's principal business operations; and

(c) tactical individual equities (opportunistic). The Policy retains the flexibility to invest a minor portion of funds into specific individual equities as "tactical individual equities". Such investments are authorized only when the management identifies a high degree of certainty in short-term returns driven by favorable market cycles or specific corporate value disconnects. This strategy allows the Group to capture potential asset appreciation during specific market windows-such as investing in blue-chip tech leaders during cyclical troughs-while ensuring the overall exposure remains immaterial relative to the Group's total assets.

Prohibited investments

The Policy explicitly prohibits high-leverage margin trading and naked short selling.

Board's assessment on shareholder value enhancement

The Board has critically evaluated the Policy and believes that it optimizes shareholder returns and enhances shareholder value through a three-pronged capital efficiency mechanism:

(i) Maximizing Yield on Idle Capital (Capital Efficiency): The Board recognizes that holding excessive uninvested cash in standard demand deposits is inefficient and dilutive to shareholder value in real terms due to inflation. By prudently deploying a targeted allocation of our surplus capital (representing approximately 5.0% of the Group's total financial assets) into principal-protected structured deposits and money market funds, the Group generates stable, recurring finance income that significantly exceeds standard bank deposit rates. This strategy directly bolsters the Group's net profit and Earnings Per Share (EPS) without diverting resources from the core business, effectively monetizing the "time value" of the Group's working capital before it is utilized for operations or distributed as dividends.

(ii) Strategic Hedging and Asset Preservation: The inclusion of high-liquidity ETFs and USD-denominated funds in the investment scope serves as a vital defensive mechanism. Given the Group's operational focus, the Board considers it prudent to utilize financial instruments to hedge against potential currency fluctuations and inflationary risks. This ensures that the purchasing power of the Shareholders' equity is preserved against macro-economic volatilities, safeguarding the intrinsic value of the Company's net assets.

(iii) Capturing Cyclical Alpha for Future Allocation: Regarding the tactical equity investments, the Board views this as a disciplined method to enhance the Group's total surplus. By retaining the flexibility to invest a strictly limited and minor portion of capital into high-conviction, undervalued blue-chip assets during market troughs, the Group aims to achieve capital appreciation that outperforms the general market. These investment gains, once realized, contribute to the Group's distributable reserves, thereby strengthening the Company's ability to sustain stable dividends or fund future strategic acquisitions without the need for expensive external financing, ultimately maximizing long-term shareholder value.

Risk management and control measures

Defined risk limits and exit mechanisms

The Group enforces a rigorous investment discipline to preserve principal and optimize returns. The Board has established a "dual-exit" mechanism applicable to both equity and fund investments.

First, the Group enforces a fixed stop-loss policy to establish a hard floor for every position. If an asset price hits a pre-defined maximum loss threshold (typically a drawdown of 10%–15% depending on the asset class volatility), a sell order is strictly executed to cut losses immediately. This ensures that no single investment can cause material damage to the Group's principal.

Second, to optimize shareholder returns, we utilize a Trailing Stop-Loss (Moving Stop) strategy for performing assets. As the asset price rises, the stop-loss trigger moves upward dynamically. This mechanism allows the Group to ride upward trends to capture maximum upside while ensuring that profits are systematically locked in should the trend reverse.

High-quality asset selection strategy (market risk control)

For the strategic and equity portfolio, the Group enforces a disciplined selection criterion that focuses strictly on market leaders and "Blue-Chip" Stocks. We prioritize companies with large market capitalizations and high liquidity to minimize business and liquidity risks. This strategy is reflected in our 2025 portfolio, which predominantly consists of constituents of major indices and industry leaders. By avoiding speculative small-cap stocks, the Group ensures that positions remain liquid and can be exited efficiently even under adverse market conditions.

Counterparty risk management

To mitigate credit and operational risks, the Group enforces stringent pre-investment screening and counterparty due diligence:

(a) treasury transactions are strictly limited to top-tier state-owned banks and reputable financial institutions with strong credit ratings; and

(b) for fund investments, the Group selects managers based on rigorous track record requirements. Selected managers must possess a minimum of 5 years of investment experience, having demonstrated resilience through complete market cycles (bull and bear), and must have managed the target strategy for at least 3 years to ensure performance traceability and stability.

Liquidity management

The Group maintains a reasonable liquidity buffer in cash and cash equivalents to meet working capital requirements. To ensure funds are available when needed for operations or dividend distributions and eliminate solvency risk, the maturity profiles of all financial products are strictly matched against the Group's rolling operational cash flow forecasts.

Investment decision making process and approval and oversight mechanisms

The investment decisions of the Group are made through a multi-layered governance structure. The Board retains ultimate responsibility for investment oversight. The Board is responsible for defining the risk appetite statement and approving the annual investment cap (strictly limited to 15%-20% of net assets). The Board delegates specific operational authorities to the investment decision committee ("**IDC**"), which serves as the central gatekeeper. The IDC comprises at least five members, including the chairman of the Group, chief executive officer, chief financial officer, investment director (the "**Investment Director**"), and the compliance officer (the "**Compliance Officer**"). A distinctive feature of our governance is the "unilateral compliance veto" held by the Compliance Officer. This mechanism empowers the Compliance Officer to unilaterally reject any investment proposal that violates the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), internal risk control policies, or compliance standards, regardless of the projected commercial returns or majority approval from other committee members.

The Group executes investments through a rigorous "Three-Stage" closed-loop process where compliance serves as a mandatory prerequisite at critical checkpoints:

Stage 1: Preliminary Screening

The process begins with preliminary screening, where proposed investments are checked against a "negative list" (i.e., prohibited investments listed in "Prohibited investment") by the investment managers. Based on the negative list check, the Investment Director will further conduct a comprehensive analysis on the target assets.

Stage 2: Compliance Review

Before entering the commercial approval stage, every proposed investment must be subject to a compliance review. At this stage, the Compliance Officer verifies the transaction against the Listing Rules (e.g., performing size tests and connected transactions analysis); if any non-compliance risk is identified, the veto power is exercised to halt the process immediately.

Stage 3: Tiered Approval

The approval path is determined by the investment's size. Crucially, internal approval is conditional upon satisfying all applicable external regulatory requirements.

As to internal authority limits, investments not exceeding 1% of net assets of the Group are approved by the Investment Director; those ranging between 1%-5% require a 2/3 supermajority approval from the IDC; and any investment exceeding 5% or involving new strategies must be escalated to the Board for deliberation.

As to external regulatory requirements, regardless of the internal authority limits, if an investment constitutes a notifiable transaction or a non-fully exempt connected transaction under the Listing Rules based on the size tests and analysis performed in Stage 2, the Group will strictly adhere to the requisite approval and disclosure requirements in accordance with the Listing Rules. Additionally, the Company will disclose information regarding significant investments in the Company's interim and annual reports in accordance with the requirements under the Listing Rules. This ensures transparency for both Shareholders and regulatory authorities.

Expertise of investment team

The Group avoids "key man risk" by relying on a professional matrix structure that combines front-office execution with independent middle-office risk control. The investment function is led by the Investment Director, who is required to possess over 5 years of experience in secondary markets and a deep understanding of listed company governance, responsible for formulating high-level strategy. Supporting the Investment Director is an execution team of two investment managers, who are responsible for fundamental analysis, valuation modeling, and trade execution while being strictly free from conflicts of interest. Certain staff involved to the Company's investment trading and investment activities passed the fund practitioner qualification examination organized by the Asset Management Association of China and is a member of the Chinese Institute of Certified Public Accountants.

Independent oversight is provided by the middle office, centered on the compliance officer. This role is filled by a senior professional with a legal or compliance background, responsible for managing disclosure obligations under the Listing Rules and exercising the aforementioned veto power over non-compliant transactions. Furthermore, while the Group retains independent decision-making authority, it leverages external intelligence from reputable research institutions (e.g., Northeast Securities Research Institute) to validate internal research, ensuring a robust and objective decision-making environment.

Strategies to enhance shareholders' value and capital allocation framework

Dividend Policy and Capital Management Strategy

The Company places the highest priority on enhancing shareholder value; however, given the dynamic nature of the global gaming industry and the Group's strategic focus, we do not adhere to a pre-determined annual payout ratio. Instead, the Company adopts a flexible dividend policy driven by the practical constraints of our capital structure. Specifically, as the Group's offshore foreign currency reserves are finite, our primary objective is to ensure sufficient liquidity to fund the expansion of our overseas gaming product. Consequently, the allocation of capital for enhancing shareholder value, whether through cash dividends or share repurchases, is strictly derived from the surplus offshore liquidity remaining after the Group's operational necessities and international expansion requirements are fully satisfied.

Distinct Allocation for Onshore and Offshore Funds

To maximize capital efficiency under these constraints, the Group implements a distinct strategy tailored to the fund sources. For offshore funds, we follow a "business first" hierarchy: priority is given to reserving foreign currency for organic growth and strategic M&A. Only when these needs are met is surplus capital deployed for Share Repurchases or allocated to the ESOP Trust for secondary market purchases, thereby supporting the share price and aligning employee interests with those of Shareholders. Conversely, regarding onshore funds, the Board wishes to clarify that the majority of the wealth management products mentioned in the Submission and the Second Comment Letter are funded by the Group's onshore idle capital. Due to strict foreign exchange control policies in the PRC, repatriating these funds for dividend distribution involves complex approval procedures and unavoidable time lags. To prevent shareholder value dilution during this period, the Company subscribed to principal-protected wealth management products locally. This strategy ensures that onshore idle capital generates finance income — often exceeding standard deposit rates — rather than remaining idle while pending regulatory clearance.

Holistic Value Enhancement Measures

Beyond direct capital distribution, the Group is committed to enhancing shareholder value through a holistic approach. We anchor all capital allocation decisions-from R&D to strategic investments-on long-term growth rather than short-term speculation. We safeguard company assets through strong corporate governance, strictly enforcing the rigorous risk control frameworks and "dual-exit" mechanism detailed in "Risk management and control measures". Furthermore, we will prioritize regular communication by proactively disclosing investment strategies and performance metrics in our interim and annual reports, ensuring that Shareholders are fully informed of how their capital is being utilized to generate sustainable returns.

Indebtedness

During the year ended 31 December 2025, 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 RMB16.8 million in aggregate (31 December 2024: RMB21.3 million).

Gearing ratio

The gearing ratio was zero since there was no borrowings as at 31 December 2025. 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 31 December 2025, the Group did not pledge any of its assets.

Capital expenditures

For the year ended 31 December 2025, the Group's capital expenditure was approximately RMB131.3 million, representing a significant decrease from approximately RMB387.8 million for the year ended 31 December 2024.The Group's capital expenditure during the Reporting Period mainly comprised (i) the purchase of property, plant and equipment for the Group's infrastructure and R&D requirements; (ii) the acquisition of intangible assets; and (iii) strategic investments in associates and joint ventures. The Group funded its capital expenditure primarily through cash flow generated from its operations. This decrease was primarily due to a reduction in the net acquisition of financial assets at FVTPL and lower investments in associates and joint ventures during the Reporting Period.

Contingent liabilities and guarantees

As at 31 December 2025, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against the Group.

Employees and Staff Costs

As at 31 December 2025, the Group had a total of 564 full time employees (31 December 2024: 604), mainly located in mainland China. In particular, 305 employees are responsible for the Group's research and development, 61 for technical support, 126 for marketing and 72 for operations and general administration. The total staff cost incurred by the Group for the year ended 31 December 2025 was approximately RMB152.6 million compared to approximately RMB192.9 million in 2024. The decrease was mainly due to (i) a significant reduction in share-based payment expenses of approximately RMB14.9 million; and (ii) the Group implemented targeted cost-saving measures during the year ended 31 December 2025, including workforce optimization, to enhance operational efficiency.

The Group invests in employee development through structured orientation for new hires and ongoing training programs for junior staff, enhancing workforce capabilities and productivity. Our compensation framework combines competitive base salaries with performance-based bonuses, supplemented by equity incentives including a Share Award Scheme adopted on 6 June 2019 (the "**2019 Share Award Scheme**") and a Share Scheme adopted on 17 June 2025 (the "**2025 Share Scheme**") to align the employees' interests with that of the Company. In full compliance with PRC regulations, we participate in all mandatory social security programs covering pension, medical, maternity, unemployment insurance, and housing funds through local government administrations. Employee remuneration packages — determined by the Board based on merit, qualifications, experience, and market benchmarks — incorporate multiple components: base salaries, allowances, performance bonuses, equity incentives (where eligible), and comprehensive statutory benefits, ensuring market-competitive and compliant talent retention.

During the Reporting Period, the Board has resolved to terminate a share option scheme, which was adopted by the Company on 5 June 2019, (the "**Share Option Scheme**") on 2 April 2025.

Further details of the Share Option Scheme, the 2019 Share Award Scheme and the 2025 Share Scheme will be set out in the section headed "Report of Directors — SHARE INCENTIVE SCHEMES" of the annual report of the Company for the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	**2025** **RMB'000**	2024 RMB'000
Revenue	*3*	**1,348,748**	1,386,080
Cost of sales		**(647,978)**	(756,494)
Gross profit		**700,770**	629,586
Other income		**39,314**	40,473
Other gains and losses		**(2,259)**	63,591
Foreign exchange (loss) gains, net		**(7,985)**	6,144
Selling and marketing expenses		**(260,309)**	(446,652)
Administrative and other expenses		**(199,841)**	(213,183)
Research and development expenses		**(46,433)**	(73,035)
Impairment losses recognized under expected credit loss model		**(61,820)**	(67,288)
Share of results of associates		**(15,323)**	(25,061)
Share of results of joint ventures		**(25,467)**	(5,065)
Interest on lease liabilities		**(914)**	(1,052)
Profit (loss) before income tax		**119,733**	(91,542)
Income tax (expense) credit	*5*	**(39,480)**	15,321
Profit (loss) for the year	*6*	**80,253**	(76,221)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value gain on equity instruments at fair value through other comprehensive income ("**FVTOCI**"), net of income tax		**11,965**	1,748
Other comprehensive income for the year, net of income tax		**11,965**	1,748
Total comprehensive income (expense) for the year		**92,218**	(74,473)
Profit (loss) for the year attributable to:			
Owners of the Company		**59,139**	(74,174)
Non-controlling interests		**21,114**	(2,047)
		80,253	(76,221)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**71,104**	(72,426)
Non-controlling interests		**21,114**	(2,047)
		92,218	(74,473)
Earnings (loss) per share (in RMB cents)	*7*		
— Basic		**4.85**	(5.94)
— Diluted		**4.85**	(5.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTES	**2025**	2024
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**148,974**	64,813
Right-of-use assets		**15,892**	20,512
Intangible assets		**7,967**	33,807
Investments in associates	*8*	**57,707**	54,920
Investments in joint ventures		**24,108**	39,575
Financial assets at fair value through profit or loss ("FVTPL")	*9*	**69,815**	31,243
Equity instruments at FVTOCI		**45,402**	33,439
Prepayments, other receivables and deposits	*11*	**4,810**	9,573
Deferred tax assets		**66,697**	65,933
Receivables for disposal of subsidiaries		**—**	5,500
Receivables for disposal of associates		**54,120**	—
Loan receivables		**20,102**	44,000
		515,594	403,315
Current assets			
Trade receivables	*10*	**90,246**	94,413
Financial assets at FVTPL	*9*	**352,739**	393,726
Prepayments and other receivables	*11*	**125,847**	182,882
Receivables for disposal of subsidiaries		**2,664**	11,350
Receivables for disposal of associates		**30,460**	106,989
Loan receivables		**122,152**	104,403
Restricted bank deposits		**—**	50,000
Short-term bank deposits		**153,029**	65,000
Cash and cash equivalents		**790,735**	755,032
		1,667,872	1,763,795
Current liabilities			
Other payables	*12*	**93,409**	55,114
Deferred revenue		**102,963**	147,105
Tax payable		**37,490**	18,900
Lease liabilities		**6,049**	8,365
Dividend payable		**—**	4,800
		239,911	234,284
Net current assets		**1,427,961**	1,529,511
Total assets less current liabilities		**1,943,555**	1,932,826

	NOTES	**2025**	2024
		RMB'000	*RMB'000*
Non-current liabilities			
Lease liabilities		**10,798**	12,888
Deferred tax liabilities		**1,626**	3,786
		12,424	16,674
Net assets		**1,931,131**	1,916,152
Capital and reserves			
Share capital	*13*	**42**	42
Reserves		**1,878,283**	1,882,018
Equity attributable to owners of the Company		**1,878,325**	1,882,060
Non-controlling interests		**52,806**	34,092
Total equity		**1,931,131**	1,916,152

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Homeland Interactive Technology Ltd. (the "**Company**") is an exempted company with limited liability incorporated in Cayman Islands on 7 May 2018. 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 Financial Center 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.

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 shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited with effect from 4 July 2019.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (1) income from sales of virtual tokens on the Group's self-developed mobile games; (2) service income from third-party mobile games, and; (3) advertising revenue. The Group's operating activities are attributable to a single operating segment focusing on development and operation of mobile games in the PRC as well as other Asian Countries. 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 IFRS Accounting Standards, that are regularly reviewed by the chief operating decision maker ("**CODM**"), Ms. Cui Wei, the chief executive officer 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.

	2025	2024
	RMB'000	*RMB'000*
Revenue from:		
— Self-developed mobile games	**1,199,628**	1,212,269
— Third-party mobile games	**94,252**	140,153
	1,293,880	1,352,422
Advertising revenue	**54,868**	33,658
	1,348,748	1,386,080

Revenue by geographical markets

	Revenue from external customers		**No-current assets (note)**	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**1,276,787**	1,329,281	**290,538**	194,957
Other Asian countries (excluding the PRC)	**71,961**	56,799	**18,230**	18,670
	1,348,748	1,386,080	**308,768**	213,627

Note: non-current assets excluded deferred tax assets and financial instruments.

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

4. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 December 2024, a final dividend of HK$0.10 (equivalent to RMB0.09) per share in respect of the year ended 31 December 2023 was declared by the Board on 28 March 2024 and approved by the shareholders in the general meeting. The aggregate amount of the final dividend declared was amounted to HK$128,340,000 (equivalent to RMB118,073,000) and was paid on 11 July 2024.

5. INCOME TAX EXPENSE (CREDIT)

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

	2025	2024
	RMB'000	*RMB'000*
PRC Corporate Income Tax ("**CIT**")		
Current year	**40,487**	21,447
Under (over) provision in prior years	**1,914**	(3,600)
	42,401	17,847
Deferred tax	**(2,921)**	(33,168)
	39,480	(15,321)

The Company and a subsidiary incorporated in the 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 (other than those stated below) has been calculated at the tax rate of 25% on the taxable income for the reporting period, based on the existing legislation, interpretations and practices in respect thereof.

Jiaxiang Interactive (Xiamen) Network Technology Company Limited ("**Jiaxiang Interactive**") was qualified as "High and New Technology Enterprises" ("**HNTE**") under the Corporate Income Tax Law ("**CIT Law**") since 2021 with a valid period of three years and such qualification has been renewed in 2024 with a valid period of three years. As a result, Jiaxiang Interactive is entitled to a preferential income tax rate at 15% for both years.

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 profitable year. Therefore, Yaotang Xiamen was entitled for a 50% reduction in the applicable tax rates for the years ended 31 December 2025 and 2024.

For the year ended 31 December 2023, Yaotang (Shenzhen) Network Technology Co., Ltd ("**Yaotang Shenzhen**") and Jilin Haiqi Network Technology Co., Ltd ("**Jilin Haiqi**") qualified as a DSE under the CIT Law. According to relevant tax regulations, Yaotang (Shenzhen) and Jilin Haiqi are 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 2023, the first profitable year. Therefore, Yaotang Shenzhen and Jiin Haiqi were exempted from CIT for the year ended 31 December 2024 and entitled for a 50% reduction in the applicable tax rates for the year ended 31 December 2025.

According to policy promulgated by the State Tax Bureau of the PRC and effective from the year 2018 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year ("**Super Deduction**"). The State Tax Bureau of the PRC adjusted the Super Deduction to 200% of the research and development expenses incurred in a year and the new policy was effective on 1 January 2023. Jiaxiang Interactive and Jilin Xinze Network Technology Company Limited have claimed such Super Deduction in ascertaining its tax assessable profits for both years.

6. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2025	2024
	RMB'000	*RMB'000*
Depreciation of right-of-use assets	**7,255**	9,843
Depreciation of property, plant and equipment	**17,947**	17,282
Amortization of intangible assets (included in cost of sales and administrative and other expenses)	**31,244**	19,696
Auditors' remuneration		
— Audit service	**2,253**	2,683
— Other service	**20**	630
Directors' emoluments	**5,748**	8,176
Other staff costs:		
Salaries and other benefits	**133,715**	157,102
Contributions to retirement benefit scheme	**5,729**	5,344
Share-based payment expenses	**7,390**	22,298
Total staff costs	**152,582**	192,920

7. EARNINGS (LOSS) PER SHARE

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

	2025	2024
	RMB'000	*RMB'000*
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share:		
— Profit (loss) for the year attributable to owners of the Company	**59,139**	(74,174)

	Number of shares	
	2025	2024
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue less shares held for future share award scheme for the purpose of basic earnings (loss) per share	**1,218,976**	1,248,910
Effect of dilutive potential ordinary shares in respect of		
— The Compensation Grant	**—**	—
— The 2021 Share Award Scheme	**—**	—
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**1,218,976**	1,248,910

The computation of diluted loss per share does not consider the Company's outstanding share awards since taking them into account would result in a decrease in loss per share for the year ended 31 December 2024.

8. INVESTMENTS IN ASSOCIATES

	2025	2024
	RMB'000	*RMB'000*
Cost of investment in associates	**79,210**	61,100
Share of post-acquisition results, net of dividends received	**(21,503)**	(6,180)
Total	**57,707**	54,920

Notes:

During the year ended 31 December 2025, the Group invested in four (2024: six) new associates that mainly operated in game development in the PRC with a total consideration of RMB25,107,000 (2024: RMB49,705,000).

During the year ended 31 December 2025, the Group disposed 20% of its interests in Chongqing Huangjiu Media Co., Ltd ("**Chongqing Huangjiu**") and Guangzhou Yueyang Technology Co., Ltd ("**Guangzhou Yueyang**") to their respective shareholders for a total consideration of RMB5,897,000 (2024: nil).

On 25 April 2024, the Group acquired an additional 25% equity interest in Shenzhen Yaozuo Technology Co., Ltd ("**Shenzhen Yaozuo**"), with a total consideration of RMB14,705,000, and Shenzhen Yaozuo continued to be an associate to the Group. On 1 June 2024, the Group signed Concerted Actions Agreement with another shareholder of Shenzhen Yaozuo who holds 50% of its equity interests, in which he agreed to act under the direction of the Group and in concert with the Group in all of the decisions about the relevant activities such as operation plan and profit distribution plan. As a result, on 1 June 2024, the Group gained control over Shenzhen

Yaozuo and it became a subsidiary of the Group and constituted as non-cash transaction. Shenzhen Yaozuo is principally engaged in the online game operation and was acquired with the objective of expanding the Group's relevant business.

The fair value of the net identifiable assets of Shenzhen Yaozuo at the acquisition date, amounting RMB58,820,000, was determined according to the valuation report issued by independent valuer.

There were no investments in associates that are individually material. Aggregate information of the associates that are not individually material.

9. FINANCIAL ASSETS AT FVTPL

	2025	2024
	RMB'000	*RMB'000*
Non-current unlisted securities		
— Investment in partnership	**69,815**	31,243
Current listed securities held for trading		
— Equity securities listed in Shanghai Stock Exchange (the "**SSE**")	**5,058**	25,696
Current financial assets held for trading		
— Private funds	**200,651**	129,269
— Money market fund	**73,215**	106,461
— Structured deposit	**73,815**	132,300
	352,739	393,726
Analysed as:		
Current	**352,739**	393,726
Non-current	**69,815**	31,243
Total	**422,554**	424,969

10. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**90,258**	94,413
Less: Allowance for credit losses	**(12)**	—
Total	**90,246**	94,413

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

	2025	2024
	RMB'000	*RMB'000*
0–30 days	**68,083**	77,594
31–60 days	**18,934**	11,494
61–90 days	**997**	2,469
91–180 days	**31**	284
Over 180 days	**2,201**	2,572
Total	**90,246**	94,413

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB4,120,000 (2024: RMB8,668,000) which are past due. Out of the past due balances, RMB2,201,000 (2024: RMB2,572,000) 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, OTHER RECEIVABLES AND DEPOSITS

	2025	2024
	RMB'000	*RMB'000*
Prepayment for co-operation commissions	**8,416**	71,356
Prepayment for advertisement and promotion fees	**19,351**	43,793
Prepayment for research and development	**19,338**	15,040
Loans to employees	**16,821**	21,139
Value-added tax and other taxes recoverable	**19,531**	11,522
Rental and other deposits	**8,689**	8,413
Prepayment to game developers	**6,198**	5,863
Prepayment for server-related fees	**12,121**	2,637
Advances to employees	**2,956**	279
Others	**22,110**	17,287
	135,531	197,329
Less: Allowance for credit losses	**(4,874)**	(4,874)
Total	**130,657**	192,455
Analysed as:		
Non-current assets	**4,810**	9,573
Current assets	**125,847**	182,882
Total	**130,657**	192,455

12. OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Salaries and staff welfare payables	**38,905**	33,014
Selling and marketing expenses accruals	**7,641**	7,379
Payable to game developers *(note)*	**30,838**	7,273
Payable for co-operation commissions	**2,385**	1,709
Payable for customer service and technical support fee	**1,513**	665
Other taxes payable	**7,176**	893
Others	**4,951**	4,181
Total	**93,409**	55,114

Note: As at 31 December 2025 and 2024, the balance represents sale proceeds received from game players for which the Group acts as a distributor to be reimbursed to game developers, after deducting the commission income entitled by the Group calculated at a pre-determined rate, and refundable deposits received from game developers.

13. SHARE CAPITAL

	Par value	**Number of shares**	**Nominal amount**	**Shown in the consolidated Financial statements**
	US$	*'000*	*US$*	*RMB'000*
Authorized				
As at 1 January 2024, 31 December 2024 and 31 December 2025	0.000005	10,000,000	50,000	N/A
Issued and fully paid				
As at 1 January 2024, 31 December 2024 and 31 December 2025	0.000005	1,283,404	6,417	42

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, Futu Securities International (Hong Kong) Limited, an independent trustee for the 2019 Share Award Scheme, purchased 50,138,000 shares of the Company (the "**Shares**") with total consideration of RMB82,229,000 (equivalent to HK$90,123,000) on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the purpose of future grants of the 2019 Share Award Scheme of the Company.

During the year ended 31 December 2025, the Company has repurchased 3,552,000 Shares on the Stock Exchange with total consideration of HK$5,240,060, which were held as treasury shares. Details of the Shares repurchased on the Stock Exchange during the year ended 31 December 2025 are as follows:

Month of Repurchase	No. of Shares Repurchased	Highest Price Paid Per Share *(HK$)*	Lowest Price Paid Per Share *(HK$)*	Aggregate Consideration *(HK$)*
November 2025	874,000	1.57	1.38	1,299,440
December 2025	2,678,000	1.54	1.39	3,940,620
Total	3,552,000			5,240,060

The Directors of the Company believe that the above repurchases are in the best interests of the Company and its shareholders and that such repurchases would lead to an enhancement of the Company's net asset value per share and/or earnings per share. As at 31 December 2025, there were 3,552,000 treasury shares held by the Company. The Board is of the view that the Company's repurchases and holding of Shares as treasury shares provides enhanced flexibility to either dispose of such treasury shares on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the articles of association of the Company, the Listing Rules, and the laws of the Cayman Islands.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the year ended 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

Ms. Ng Ka Man has tendered her resignation as (i) the joint company secretary of the Company (the "**Joint Company Secretary**"); (ii) the authorised representative of the Company (the "**Authorised Representative**") pursuant to Rule 3.05 of the Listing Rules; and (iii) the authorised representative of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 19.05(2) of the Listing Rules for the acceptance of service of process and notices on behalf of the Company in Hong Kong (the "**Process Agent**") with effect from 28 February 2026. Mr. Chan Yik Pun has been appointed as the Joint Company Secretary, the Authorised Representative and the Process Agent with effect from 28 February 2026. Further details are set out in the Company's announcement dated 27 February 2026.

During the period from 5 January 2026 to 24 February 2026, the Company has repurchased 1,150,000 Shares on the Stock Exchange with total consideration of HK$1,608,440 , which have been held as treasury shares. Further details are set out in the Next Day Disclosure Returns published by the Company during such period. Save as disclosed above, there was no other important event affecting the Group which occurred after the end of the Reporting Period up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company has complied with the applicable code provisions as set forth in the corporate governance code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules, and no deviation from the Corporate Governance Code has been identified.

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.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 30 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary 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 Annual Results have been audited by Messrs. Deloitte Touche Tohmatsu, the auditor of the Company. The Audit Committee has reviewed the Company's audited consolidated 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

Since the date of the Company's 2025 Interim Report, there has been no change in the directors' biographical details which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

FINAL DIVIDEND

After careful consideration, the Board has determined not to recommend a final dividend payment for the financial year ended 31 December 2025, in order to preserve capital for strategic business development.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL 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 annual report of the Company for the year ended 31 December 2025 will be available on the website 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, 30 March 2026

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

* *For identification purpose only*