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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)

CONTINUING CONNECTED TRANSACTIONS ESTABLISHMENT OF NEW CONTRACTUAL ARRANGEMENTS

NEW CONTRACTUAL ARRANGEMENTS

The Board hereby announces that the Group is establishing an independent framework by entering into the New Contractual Arrangements with Jilin Yutai, Jilin Yutai's Shareholders and Jiexiang Weilai through Yutai Shenzhen, pursuant to which the financial results of Jiexiang Weilai will be consolidated into and accounted for as a subsidiary of the Group. The New Contractual Arrangements are reproduced from the Existing Contractual Arrangements entered into by the Group prior to the listing of the Company on the Stock Exchange.

With the New Contractual Arrangements, the Group can recognize and receive the economic benefits from Jiexiang Weilai's businesses and operations. The New Contractual Arrangements are also designed to provide the Company with effective control over and, to the extent permitted by the laws of the PRC, the right to acquire the equity interests in Jiexiang Weilai owned by Jilin Yutai or the assets of Jiexiang Weilai.

LISTING RULES IMPLICATIONS

At the time of Listing, the Company sought, and the Stock Exchange granted, the IPO Waiver in connection with the continuing connected transactions of the Group in the form of Existing Contractual Arrangements. The IPO Waiver is subject to certain conditions including, among others that, the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its directly controlled subsidiaries and Jiaxiang Interactive and its subsidiaries. Such framework may be renewed and/or reproduced upon expiry of the Existing Contractual Arrangements on substantially the same terms and conditions as the Existing Contractual Arrangements, or in respect of any existing or new wholly foreign owned enterprises or operating companies (including branches) which the Group may wish to establish to engage in the same line of business as the Group on balance of commercial interests without the need to obtain Shareholders' approval.

As of the date of this announcement, Mr. Wu is the chairman of the Board and an executive Director and Mr. Guo was an executive Director in the past 12 months, and hence they are connected persons of the Company according to Rule 14A.07 of the Listing Rules. Furthermore, Mr. Wu beneficially holds 92% equity interests in Jilin Yutai, while Jilin Yutai holds 100% equity interests in Jiaxiang Weilai. As such, pursuant to Rule 14A.07(4) of the Listing Rules, each of Jilin Yutai and Jiaxiang Weilai is an associate of Mr. Wu and connected person of the Company. Therefore, under the Listing Rules, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company.

As the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements in accordance with the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the IPO Waiver and are exempted from strict compliance with (i) the requirement of setting annual caps for the fees payable by/to the Group to/from Jiaxiang Weilai under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (ii) the requirement of setting a fixed term for the New Contractual Arrangements under Rule 14A.52 of the Listing Rules, subject to compliance with the same conditions of the IPO Waiver.

BACKGROUND

The Group is primarily engaged in the development and operation of localised mobile card and board games business, as the business continues to grow, the Group is paying an increasing attention to the growth and investment value of non-card and board game business and has successfully launched a variety of casual games targeting both domestic and overseas players (the “**Principal Business**”). Hence, we are considered to be engaged in the provision of value-added telecommunications services (which includes information services provided via mobile network) and Internet cultural business (which includes the production or operation of mobile games operated through information networks).

Foreign investment in value-added telecommunications services to be carried out by Jiayang Weilai is strictly restricted by the PRC laws and regulations, and foreign investment in Internet cultural businesses (except for music) to be carried out by Jiayang Weilai is prohibited by the PRC laws and regulations. The Group operates its card and board games and non-card and board games business through Jiayang Interactive in accordance with the Existing Contractual Arrangements. The Existing Contractual Arrangements between the Group, Jiayang Interactive and Jilin Yutai, allow the Group to exercise actual control over the business operations of Jiayang Interactive and its subsidiaries and enjoy most of its economic benefits.

In consideration of the reasons set out in the section headed “REASONS FOR ENTERING INTO THE NEW CONTRACTUAL ARRANGEMENTS” below, the Group transferred its interests in four investee companies or enterprises engaged in or will be engaged in non-card and board game business from Jiayang Interactive to Jiayang Weilai. Such interests include: a 15% interest in Shenzhen Yaozuo Technology Co., Ltd.* (深圳曜祚科技有限責任公司) (“**Shenzhen Yaozuo**”), a 40% interest in Xiamen Youcheng Interactive Network Technology Co., Ltd.* (廈門遊成互動網絡科技有限公司) (“**Xiamen Youcheng**”), a 20% interest in Shanghai Lanxing Network Technology Co., Ltd.* (上海蘭星網絡科技有限公司) (“**Shanghai Lanxing**”), an approximately 29.79% interest in Beijing Bauhinia Tree Technology Co., Ltd.* (北京紫荊樹科技有限公司) (“**Beijing Zijingshu**”). For avoidance of any doubt, as the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transfer is less than 5%, the transfer is based on normal commercial or better terms and the total consideration of the transfer is less than HK\$3,000,000, the aforesaid transfer does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, and is fully exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

REASONS FOR ENTERING INTO THE NEW CONTRACTUAL ARRANGEMENTS

In consideration of the fact that the Group is mainly engaged in the development and operation of localised mobile card and board games business, as the business continues to grow, the Group is paying an increasing attention to the growth and investment value of non-card and board game business. To promote a better development of the Group's business, and to realise a clearer operation, more efficient management and better resource allocation of the Company, the Company intends to further optimise the organization of its business segments by separating the card and board game business from the non-card and board game business, to strengthen the daily management and operation of different business segments and facilitate a better game service to the Company's game players.

In consideration of the reasons as mentioned above, the Group entered into the New Contractual Arrangements, with a view to establishing new contractual structure for companies within the non-card and board game business segment that are engaged in businesses where foreign ownership is prohibited. Upon completion of the new contractual structure, the Group will have two contractual structures coexisting.

The New Contractual Arrangements are entered into among Yutai Shenzhen, Jilin Yutai, Jilin Yutai's Shareholders and Jiaxiang Weilai.

NEW CONTRACTUAL ARRANGEMENTS

A summary of the principal terms of the New Contractual Arrangements is set out below:

1. Exclusive Business Cooperation Agreement

Yutai Shenzhen and Jiaxiang Weilai entered into the Exclusive Business Cooperation Agreement on March 22, 2024, pursuant to which Jiaxiang Weilai agreed to engage Yutai Shenzhen as the exclusive service provider of Jiaxiang Weilai, to provide comprehensive technological support, consultation services and other services to Jiaxiang Weilai, including but not limited to (i) permission to use certain software that legally owned by Yutai Shenzhen, (ii) design, development, maintenance and updating of software and network technology and provision of related technical consultation and technical services, (iii) design, installation, daily management, maintenance and updating of the computer network system, hardware and database, (iv) technical support and training to relevant employees of Jiaxiang Weilai, (v) consultancy, collection and research of technology and market information (excluding market research business that wholly-foreign-owned enterprises are prohibited from conducting under the PRC laws), (vi) corporate management consultation, (vii) marketing and promotion services, (viii) customer order management and customer services, (ix) leasing of equipment or assets, (x) other service areas as permitted under the PRC laws. In addition, Yutai Shenzhen shall have the sole and exclusive ownership, rights and interests of any and all intellectual properties arising from or created during the course of execution of the agreement.

Pursuant to the Exclusive Business Cooperation Agreement and subject to compliance with applicable PRC laws, Jiaxiang Weilai shall pay to Yutai Shenzhen a service fee that equals to 100% of the total consolidated profit of Jiaxiang Weilai of any financial year, and offsetting the accumulated loss (if any) of Jiaxiang Weilai and its subsidiaries in any previous financial years, and deducting such amounts as required for working capital, expenses, tax and other statutory contributions of Jiaxiang Weilai and its subsidiaries in any given year. Yutai Shenzhen is also entitled to adjust the service fee based on the actual situations, as well as the operations and development needs of Jiaxiang Weilai.

It is also stipulated in the Exclusive Business Cooperation Agreement that Yutai Shenzhen shall enjoy all economic benefits of, and bear all risks arising from, the conduct of business by Jiaxiang Weilai. In the event that Jiaxiang Weilai incurs any operating loss or experiences serious difficulties in its operations, Yutai Shenzhen shall provide financial support to Jiaxiang Weilai. In case of the above situation, Yutai Shenzhen is entitled to decide whether Jiaxiang Weilai shall continue operation, and Jiaxiang Weilai shall concur unconditionally and agree with Yutai Shenzhen's decision as described above. On the other hand, pursuant to the Exclusive Business Cooperation Agreement, Jiaxiang Weilai shall not accept the same or similar services provided by any other third parties or enter into any similar cooperation with any other third parties during the term of the Exclusive Business Cooperation Agreement, unless with prior written consent from Yutai Shenzhen. Yutai Shenzhen may appoint other parties to provide the services under the Exclusive Business Cooperation Agreement to Jiaxiang Weilai.

2. Exclusive Call Option Agreement

Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai entered into the Exclusive Call Option Agreement on March 22, 2024, pursuant to which Jilin Yutai and Jiaxiang Weilai jointly and severally granted to Yutai Shenzhen (exercisable by itself or its designated person(s)) irrevocable options to (i) purchase, to the extent permitted by the PRC laws and regulations, the equity interests in Jiaxiang Weilai held by Jilin Yutai, entirely or partially, at the minimum purchase price permitted under the PRC laws and regulations, and where the PRC laws and regulations require valuation of the equity interest, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of the PRC laws and regulations, or (ii) acquire, to the extent permitted by the PRC laws and regulations, all or part of the assets of Jiaxiang Weilai at the minimum purchase price permitted under the PRC laws and regulations, and where the PRC laws and regulations require valuation of the assets, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of PRC laws and regulations. Yutai Shenzhen (by itself or any of its designee as specified above) may exercise such options, fully or partially, at any time, subject to applicable PRC laws and regulations. In the event that PRC laws and regulations and industrial policies allow Yutai Shenzhen and/or other foreign-invested or foreign entities designated by Yutai Shenzhen to directly hold part or all the equity interests in Jiaxiang Weilai and engage in the foreign investment restricted or prohibited businesses through Jiaxiang Weilai such as gaming, Yutai Shenzhen shall issue a notice of call option as soon as practicable. In addition, Jilin Yutai and/or Jiaxiang Weilai have agreed to return to Yutai Shenzhen any proceeds it/they will receive in the event that the call option to acquire the equity interests in Jiaxiang Weilai held by Jilin Yutai and/or assets of Jiaxiang Weilai is exercised.

Pursuant to the Exclusive Call Option Agreement, Jilin Yutai and Jiaxiang Weilai have undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- (i) not to supplement, modify or amend its constitutional documents, alter the registered capital or change the registered capital structure of Jiaxiang Weilai without the prior written approval from Yutai Shenzhen; if Jilin Yutai made a capital contribution to Jiaxiang Weilai, Jilin Yutai undertakes that the capital contribution will be subject to the call option;
- (ii) prudently and effectively operate and manage the business and corporate matters of Jiaxiang Weilai, and to ensure their existence, in accordance with the good financial and business standards and practice, and to obtain and maintain all necessary governmental approval, licenses and permits required for the business operation of Jiaxiang Weilai;
- (iii) not to sell, transfer, create encumbrances or otherwise dispose of any assets (save for assets with value less than RMB500,000 as required to be disposed in the ordinary and normal course of business), business, legal or beneficial interest of the income of Jiaxiang Weilai or allow any security interest to be created on its assets of Jiaxiang Weilai without the prior written approval from Yutai Shenzhen;
- (iv) not to incur, inherit, guarantee or allow any indebtedness without the prior written approval from Yutai Shenzhen (save for the accounts payable incurred in the ordinary course of business but not incurred from borrowings);
- (v) to operate the business of Jiaxiang Weilai within the normal business scope in order to maintain its asset value (including but not limited to the asset value of the equity interests of its controlled/investee subsidiaries held by Jiaxiang Weilai), and refrain from any acts or omissions which may adversely affect its business or assets value;
- (vi) Jiaxiang Weilai not to enter into any material contracts with an amount of over RMB500,000 (other than those entered in the ordinary course of business) without the prior written approval from Yutai Shenzhen;
- (vii) Jiaxiang Weilai not to provide loan or credit to any other third party without the prior written approval from Yutai Shenzhen;

- (viii) to provide all operating and financial information of Jiayang Weilai to Yutai Shenzhen upon request;
- (ix) if requested by Yutai Shenzhen, Jiayang Weilai shall purchase and maintain the insurance related to its assets and business from an insurance carrier acceptable to Yutai Shenzhen, the amount and coverage of such insurance shall be consistent with the companies engaging in similar business;
- (x) Jiayang Weilai not to engage in any merger or alliance with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- (xi) immediately inform Yutai Shenzhen of any litigations, arbitrations or administrative proceedings involved or may involve the assets, business or income of Jiayang Weilai, and take all necessary measures reasonably requested by Yutai Shenzhen;
- (xii) execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges and submit all necessary or appropriate defences against any charges or claims in order to maintain the ownership of all of its assets by Jiayang Weilai (including but not limited to the equity interests of its controlled/investee subsidiaries held by Jiayang Weilai);
- (xiii) Jiayang Weilai not to distribute any profit to any shareholder in any form without the prior written approval from Yutai Shenzhen. If a relevant shareholder receives any such profit distribution with approval from Yutai Shenzhen, such shareholder shall transfer the profit distribution (after fully paid/withheld relevant taxes (if any)) received by him/her/it to Yutai Shenzhen or its designated person(s) upon Yutai Shenzhen's request within ten days upon receipt of such benefits at nil consideration;
- (xiv) upon request of Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a Director, an executive Director and/or other senior management of Jiayang Weilai;
- (xv) unless otherwise required by the PRC laws, Jiayang Weilai shall not be dissolved or liquidated without the prior written consent from Yutai Shenzhen;
- (xvi) in the event that Jilin Yutai or Jiayang Weilai fails to comply with its tax obligations under applicable PRC laws which hinders the exercise of the options under the Exclusive Call Option Agreement, Yutai Shenzhen is entitled to demand Jilin Yutai or Jiayang Weilai to comply with such tax obligations; and

- (xvii) Jiaxiang Weilai and Jilin Yutai shall procure the controlled/investee subsidiaries of Jiaxiang Weilai to comply (where applicable) with the guarantees applicable to Jiaxiang Weilai to the largest extent.

Jilin Yutai has further undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- (i) save for the equity pledge in favor of Yutai Shenzhen created under the Equity Pledge Agreement and the authorization of Yutai Shenzhen to create equity under the Power of Attorney, Jilin Yutai shall not sell, transfer, pledge or otherwise dispose of their legal or beneficial equity interests in Jiaxiang Weilai, or creation of any other guaranteed interests thereon without the prior written approval from Yutai Shenzhen;
- (ii) save for the equity pledge in favor of Yutai Shenzhen created under the Equity Pledge Agreement and the authorization of Yutai Shenzhen to create equity under the Power of Attorney, to procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai, not to sell, transfer, pledge or otherwise dispose of their legal or beneficial equity interests in Jiaxiang Weilai, or creation of any other guaranteed interests thereon without the prior written approval from Yutai Shenzhen;
- (iii) Jilin Yutai shall procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai, not to approve the merger or alliance of Jiaxiang Weilai with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- (iv) immediately inform Yutai Shenzhen of any initiated or potential litigations, arbitrations or administrative proceedings in relation to the ownership of its equity interest, and take all necessary measures reasonably requested by Yutai Shenzhen;
- (v) to procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai to vote in favor of the transfer of equity interests purchased or assets purchased under the Exclusive Call Option Agreement, and take any other action upon the request of Yutai Shenzhen;
- (vi) Jilin Yutai shall execute all necessary or appropriate documents, file all necessary or appropriate charges, take all necessary or appropriate actions and submit all necessary or appropriate defenses against any charges or claims in order to safeguard the ownership of the equity interests held by it;

- (vii) upon the request from Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a director, an executive director and other senior management of Jiaxiang Weilai;
- (viii) if Jilin Yutai receives any profits, dividends, bonus or liquidation proceeds from Jiaxiang Weilai, Jilin Yutai shall transfer such benefits received by it at nil consideration to Yutai Shenzhen or any of its designated persons subject to compliance with the PRC laws and regulations;
- (ix) not to engage in any business which competes, or likely competes, with the business of the Group without the prior written consent from Yutai Shenzhen; and
- (x) to strictly comply with the terms of the Exclusive Call Option Agreement and any other agreements jointly or separately entered into among Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai and earnestly fulfill their respective obligations under such agreements and not to take, or omit to take, any actions which may affect the validity and enforceability of these agreements. In any event where Jilin Yutai retains any rights in the equity interests under the Exclusive Call Option Agreement, the Equity Pledge Agreement executed by the parties to the Exclusive Call Option Agreement, or the Power of Attorney in favor of Yutai Shenzhen, Jilin Yutai shall not exercise such rights without the prior written approval from Yutai Shenzhen.

The Exclusive Call Option Agreement shall expire when all the equity interests in or assets of Jiaxiang Weilai have been transferred to Yutai Shenzhen or its designee as specified above, unless and until Yutai Shenzhen terminates the Exclusive Call Option Agreement.

3. Equity Pledge Agreement

Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai entered into the Equity Pledge Agreement on March 22, 2024, pursuant to which Jilin Yutai agreed to pledge all of its equity interests in Jiaxiang Weilai to Yutai Shenzhen to secure performance of all its obligations and the obligations of Jiaxiang Weilai under the agreements underlying the Contractual Arrangements. During the term of the pledge, if Jilin Yutai and/or Jiaxiang Weilai failed to fulfil the contract obligations or pay the guaranteed indebtedness under the Contractual Arrangements, Yutai Shenzhen has the right, but not the obligation, to exercise the right to pledge as stipulated under the Equity Pledge Agreement. In addition, pursuant to the Equity Pledge Agreement, Jilin Yutai and Jiaxiang Weilai have undertaken to Yutai Shenzhen, among other things, apart from the fulfilment of the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Power of Attorney, Jilin Yutai shall not transfer any or part of the pledged equity

interests, create or allow to create any guarantee or other debt liabilities over the pledged equity interests without the prior written consent of Yutai Shenzhen. Under the Equity Pledge Agreement, Jilin Yutai also guarantees and warrants to Yutai Shenzhen that it has duly arranged and signed all necessary documents to ensure that any events of dissolution or liquidation would not affect the fulfilment of the Equity Pledge Agreement.

Moreover, if Jiexiang Weilai declares any dividend or bonus during the term of the pledge, Yutai Shenzhen is entitled to receive all such dividends or bonus arising from the pledged equity interests, if any. It is also agreed that in the event that Jilin Yutai subscribed for or acquired additional equity interest in Jiexiang Weilai with the prior written consent of Yutai Shenzhen, then the additional equity interest acquired or subscribed for by Jilin Yutai shall also be pledged in favor of Yutai Shenzhen pursuant to the Equity Pledge Agreement.

Upon full and complete fulfillment of all contractual obligations and settlement of all guaranteed indebtedness by Jilin Yutai and Jiexiang Weilai, Yutai Shenzhen shall, at the request of Jilin Yutai, release the pledge of the pledged equity interests under the Equity Pledge Agreement at the earliest reasonably practicable time. In the event that PRC laws and regulations and industrial policies allow Yutai Shenzhen and/or other foreign-invested or foreign entities designated by Yutai Shenzhen to directly hold all the equity interests in Jiexiang Weilai and engage in foreign investment restricted or prohibited businesses through Jiexiang Weilai such as gaming, the parties shall immediately exercise the relevant rights and perform the relevant obligations in accordance with the terms of the Exclusive Call Option Agreement and shall release Equity Pledge Agreement after the exercise and fulfillment of such rights and obligations have been completed.

4. Power of Attorney

On March 22, 2024, Jilin Yutai executed an irrevocable Power of Attorney with Yutai Shenzhen and Jiexiang Weilai to authorize Yutai Shenzhen (as well as its successor(s) or liquidator(s) who replace Yutai Shenzhen, if involved) or a designated person at its own discretion under applicable laws and regulations and regulatory requirements (including but not limited to Yutai Shenzhen or directors of the direct or indirect shareholder, however, this does not include Jinlin Yutai and its shareholders, shareholders of Jiexiang Weilai and any of their respective affiliates) (the “**Trustee**”), as the sole and exclusive agent of Jilin Yutai, to exercise, on behalf of Jilin Yutai, all rights in relation to the equity interests of Jiexiang Weilai under relevant laws and regulations and articles of association. Such rights include but not limited to: (i) suggest to hold, convene and attend shareholders’ meetings of Jiexiang Weilai, (ii) to receive any notice in relation to the convening of shareholders’ meetings and its proceedings; (iii) in the name of and on behalf of Jilin Yutai, execute and deliver any

written resolution and minutes of the meeting as a shareholder; (iv) to vote in person or by proxy any issues discussed on the shareholders' meetings (including but not limited to the selling, transfer, pledge or disposal of all or part of assets of Jiaxiang Weilai (including but not limited to the equity interests of the controlled/investee subsidiaries of Jiaxiang Weilai)); (v) to sell, transfer, pledge or otherwise dispose of all or part of Jilin Yutai's equity interest in Jiaxiang Weilai; (vi) to nominate, elect, appoint or remove the legal representative, directors, general manager, chief financial officer, supervisors and other senior officers of Jiaxiang Weilai; (vii) to oversee the operating performance of Jiaxiang Weilai, approve the annual budget or declared dividends of Jiaxiang Weilai, and inspect the financial information of Jiaxiang Weilai at any time; (viii) to approve the submission of any registration documents of Jiaxiang Weilai to competent government authorities; (ix) to exercise the voting rights on the liquidation of Jiaxiang Weilai on behalf of the shareholders; (x) in the event of dissolution or liquidation of Jiaxiang Weilai, Yutai Shenzhen and/or its Trustee shall have the rights to exercise all shareholders rights of Jiaxiang Weilai on behalf of Jilin Yutai, Jilin Yutai agrees (as a shareholder of Jiaxiang Weilai) to transfer, at nil consideration, all assets (including but not limited to the equity interests of its controlled/investee subsidiaries held by Jiaxiang Weilai) received as a result of the dissolution or liquidation of Jiaxiang Weilai to Yutai Shenzhen or its designated persons; pursuant to then effective PRC laws, if the aforementioned transfer shall be onerous, Jilin Yutai agrees to return the consideration in the amount of such transfer to Yutai Shenzhen and/or its designated persons. In the event of dissolution or liquidation of the controlled/investee subsidiaries of Jiaxiang Weilai, subject to the premise of complying with the then effective PRC laws and other legal documents, Yutai Shenzhen and/or its trustees have the right to exercise all rights as its shareholders on behalf of Jiaxiang Weilai; as a shareholder of the controlled/investee subsidiaries, all properties due and acquired by Jiaxiang Weilai as a result of the dissolution and liquidation of the controlled/investee subsidiaries shall be transferred to Yutai Shenzhen or other persons designated by it at nil consideration; pursuant to then effective PRC laws, if the aforementioned transfer shall be onerous, Jiaxiang Weilai agrees to return the consideration in the amount of such transfer to Yutai Shenzhen and/or its designated persons; (xi) to file a lawsuit or other legal actions against such directors or management of Jiaxiang Weilai if their action damages the interests of Jiaxiang Weilai or its shareholders; (xii) to approve the amendments to the articles of association of Jiaxiang Weilai; and (xiii) any other rights conferred to the shareholders by the articles of association of Jiaxiang Weilai or relevant laws and regulations. The Trustee is also authorized to, on behalf of Jilin Yutai, execute all documents agreed to be executed by Jilin Yutai under the Exclusive Call Option Agreement and the Equity Pledge Agreement.

Under the Power of Attorney, Jilin Yutai irrevocably confirmed that the Power of Attorney shall remain in full force and effect during the term which Jilin Yutai remains as a shareholder of Jiayang Weilai. Jilin Yutai further confirmed and undertook that in the event of liquidation, cancellation and any circumstances which would affect it to exercise its shareholder's rights in Jiayang Weilai, its successors or any other person who has assertion or interests over his/her equity interests in Jiayang Weilai, shall be deemed as signing parties of the Power of Attorney and inherit all rights and obligations of Jilin Yutai under the Power of Attorney. The Trustee shall have the right to transfer the rights under the Power of Attorney to any other individuals or entities without prior notice to or consent from Jilin Yutai.

5. Letter of Undertaking

Each of the ultimate legal owners of Jilin Yutai, namely Mr. Wu (who holds 92% equity interests in Jilin Yutai) and Mr. Guo (who holds 8% equity interests in Jilin Yutai), has provided a written undertaking to Yutai Shenzhen to irrevocably undertake that he shall:

- (i) not to sell, transfer, pledge or otherwise dispose of any equity interests in Jilin Yutai held by him or other relevant rights, or allow to create any encumbrances without the prior written consent from Yutai Shenzhen;
- (ii) to procure the shareholders and/or the board of directors (or executive directors) (as appropriate) of Jilin Yutai, not to approve the selling, transfer, pledge or otherwise disposal of any equity interests in Jilin Yutai held by him or other relevant rights, or allow to create any encumbrances without the prior written consent from Yutai Shenzhen;
- (iii) to procure the shareholders and/or the board of directors (or executive directors) of Jilin Yutai, not to approve the merger or alliance of Jilin Yutai with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- (iv) immediately inform Yutai Shenzhen of any initiated or potential litigations, arbitrations or administrative proceedings in relation to any equity interests in Jilin Yutai held by him, and take all necessary measures reasonably requested by Yutai Shenzhen;
- (v) to procure the shareholders and/or the board of directors (or executive directors) (as appropriate) of Jilin Yutai, to vote in favor of all actions necessary to be taken by Jilin Yutai under the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney;

- (vi) execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges and submit all necessary or appropriate defences, in order to maintain his equity interest in Jilin Yutai is registered under his name in the competent company registry;
- (vii) upon request of Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a director, an executive director and other senior management of Jilin Yutai;
- (viii) if he receives any profits, dividends, bonus or liquidation proceeds from Jilin Yutai, he shall transfer the same to Yutai Shenzhen or any of its designated persons at nil consideration upon the request of Yutai Shenzhen, provided that it is in compliance to the PRC laws;
- (ix) not to engage in any business which competes with the businesses of Yutai Shenzhen, Jiayang Weilai, Jilin Yutai and any of their respective associate companies without the prior written approval from Yutai Shenzhen; and
- (x) strictly abide with all the aforementioned undertakings and ensure Jilin Yutai to fulfill all its obligations (as a signing party) under the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney, and refrain from any acts or omissions which may affect the effectiveness and enforceability of the the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney.

Each of Mr. Wu and Mr. Guo also confirms that, in the event of death, incapacity or any other circumstances that may affect his ability to exercise his shareholder's rights in Jilin Yutai, his successor, guardian, creditor, spouse or any other person who has assertion or interests over his equity interests in Jilin Yutai, shall be deemed as signing parties of the abovementioned written undertaking and inherit all obligations and rights thereunder.

DISPUTE RESOLUTION

Each of the agreements underlying the Contractual Arrangement stipulates that in the event of any dispute arises from the agreements underlying the Contractual Arrangements, the parties shall first negotiate in good faith to resolve such dispute. If such dispute remains unresolved within the agreed timeframe, any party may submit such dispute to the Shenzhen Court of International Arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen, and the arbitration award shall be final and binding on all relevant parties.

In addition, pursuant to the dispute resolution clause, the arbitral tribunal may award remedies over the equity interests or assets of Jiaxiang Weilai (including but not limited to its equity interests held in controlled/investee subsidiaries), including temporary and permanent injunctive relief (such as injunctive relief for commercial activities, or injunctive relief for forced transfer of assets (including but not limited to the equity interests held by Jiaxiang Weilai in controlled/investee subsidiaries)), actual fulfilment of contractual obligations, the remedies over the equity interests or assets of Jiaxiang Weilai (including but not limited to the equity interests held by Jiaxiang Weilai in controlled/investee subsidiaries) and an arbitration award in respect of the winding up orders against Jiaxiang Weilai. Subject to the permission by the PRC laws, while waiting for the formation of the arbitral tribunal or under appropriate circumstances, Jilin Yutai and Yutai Shenzhen or a designated person at their own discretion has the right to resort to a court of competent jurisdiction to seek interim injunctive relief or other interim relief to support the conduct of the arbitration proceedings. Subject to applicable laws, the courts of the PRC (being the place of incorporation of Jiaxiang Weilai and the place where the Company's and Jiaxiang Weilai's principal assets are located), Hong Kong and the Cayman Islands (being the place of incorporation of the Company) shall have jurisdiction to grant interim remedies.

SPOUSAL CONSENT LETTER AND INHERITANCE

Mr. Guo's spouse has signed a spousal consent letter, guaranteeing not to take any action with the intention of conflicting with the arrangements in the New Contractual Arrangements, including initiating that the subject equity constitutes the properties or common properties between her and Mr. Guo, which will affect or prevent Mr. Guo from performing the obligation under the New Contractual Arrangements. She unconditionally and irrevocably waives any rights or interests in the subject equity that may be granted to her under any applicable law. Mr. Guo's spouse confirms that she also agrees that the subject equity held by Mr. Guo as stated in the New Contractual Arrangements shall belong to Mr. Guo under whatever circumstances, and Mr. Guo may mortgage, sell or otherwise dispose of it in accordance with the provisions of such agreements without her consent. She further confirms that Mr. Guo's fulfilment of New Contractual Arrangements and further modification or termination of New Contractual Arrangements does not require her additional authorization or consent and that she has never and will not participate in

the operation or management of Jilin Yutai or Jiaxiang Weilai. Under any circumstances, she has no right to claim any rights with respect to the above-mentioned subject equity, including but not limited to voting rights, disposal rights and the economic benefits (if any) generated therefrom. She undertakes to sign all necessary documents and take all necessary actions to ensure that New Contractual Arrangements are properly fulfilled. She agrees and undertakes that if she acquires any equity interests in Jilin Yutai or Jiaxiang Weilai held by Mr. Guo for any reason, she shall be bound by the New Contractual Arrangements and abide by Mr. Guo's obligations under the New Contractual Arrangements and for this purpose, once the right holder under the New Contractual Arrangements makes a request, he/she shall sign a set of written documents where the format and content are basically the same as those in the New Contractual Arrangements.

Mr. Guo's spouse further confirms, undertakes and guarantees that if Mr. Guo suffers from death, incapacity or in any other event that the exercising of his shareholders' rights in Jilin Yutai or Jiaxiang Weilai will be affected, herself and her inheritors, guardians, creditors or any other person who entitled to claim rights or interests in the equity interests of Jilin Yutai or Jiaxiang Weilai held by Mr. Guo will not under any circumstances and in any manner take any action that may affect or obstruct Mr. Guo from fulfilling his obligations under the New Contractual Arrangements. She confirms that appropriate arrangements will be taken to fully protect Yutai Shenzhen's interests under the New Contractual Arrangements when Mr. Guo dies or when they get divorced, and to avoid practical obstacles that Yutai Shenzhen may encounter when performing New Contractual Arrangements or exercising related rights.

Mr. Wu confirms that he currently has no spouse and no existing marriage registration. Mr. Wu further confirms, undertakes and guarantees that if he suffers from death, incapacity or in any other event that the exercising of his shareholders' rights in Jilin Yutai or Jiaxiang Weilai will be affected, Mr. Wu will procure his inheritors, guardians, creditors or any other person who entitled to claim rights or interests in the equity interests of Jilin Yutai or Jiaxiang Weilai held by him to comply with their obligations under the New Contractual Arrangements and for this purpose, once the right holder under the New Contractual Arrangements makes a request, any of the aforesaid persons shall sign a set of written documents where the format and content are basically the same as those in the New Contractual Arrangements, and ensure that none of the aforesaid persons will take any action under any circumstances or in any manner that may affect or obstruct Mr. Wu from fulfilling their obligations under the New Contractual Arrangements.

LIQUIDATION

In the event of dissolution, liquidation of Jiaxiang Weilai, first of all, Yutai Shenzhen and/or its Trustee have the right to exercise all Jiaxiang Weilai shareholders' rights on behalf of Jilin Yutai, including but not limited to deciding to dissolve and liquidate Jiaxiang Weilai, designating and appointing members for the liquidation committee of Jiaxiang Weilai and/

or their agents and approving the liquidation plan and liquidation report; besides, Jilin Yutai agrees to transfer all property due and acquired as a shareholder of Jiaxiang Weilai due to the dissolution and liquidation of Jiaxiang Weilai (including but not limited to the equity interests of the controlled/investee subsidiaries of Jiaxiang Weilai) to Yutai Shenzhen or other persons designated by it at nil consideration, and instructs the liquidation committee of Jiaxiang Weilai to deliver the aforementioned property directly to Yutai Shenzhen and/or other persons as it may designate; moreover, in accordance with the PRC laws then in force, the aforesaid transfer shall be made for a consideration. Jilin Yutai further agrees to return the transfer consideration to Yutai Shenzhen and/or such other persons as it may designate in full and in an appropriate manner, guaranteeing that Yutai Shenzhen and/or such other persons as it may designate shall not be subject to any loss other than by way of a transfer for consideration and by an instruction for direct delivery.

CONFLICT OF INTERESTS

In view of the fact that Mr. Wu, the chairman of the Board and an executive Director, is also a shareholder of Jilin Yutai, Jilin Yutai undertakes that it will not engage in any action that violates the purpose or intention of the transaction documents and Power of Attorney, and will not engage in any action or omission that may cause conflict of interests between Yutai Shenzhen and Jiaxiang Weilai or their investee/controlled subsidiaries. If conflict of interests arises, Yutai Shenzhen's legitimate rights and interests should be supported, and reasonable actions required by Yutai Shenzhen should be performed. Jilin Yutai also guarantees that without the prior written consent of Yutai Shenzhen, Jilin Yutai will not use the information obtained from Jiaxiang Weilai to engage in any business that competes or may compete with Jiaxiang Weilai or its associate companies.

INSURANCE

The Company has not purchased any insurance to cover the risks relating to the New Contractual Arrangements.

LOSS SHARING

Under relevant PRC laws and regulations, none of the Company and Yutai Shenzhen is expressly legally required to share the losses of, or provide financial support to Jiaxiang Weilai. Further, Jiaxiang Weilai is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Pursuant to the Exclusive Business Cooperation Agreement, Yutai Shenzhen shall enjoy and bear all economic benefits and risks arising from the conduct of business by Jiaxiang Weilai. In the event that Jiaxiang Weilai incurs any operating loss or experiences serious difficulties in its operations, Yutai Shenzhen shall provide financial support to Jiaxiang Weilai. In case of

the above situation, Yutai Shenzhen is entitled to decide whether Jiayang Weilai shall continue operation, and Jiayang Weilai shall concur unconditionally and agree with Yutai Shenzhen's decision as described above. In addition, given that the Group conducts a portion of our Principal Business in the PRC through Jiayang Weilai, which hold the requisite PRC operational licenses and approvals, and the Company has discussed with its auditors and confirmed, Jiayang Weilai's results of operations are consolidated into the Group's financial statements under the applicable accounting principles, as if Jiayang Weilai was the Company's subsidiary. Our Company's business, financial position and results of operations would be adversely affected if Jiayang Weilai suffer losses.

As of the date of this announcement, the Company had not encountered any interference or encumbrance from any PRC governing bodies in operating business through Jiayang Weilai and its controlled/investee subsidiaries under the New Contractual Arrangements.

LEGALITY OF THE NEW CONTRACTUAL ARRANGEMENTS

Our PRC legal advisers have taken all possible actions or steps to reach their legal conclusions and have issued the following legal opinion:

- (i) Yutai Shenzhen, Jiayang Weilai and Jilin Yutai are legally and validly existing companies, and possess the civil rights and civil capacity required to execute relevant New Contractual Arrangements documents;
- (ii) The New Contractual Arrangements documents are validly executed and are legal and valid after meeting the conditions for effect. There is no violation of the provisions under the "Civil Law of the People's Republic of China" (the "**Civil Law**") that may lead to invalidity, nor will there be any violation of the Notice Regarding the Consistent Implementation of the "Regulation on Three Provisions" of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Online Games and the Examination and Approval of Imported Online Games (《關於貫徹落實國務院《“三定”規定》和中央編辦有關解釋，進一步加強網絡遊戲前置審批和進口網絡遊戲審批管理的通知》) (the "**GAPP Notice**") leading to invalidity. The New Contractual Arrangements are binding on the executing parties and, except for the following dispute resolution and the terms of the liquidation committee, may be enforced in accordance with their terms under the PRC laws:
 1. Subject to the permission by the PRC laws and under appropriate circumstances, the arbitral tribunal may award any remedies, including temporary and permanent injunctive relief (such as injunctive relief for commercial activities, or injunctive relief for forced transfer of assets), the actual fulfilment of contractual obligations, the remedies against Jiayang Weilai's equity interests or assets and an award ordering Jiayang Weilai to liquidate. Subject to the permission

by the PRC laws, while waiting for the formation of the arbitral tribunal or under appropriate circumstances, each party has the right to resort to a court of competent jurisdiction to seek interim injunctive relief or other interim relief to support the conduct of the arbitration proceedings. Pursuant to which, the parties have reached a consensus that, subject to the applicable laws, the courts of Hong Kong, Cayman Islands and the PRC courts and the courts of places where Jiayang Weilai's major assets (including but not limited to the equity interests in subsidiaries held by Jiayang Weilai) are located in shall be deemed to have jurisdiction;

2. In the event of dissolution, liquidation of Jiayang Weilai, first of all, Yutai Shenzhen and/or its Trustee have the right to exercise all Jiayang Weilai shareholders' rights on behalf of Jilin Yutai, including but not limited to deciding to dissolve and liquidate Jiayang Weilai, designating and appointing members for the liquidation committee of Jiayang Weilai and/or their agents and approving the liquidation plan and liquidation report; besides, Jilin Yutai agrees to transfer all property due and acquired as a shareholder of Jiayang Weilai due to the dissolution and liquidation of Jiayang Weilai to Yutai Shenzhen or other persons designated by it free of charge, and instructs the liquidation committee of Jiayang Weilai to deliver the aforementioned property directly to Yutai Shenzhen and/or other persons as it may designate; moreover, in accordance with the PRC laws then in force, the aforesaid transfer shall be made for a consideration. Jilin Yutai further agrees to return the transfer consideration to Yutai Shenzhen and/or such other persons as it may designate in full and in an appropriate manner, guaranteeing that Yutai Shenzhen and/or such other persons as it may designate shall not be subject to any loss other than by way of a transfer for consideration and by an instruction for direct delivery;

(iii) The New Contractual Arrangements documents do not violate the provisions of the articles of association of Yutai Shenzhen, Jiayang Weilai and Jilin Yutai;

(iv) Except for the following circumstances, Jiayang Weilai, Jilin Yutai and Yutai Shenzhen are not required to obtain any other license, authorization or registration to execute and perform the Contractual Arrangements documents:

1. When Yutai Shenzhen decides to exercise the exclusive call option or other relevant rights, it is required to perform the corresponding approval, filing or registration procedures in accordance with the provisions of the PRC laws then in force;
2. Yutai Shenzhen, Jiayang Weilai and Jilin Yutai are required to perform the equity pledge registration procedures with the market regulatory bodies regarding the pledge of all the equity interests held by Jilin Yutai in Jiayang Weilai to Yutai Shenzhen;

3. It is required to apply to the PRC court with jurisdiction for recognition and enforcement for effective judgments and rulings regarding the performance of New Contractual Arrangements documents issued by overseas courts such as the courts of Hong Kong and Cayman Islands;
- (v) The above is an analysis based on the currently effective PRC laws and regulations. Relevant laws and regulations may change in the future, and the corresponding government authorities, judicial authorities or arbitration institutions may hold different views from our PRC legal advisor's views on the interpretation and application of laws and regulations;
- (vi) Pursuant to the relevant requirements of the New Contractual Arrangements document, Jiexiang Weilai shall not sell, transfer, pledge or otherwise dispose of its equity interests in the 4 transferred entities without the consent of Yutai Shenzhen; Jiexiang Weilai shall maintain the equity value of the 4 transferred entities held by it and shall not perform any actions/omissions that may adversely affect its operating conditions and asset values; in case the 4 transferred entities distribute profits, Jiexiang Weilai shall distribute the profits received by it and pay/withhold and remit the relevant taxes (if any) in full in accordance with the law, and upon the request of Yutai Shenzhen, donate the remaining balance to Yutai Shenzhen or the person(s) designated by Yutai Shenzhen at nil consideration with ten (10) days; under the premise of complying with the PRC laws and regulations and other applicable legal documents, in the event that the 4 transferred entities are dissolved and liquidated, and Jiexiang Weilai, as their shareholder, may obtain the relevant distributed property in accordance with law, Yutai Shenzhen and/or other person(s) designated by it have the right to acquire such properties in form or substance at nil consideration.
- (vii) Despite the binding and applicable executing parties are not identical (the Original Contractual Arrangements documents are collectively or individually executed by all or some of the parties, including Homeland PRC, Jilin Yutai, Jiexiang Interactive, Mr. Wu and Mr. Guo, and the New Contractual Arrangements documents are collectively and individually executed by all or some of the parties, including Yutai Shenzhen, Jilin Yutai, Jiexiang Weilai, Mr. Wu, Mr. Guo and Mr. Guo's spouse) and Mr. Guo's spouse has separately signed a spousal consent letter under the New Contractual Arrangements, in terms of comparing the New Contractual Arrangement documents with the Original Contractual Arrangements documents, there are no substantial differences that will have a significant adverse impact on the effective existence and legal operations of the parties executing the New Contractual Arrangement documents.

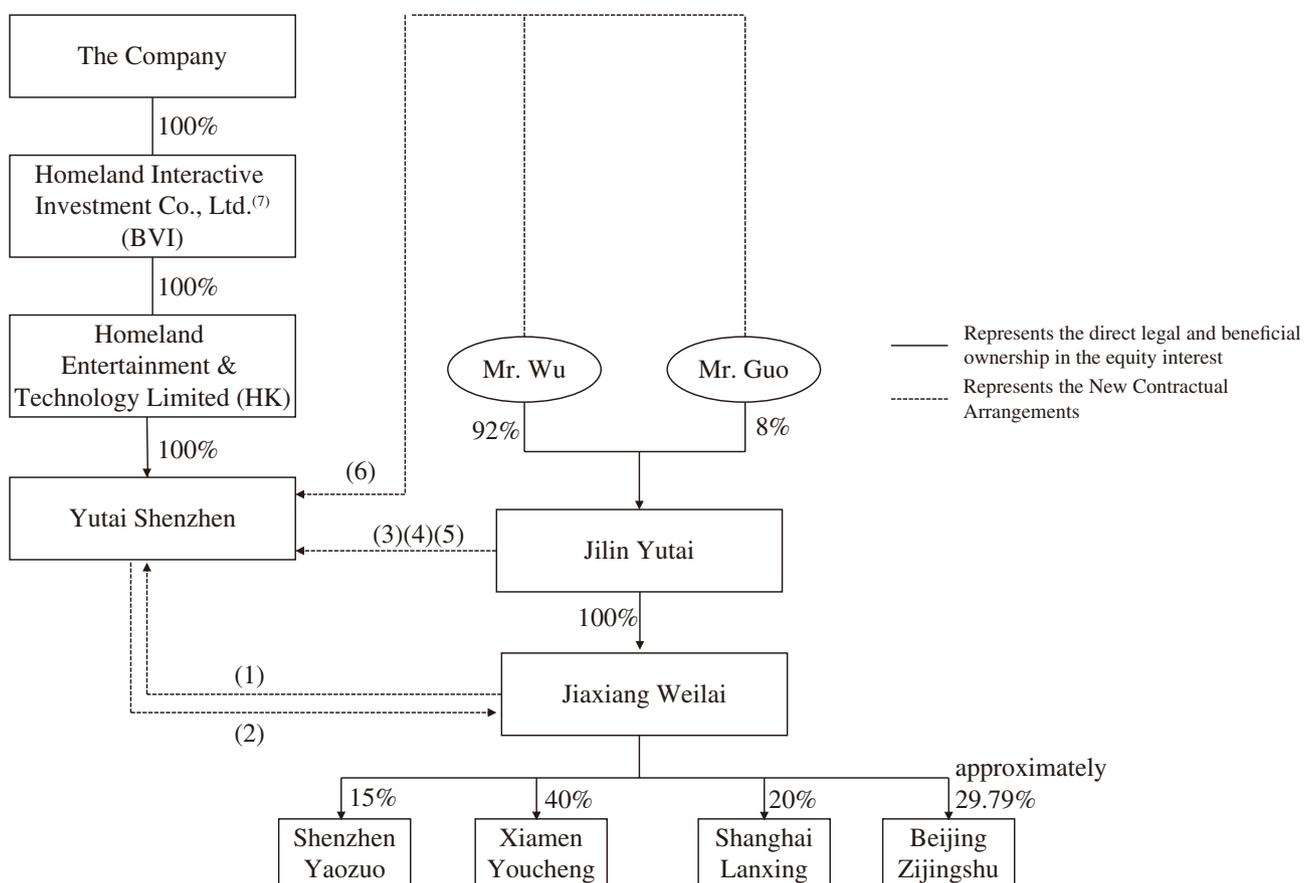
DIRECTORS' OPINION RELATING TO THE NEW CONTRACTUAL ARRANGEMENTS

The Directors (including the independent non-executive Directors) are of the view that the New Contractual Arrangements and the transactions contemplated thereunder are fundamental to the legal structure and business operations in respect of the Group's future business and expansion, and would allow and ensure sound and effective operation of the Company and our Principal Business in compliance with applicable PRC laws and regulations, which has been adopted by a number of other companies to accomplish the same purpose. In addition, as the New Contractual Arrangements were freely negotiated and entered into among parties thereto, it is fair and reasonable for Yutai Shenzhen to be entitled to all economic benefits generated by the business operated by Jiayang Weilai through the New Contractual Arrangements as a whole. The Directors also believe that, as the financial results of Jiayang Weilai will be consolidated into and accounted for as a subsidiary of the Group, and the flow of economic benefits of their business to the Group pursuant to the Contractual Arrangements, would also be in the best interest of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that each of the terms of the New Contractual Arrangements, which have been and shall be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, are fair and reasonable and in the best interest of the Company and the Shareholders as a whole. Mr. Wu, an executive Director, has material interests in the transactions carried out under the New Contractual Arrangements. He shall and has abstained from voting on the relevant board resolution approving the entering into of the New Contractual Arrangements. Save as disclosed above, no Director shall abstain from voting on the relevant board resolution approving the entering into of the New Contractual Arrangements.

In addition, pursuant to our PRC legal advisor's opinion, the New Contractual Arrangements documents are validly executed and are legal and valid after meeting the conditions for effect. The New Contractual Arrangements are binding on the executing parties and, except for the aforesaid dispute resolution and the terms of the liquidation committee, may be enforced in accordance with their terms under the PRC laws. The Board consider that the New Contractual Arrangements can be validly enforced under relevant PRC laws and regulations except for the aforesaid terms of dispute resolution and liquidation committee.

FRAMEWORK CHART UNDER THE NEW CONTRACTUAL ARRANGEMENTS

The following simplified framework illustrates the flow of economic benefits from Jiayang Weilai to the Group specified under the New Contractual Arrangements:



Notes:

1. Service fee payments.
2. Provision of technology and consultation and auxiliary services.
3. Options to acquire the equity interest or asset of Jiayang Weilai.
4. Equity pledge.
5. Power of Attorney.
6. Undertaking of acting as the legal owners of Jilin Yutai.
7. Homeland Investment Co., Ltd was renamed to Homeland Interactive Investment Co., Ltd on March 14, 2024 upon performing all necessary procedures.

RISKS AND LIMITATIONS RELATING TO THE NEW CONTRACTUAL ARRANGEMENTS

If the PRC government finds that the agreements that establish the structure for operating our mobile game businesses in the PRC do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in PRC Operating Entities.

We are a Cayman Islands company and our wholly-owned PRC subsidiary, Yutai Shenzhen, is considered a foreign-invested enterprise. The PRC government prohibits foreign investment in internet cultural activities and restricts foreign investment in value-added telecommunications. Due to these restrictions, we conduct non-card and board game business in the PRC through PRC Operating Entities. Although we do not have any equity interest in Jiexiang Weilai, we are able to exercise effective control over them and receive substantially all of the economic benefits of their operations through the Contractual Arrangements with Jiexiang Weilai and its shareholders.

Our PRC legal advisor is of the opinion that, the New Contractual Arrangements are legal and effective after meeting the conditions, do not violate the provisions of the Civil Law or the GAPP Notice that may lead to invalidity, are binding on the executing parties, and save as disclosed in this announcement, can be legally enforceable in accordance with laws. For further details, please refer to the section headed “LEGALITY OF THE NEW CONTRACTUAL ARRANGEMENTS” in this announcement. However, our PRC legal advisor also informed the Group that such analysis was based on the currently effective PRC laws and regulations, relevant laws and regulations may change in the future, and the corresponding government authorities, judicial authorities or arbitration institutions may hold different views from our PRC legal advisor’s views on the interpretation and application of laws and regulations.

There is also the possibility that the PRC government authorities may adopt new laws and regulations in the future which may invalidate the New Contractual Arrangements. The relevant PRC government authorities have broad discretion in dealing with deemed non-compliance or violation, including but not limited to:

- requiring the nullification of the Contractual Arrangements;
- revoking the business licenses and/or operating licenses of Yutai Shenzhen or PRC Operating Entities;
- requiring us to discontinue the business operations of Yutai Shenzhen or PRC Operating Entities, or placing restrictions or onerous conditions on such business operations;

- restricting our right to collect revenue;
- shutting down all or part of our websites, applications or services;
- levying fines on us and/or confiscating the proceeds generated from the operations under the Contractual Arrangements;
- imposing additional conditions or requirements which we may not be able to comply with;
- requiring us to undergo costly and disruptive restructurings; and
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of the above-mentioned consequences could result in a material and adverse effect on our ability to conduct our business. In addition, if the imposition of any of these consequences causes us to lose the rights to direct the activities of Jiayang Weilai or our right to receive economic benefits from Jiayang Weilai, we would no longer be able to consolidate the financial results of Jiayang Weilai.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Jiaxiang Weilai or its shareholders may fail to perform their obligations under the New Contractual Arrangements.

Upon the New Contractual Arrangements take effect, substantially all of our revenue and cash flow from non-card and board game business are attributed to Jiaxiang Weilai. We have no equity ownership interests in Jiaxiang Weilai and rely on the Contractual Arrangements with Jiaxiang Weilai and its shareholders to control and operate our business in the PRC. The New Contractual Arrangements may not be as effective as direct ownership in providing us with control over Jiaxiang Weilai. Direct ownership would allow us, for example, to directly or indirectly exercise our rights as a shareholder to effect changes in the boards of directors of Jiaxiang Weilai, which, in turn, could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the Contractual Arrangements, as a legal matter, if Jiaxiang Weilai or its shareholders fails to perform its, his or her respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend significant resources to enforce those arrangements and resort to litigation or arbitration and rely on legal remedies under the PRC laws. For example, if the shareholders of Jiaxiang Weilai were to refuse to transfer their equity interests in Jiaxiang Weilai to us or our designee when we exercise the call option pursuant to the Contractual Arrangements, or if they were otherwise to act in bad faith toward us, we might have to take legal action to compel them to perform their respective contractual obligations.

The Contractual Arrangements between Yutai Shenzhen and Jiaxiang Weilai may subject our Group to increased income tax due to the different income tax rates applicable to Yutai Shenzhen and Jiaxiang Weilai and adversely affect our results of operations.

Under the Contractual Arrangements, Jiaxiang Weilai are required to pay to Yutai Shenzhen service fees that equal to the profit before tax of Jiaxiang Weilai, including all profits attributable to Jiaxiang Weilai of, and any other distributions received by Jiaxiang Weilai from, any of its subsidiaries in any given year but without taking into account the service fee payable under the agreement and after offsetting the prior-year loss (if any), and deducting such amounts as required for working capital, expenses and tax of each of Jiaxiang Weilai and its controlled/investee subsidiaries (as the case may be) in any given year. Yutai Shenzhen may adjust the service fee payable by Jiaxiang Weilai at its sole discretion and allow Jiaxiang Weilai to retain sufficient working capital to carry out any growth plans. Such service fee payments reduce Jiaxiang Weilai's taxable income and correspondingly increase the taxable income of Yutai Shenzhen, which, combined with the different income tax rates applicable to Jiaxiang Weilai and Yutai Shenzhen, have affected and may continue to affect our operating result, particularly, our income tax expenses and net profit on a consolidated basis.

If we exercise the option to acquire equity ownership and assets of Jiexiang Weilai, the ownership or asset transfer may subject us to substantial costs.

Pursuant to the Contractual Arrangements, Yutai Shenzhen (or its designee) has the exclusive right to purchase all or any part of the equity interests in Jiexiang Weilai from the shareholders of Jiexiang Weilai at the lowest price permitted by the PRC law, and where the PRC laws and regulations require valuation of the equity interest, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of the PRC laws and regulations. Yutai Shenzhen (or its designee) also has the exclusive right to purchase all or any part of the assets in Jiexiang Weilai from the shareholders of Jiexiang Weilai at the lowest price permitted by the PRC law, and where the PRC laws and regulations require valuation of the assets, the parties re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of the PRC laws and regulations. In the event of such transfer, the lowest price permitted by the PRC law may be substantially higher than the aforesaid actual capital contributions in case of purchasing the equity interests, or the net book value of relevant assets, or the competent tax authority may require Jiexiang Weilai (as transferor of the relevant assets) to pay enterprise income tax, value-added tax and other applicable taxes with reference to the fair value of such assets instead of the price as stipulated under the Contractual Arrangements, in which case Jiexiang Weilai may be subject to a substantial amount of tax and our financial condition may be materially and adversely affected.

The shareholders of Jiexiang Weilai may have conflict of interests with us, which may materially and adversely affect our business.

Mr. Wu, one of our Founders, an executive Director and chairman of the Board, is also a shareholder of Jilin Yutai, the registered shareholder of Jiexiang Weilai. Conflict of interests between his dual roles in our Company and in Jiexiang Weilai may arise.

We cannot assure you, however, that when conflict of interests arises, he will act in the best interests of our Company or that conflict of interests will be resolved in our favor. In the event of any such conflict of interests, he may breach or cause Jiexiang Weilai to breach or refuse to renew the Contractual Arrangements that allow us to effectively control and receive economic benefits from Jiexiang Weilai. If we cannot resolve any conflict of interests or dispute between us and such shareholders of Jiexiang Weilai should it arise, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings. These uncertainties may impede our ability to enforce the Contractual Arrangements with Jiexiang Weilai and its shareholders. If we are unable to resolve any such conflicts, or if we experience significant delays or other obstacles as a result of such conflicts, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and damage our reputation.

Risk mitigation action adopted by the Company

The Company's management work closely with external law advisor and consultant to monitor the environment and development of the PRC laws and regulations, in order to mitigate the risks relating to the New Contractual Arrangements.

The Group has adopted measures to ensure the enforcement of the New Contractual Arrangements, in order to effectively operate the Group's business and comply with the New Contractual Arrangements, among others:

- significant matters arising from the implementation of the New Contractual Arrangements are reviewed by the Board on a regular basis (at least quarterly);
- matters relating to compliance and regulatory investigations by government agencies, if any, will be discussed at these regularly scheduled meetings;
- the Group's relevant business units and operating segments will report to the Company's senior management regularly (at least monthly) in respect of the compliance with and fulfilment of the New Contractual Arrangements and other related matters; and
- independent non-executive directors will review the compliance with the New Contractual Arrangements on an annual basis and their confirmation will be disclosed in the Company's annual report.

INFORMATION ABOUT THE GROUP

We are a well-established mobile game developer and operator in China, specialising in the development and operation of localised mahjong, poker and casual games. In addition to our long-running portfolio of card and board games, we have successfully launched a variety of casual games targeting both domestic and overseas players. Adherence to the values of "fairness, professionalism, safety and innovation", we have continued to sharpen our competitive edge through enduring and classic game offerings and execution of localised marketing strategies to match the ever changing needs of players of different demographics. Meanwhile, we also strive to transform from a leading localised classic card and board game operator in China to a global causal and competitive game platform through multi-dimensional business strategic layout, aiming to seek changes while maintaining steady growth.

INFORMATION ABOUT THE PARTIES OF THE NEW CONTRACTUAL ARRANGEMENTS

Yutai Shenzhen is a company established on November 11, 2021 under the laws of the PRC with limited liability and is owned as to 100% by the Company. Yutai Shenzhen is principally engaged in software and information technology services.

Jilin Yutai is a company established on January 5, 2018 under the laws of the PRC with limited liability and is owned as to 92% and 8% by Mr. Wu and Mr. Guo, respectively. Jilin Yutai is principally engaged in software and information technology services.

Jiaxiang Weilai is a company established on January 4, 2024 under the laws of the PRC with limited liability and is owned as to 100% by Jilin Yutai. Jiaxiang Weilai is principally engaged in Internet and relevant services. As of the date of this announcement, Jiaxiang Weilai holds 15%, 40%, 20% and approximately 29.79% of the shares in the four PRC Operating Entities, namely Shenzhen Yaozuo, Xiamen Youcheng, Shanghai Lanxing and Beijing Zijingshu, respectively.

Mr. Wu and Mr. Guo are Jilin Yutai's Shareholders, both of them are citizens of the PRC. Meanwhile, Mr. Wu is the chairman of the Board and an executive Director.

LISTING RULES IMPLICATIONS

Upon Listing, the Company sought, and the Stock Exchange granted, the IPO Waiver in connection with the continuing connected transactions of the Group in the form of Existing Contractual Arrangements. The IPO Waiver is subject to certain conditions including, among others that, the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its directly controlled subsidiaries and Jiaxiang Interactive and its subsidiaries. Such framework may be renewed and/or reproduced upon expiry of the Existing Contractual Arrangements on substantially the same terms and conditions as the Existing Contractual Arrangements, or in respect of any existing or new wholly foreign owned enterprises or operating companies (including branches) which the Group may wish to establish to engage in the same line of business as the Group on balance of commercial interests without the need to obtain Shareholders' approval.

As of the date of this announcement, Mr. Wu is the chairman of the Board and an executive Director, and Mr. Guo was an executive Director in the past 12 months, and hence they are connected persons of the Company according to Rule 14A.07 of the Listing Rules. Furthermore, Mr. Wu beneficially holds 92% equity interests in Jilin Yutai, while Jilin Yutai holds 100% equity interests in Jiaxiang Weilai. As such, pursuant to Rule 14A.07(4) of the Listing Rules, Jilin Yutai and Jiaxiang Weilai is an associate of Mr. Wu and connected persons of the Company. Therefore, under the Listing Rules, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company.

As the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements in accordance with the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the IPO Waiver and are exempted from strict compliance with (i) the requirement of setting annual caps for the fees payable by/to the Group to/from Jiexiang Weilai under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (ii) the requirement of setting a fixed term for the New Contractual Arrangements under Rule 14A.52 of the Listing Rules, subject to compliance with the same conditions of the IPO Waiver.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Homeland Interactive Technology Ltd., a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 3798);
“Director(s)”	director(s) of the Company;
“Equity Pledge Agreement”	the equity pledge agreement dated March 22, 2024 entered into among Jilin Yutai, Yutai Shenzhen and Jiexiang Weilai;
“Exclusive Business Cooperation Agreement”	the exclusive business cooperation agreement dated March 22, 2024 entered into among Yutai Shenzhen and Jiexiang Weilai;
“Exclusive Call Option Agreement”	the exclusive call option agreement dated March 22, 2024 entered into among Jilin Yutai, Yutai Shenzhen and Jiexiang Weilai;
“Existing Contractual Arrangements” or “Original Contractual Arrangements”	the agreements entered into among Homeland PRC, Jiexiang Interactive and Jilin Yutai and the irrevocable Power of Attorney executed by Jilin Yutai as described in the section headed “Contractual Arrangements” in the Prospectus;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Homeland PRC”	Xiamen Kexin Network Technology Company Limited* (廈門柯鑫網絡科技有限公司), a company established on August 7, 2018 under the laws of the PRC with limited liability and is owned as to 100% by the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“IPO Waiver”	the Stock Exchange granted a waiver to the Company from (i) strict compliance with the announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Existing Contractual Arrangements; and (ii) from (a) strict compliance with the requirement of setting annual caps in respect of transactions under the Existing Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (b) strict compliance with the requirement to have contractual arrangements with a term of not more than three years under Rule 14A.52 of the Listing Rules during the period when the Shares are listed on the Stock Exchange, subject to the fulfilment of certain conditions, details of which are disclosed in the section headed “Continuing Connected Transactions” in the Prospectus;
“Jiaxiang Interactive”	Jiaxiang Interactive (Xiamen) Network Technology Company Limited* (家鄉互動(廈門)網絡科技有限公司), a company established on August 31, 2015 under the laws of the PRC with limited liability and is owned as to 100% by Jilin Yutai;
“Jiaxiang Weilai”	Shenzhen Jiaxiang Weilai Network Technology Co., Ltd.* (深圳家鄉未來網絡科技有限公司), a company established on January 4, 2024 under the laws of the PRC with limited liability and is owned as to 100% by Jilin Yutai;

“Jilin Yutai’s Shareholders”	Mr. Wu Chengze and Mr. Guo Shunshun, both of them are citizens of the PRC;
“Jilin Yutai”	Jilin Yutai Network Technology Company Limited* (吉林省豫泰網絡科技有限公司), a company established on January 5, 2018 under the laws of the PRC with limited liability and is owned as to 92% and 8% by Mr. Wu and Mr. Guo, respectively;
“Letter of Undertaking”	the letter of undertaking dated March 22, 2024 executed by Mr. Wu and Mr. Guo;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Listing”	the commencement of listing of the Shares on the Stock Exchange;
“Mr. Guo”	Mr. Guo Shunshun, one of Jilin Yutai’s Shareholders;
“Mr. Wu”	Mr. Wu Chengze, the chairman of the Board and an executive Director of the Company and one of Jilin Yutai’s Shareholders;
“New Contractual Arrangements” or “Contractual Arrangements”	a series of contractual arrangements entered into between , among others, Yutai Shenzhen, Jiexiang Weilai, Jilin Yutai and Jilin Yutai’s Shareholders, details of which are set out in the section headed “New Contractual Arrangements” in this announcement;
“Power of Attorney”	the power of attorney dated March 22, 2024 executed by Jilin Yutai, Yutai Shenzhen and Jiexiang Weilai;
“PRC Operating Entities”	Jiexiang Weilai and its PRC controlled/investee subsidiaries
“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus of the Company dated June 18, 2019 in relation to the listing;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholder(s)”	holder(s) of Shares;
“Shares”	ordinary shares in the capital of our Company with nominal value of US\$0.000005 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yutai Shenzhen”	Yutai (Shenzhen) Network Technology Co., Ltd.* (豫泰(深圳)網絡科技有限公司), a company established on November 11, 2021 under the laws of the PRC with limited liability and is owned as to 100% by the Company;
“%”	per cent.

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

Hong Kong, March 22, 2024

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

* *For identification purpose only*