

TARGET

Intelligence Report

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S A T U R D A Y

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HOMELAND INTERACTIVE TECHNOLOGY LTD:

IN THE PAST THREE FINANCIAL YEARS,

THIS COMPANY'S NET PROFITS HAVE RISEN BY 777.58 PERCENT !

To all intents and purposes, it appears that Homeland Interactive Technology Ltd () (Code: 3798, Main Board, The Stock Exchange of Hongkong Ltd) is on a roll.

On Friday, August 30, 2019, the Company released its Interim Results in respect of the six months, ended June 30, 2019.

The following three financial highlights were emblazoned on Page One of this Report:

	For The Six Months, Ended June 30		Percentage Increase/(Decrease)
	2019	2018	
	All Figures Are Denominated In Renminbi'000		
Revenue	266,493	212,048	25.68

Gross Profit	205,129	167,501	22.46
Profit and Total Comprehensive Income	104,134	105,422	(1.22)

At Page 29 of this Report, under the heading, '**OTHER INCOME**', one was told of the following:

	For The Six Months, Ended June 30	
	2019	2018
	All Figures Are Denominated In Renminbi'000	
Advertising Revenue	9,769	Nil
Service Income*	8,536	Nil
Government Subsidies	2,420	1,860
Interest Income	2,104	147
Others	111	2,030
TOTAL	22,940	2,030

* Service income represents the amounts received from contracted clients or offline promotion marketing activities and is recognised when the marketing services are performed.

Clearly, the above-mentioned was amongst the many fillips that helped to boost the Bottom Line with regard to the First Half of the Current Financial Year.

In a '**BUSINESS OVERVIEW AND OUTLOOK**', at Page Four through to Page 11 of this Report, it was stated, among other things:

'In terms of financial performance, the Group continued its robust growth during the first half of 2019. The Group's revenue and gross profit for the six months ended 30 June 2019 were RMB266.5 million and RMB205.1 million, representing an increase of approximately 25.7% and 22.5%, respectively as compared with the corresponding

period of last year, primarily due to the expanding game portfolio and the distribution of third-party mobile games. In 2018, the Group broadened its income stream by inserting certain in-game advertisement slots in its mini-programs and shared the income, typically measured by user clicks, with those mini-program platform operators, mainly WeChat. During the first half of 2019, the Group recognized advertising income of RMB9.8 million as it incentivized players by giving free private game room cards through clicks on advertisements thereby increasing its advertising income. Such measure has led to a 9.6% drop in revenue from private game room cards compared to the corresponding period in 2018. The Group's adjusted net profit, which does not take into account share-based compensation of RMB26.5 million and listing expenses of RMB14.0 million was approximately RMB144.6 million for the six months ended 30 June 2019, representing an increase of approximately 31.1% from approximately RMB110.3 million for the six months ended 30 June 2018...

'In the second half of 2019, the Group expects to develop about 65 different localized Mahjong game variations to extend the Group's coverage to 26 provinces and municipalities (in the People's Republic of China [PRC]), 15 new poker game variations and 5 new casual games...

'In connection with the Company's listing on the Stock Exchange (The Stock Exchange of Hongkong Ltd), the Group recognized listing expenses of approximately RMB14.0 million for the six months ended 30 June 2019...

'During the six months ended 30 June 2019, 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 RMB11,087,000 in aggregate. The gearing ratio was zero since there was no debt as at 30 June 2019.'

The Flotation Of Homeland Interactive Technology Ltd

Homeland Interactive Technology Ltd sought and obtained a listing of its shares on the premier equity market of The Stock Exchange of Hongkong Ltd on June 18, 2019.

The Company published and disseminated its Global Offering Prospectus in the **Hongkong Special Administrative Region (HKSAR)** of the PRC in an attempt to sell 314 million, \$US0.000005 Shares at that indicative Offer Price Per Share, ranging from low of \$HK1.35 to a high of \$HK1.85.

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