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DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2025 (“**FY2025**”) amounted to approximately US\$9.4 million, representing an increase of approximately 4.2% from approximately US\$9.1 million recorded in the year ended December 31, 2024 (“**FY2024**”).
- Gross profit for FY2025 amounted to approximately US\$4.3 million, representing an increase of approximately 4.9% from approximately US\$4.1 million recorded in FY2024.
- Loss attributable to owners of the Company for FY2025 amounted to approximately US\$3.7 million, representing an increase of approximately 15.9% from approximately US\$3.2 million recorded in FY2024.
- Non-IFRS Accounting Standards adjusted loss attributable to owners of the Company⁽¹⁾ for FY2025 amounted to approximately US\$3.7 million, representing an increase of approximately 15.9% from approximately US\$3.2 million recorded in FY2024.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE PROSPECTS

In 2025, the Company proactively responded to rapid changes in the international competitive landscape. Through strategic positioning and enhanced operational efficiency, the Company achieved a smooth business transition and sustained development, laying a solid foundation for future growth.

In response to operating pressures in the Brazilian market posed by rising tax and fee costs, the Company promptly adjusted its global market strategy, prioritising incremental game publishing resources towards English-speaking markets with stronger growth potential. This strategic shift delivered remarkable results, with revenue from its mobile game business from English-speaking markets increasing by approximately 46% as compared with the same period in the previous year, thereby effectively mitigating performance pressures from certain regional markets. Meanwhile, the Company continued to strengthen refined management across existing markets such as Brazil, effectively maintaining user engagement levels and product life cycles.

With respect to its product matrix, the Company consistently adhered to a lightweight product strategy centred on “H5 + mobile platforms”. During the year, 28 new games were successfully launched, further diversifying its product portfolio and expanding its coverage across a broader range of game genres. Specifically, the number of mobile games launched for English-speaking markets increased by 10 compared with the prior year, with a significantly accelerated release cadence, demonstrating strong momentum in product expansion.

Looking ahead to 2026, the Company will focus on deepening the integration of its H5 and mobile gaming ecosystems and enabling seamless interoperability of membership data between browser-based and mobile games and, on this basis, establishing a more comprehensive cross-platform membership benefits framework to continuously enhance user retention and engagement. Meanwhile, the Company will continue to expand its global payment channel network by integrating additional localised payment methods aligned with regional user preference, which will lower payment barriers, enhance user experience and improve payment conversion rates, thereby fostering a healthier and more vibrant gaming platform ecosystem.

At the product and partnership level, the Company will further deepen collaboration with developers and proactively introduce premium games featuring more diversified genres and higher-quality content, continuously enriching its product pipeline and partner ecosystem. For proven classic products that have been validated in the market, the Company will advance multi-regional version adaptation and series-based development, with a view to extending product life cycles, expanding the global user base and enhancing long-term user value.

In terms of market expansion, the Company will remain committed to its globalised operating strategy. While consolidating its presence in established mature markets, it will actively capture growth opportunities in high-potential regions such as Europe, aiming to promote balanced and sustainable revenue growth across regions and comprehensively enhance its international competitiveness.

FINANCIAL REVIEW

Overview

For FY2025, loss attributable to owners of the Company amounted to approximately US\$3.7 million, representing an increase of approximately US\$0.5 million or 15.9% from approximately US\$3.2 million for FY2024. Non-IFRS Accounting Standards adjusted loss attributable to owners of the Company amounted to approximately US\$3.7 million for FY2025, representing an increase of approximately US\$0.5 million or 15.9% from approximately US\$3.2 million for FY2024.

Revenue

For FY2025, revenue of the Group amounted to approximately US\$9.4 million, representing an increase of approximately US\$0.3 million or 4.2% from approximately US\$9.1 million for FY2024. The revenue growth was mainly due to the increase in revenue from mobile games.

Cost of Revenue and Gross Profit Margin

For FY2025, cost of revenue of the Group amounted to approximately US\$5.1 million, representing an increase of approximately US\$0.2 million or 3.6% as compared with approximately US\$4.9 million for FY2024. The gross profit margin of the Group increased from approximately 45.7% for FY2024 to 46.1% for FY2025.

Other Gains/(Losses), Net

For FY2025, other gains of the Group amounted to approximately US\$0.3 million, as compared with other losses of the Group amounted to approximately US\$0.2 million for FY2024. The other gains of the Group for FY2025 primarily consisted of the net exchange gains resulting from exchange rate fluctuations in the current year.

Selling and Marketing Expenses

For FY2025, selling and marketing expenses of the Group amounted to approximately US\$2.9 million, representing a decrease of approximately US\$0.5 million or 13.9% from approximately US\$3.4 million for FY2024, primarily due to decrease in advertising and promotion expenses.

Administrative Expenses

For FY2025, administrative expenses of the Group amounted to approximately US\$4.2 million, representing an increase of approximately US\$1.8 million or 71.7% from approximately US\$2.4 million for FY2024. The increase in administrative expenses was mainly due to (i) provisions for impairment of intangible assets, right-of-use assets, property, plant and equipment, and other receivables; (ii) higher IT service costs; (iii) increased employee expenses; and (iv) the write-down of prepaid license fees and prepayments for certain underperforming games of the Group.

Research and Development Expenses

For FY2025, research and development expenses of the Group amounted to approximately US\$1.3 million, representing a decrease of approximately US\$0.1 million or 9.1% from approximately US\$1.4 million for FY2024, primarily due to decrease in staff cost.

Reversal of impairment/(impairment) of financial assets, net

For FY2025, reversal of impairment losses on financial assets of the Group amounted to approximately US\$0.1 million, as compared to net impairment losses on financial assets of the Group amounted to approximately US\$0.2 million for FY2024.

Income Tax Expense

For FY2025, income tax expense of the Group amounted to approximately US\$0.4 million, as compared to approximately US\$0.2 million for FY2024.

Loss Attributable to Owners of the Company

As a result of the above, loss attributable to owners of the Company increased by approximately US\$0.5 million or 15.9% from approximately US\$3.2 million for FY2024 to approximately US\$3.7 million for FY2025.

Non-IFRS Accounting Standards Adjusted Loss Attributable to Owners of the Company

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

For FY2025, non-IFRS Accounting Standards adjusted loss attributable to owners of the Company amounted to approximately US\$3.7 million, representing an increase of approximately US\$0.5 million or 15.9% from approximately US\$3.2 million in FY2024. Our non-IFRS Accounting Standards adjusted loss attributable to owners of the Company in FY2025 and FY2024 was calculated according to the loss attributable to the owners of the Company for the respective years, excluding share-based compensation of nil in FY2025 and FY2024.

Liquidity, Treasury Policy and Source of Funding and Borrowing

As at December 31, 2025, the Group's total bank balances, cash and short-term deposits amounted to approximately US\$13.6 million, representing a decrease of approximately 28.6% as compared with approximately US\$19.1 million as at December 31, 2024. The decrease in total bank balances, cash and short-term deposits during the year was primarily resulted from the increase in the net cash flow used in operating activities.

As at December 31, 2025, current assets of the Group amounted to approximately US\$24.8 million, including bank balances, cash and short-term deposits of approximately US\$13.6 million and other current assets of approximately US\$11.2 million. Current liabilities of the Group amounted to approximately US\$7.7 million, including trade payables and contract liabilities of approximately US\$2.7 million and other current liabilities of approximately US\$5.0 million. As at December 31, 2025, the current ratio (the current assets divided by current liabilities) of the Group was 3.2, as compared with 3.4 as at December 31, 2024. The Group adopts a prudent treasury management policy to ensure that our Group maintains a healthy financial position.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations (excluding lease liabilities) as at December 31, 2025 and the gearing ratio is nil (as at December 31, 2024: nil). The Group intends to finance the expansion, investments and business operations with internal resources.

Significant Investments

On September 8, 2025, Game Hollywood Hong Kong Limited (“**Hollywood HK**”, an indirect wholly-owned subsidiary of the Company) entered into a joint venture agreement with Shaw Movie City Hong Kong Limited (the “**JV Partner**”), pursuant to which Hollywood HK and the JV Partner agreed to incorporate a joint venture company (the “**JV Company**”) with a share capital of HK\$28.5 million. Pursuant to the terms of the joint venture agreement, Hollywood HK agreed to contribute HK\$22.8 million by cash, representing an 80% equity interest in the JV Company. The Company intends to co-develop games based on intellectual property rights associated with Chinese action movies (武俠片) and modern romance dramas (都市愛情劇) with the JV Partner. Details of the joint venture agreement and the transactions contemplated thereunder are set out in the announcement of the Company dated September 8, 2025, and the supplemental announcement dated November 14, 2025.

Save as disclosed above, the Group did not have any material investments during FY2025.

Material Acquisitions

The Group did not have any material acquisitions of subsidiaries, associates and joint ventures during FY2025.

Material Disposals

The Group did not have any material disposals of subsidiaries, associates and joint ventures during FY2025.

Pledge of Assets

As at December 31, 2025, none of the Group's assets was pledged (as at December 31, 2024: nil).

Contingent Liabilities

The Group had no material contingent liabilities as at December 31, 2025 (as at December 31, 2024: nil).

Foreign Exchange Exposure

As at December 31, 2025, the Group mainly operated in the global market and majority of its transactions were settled in United States Dollars (the “USD”), being the functional currency of the group entities to which the transactions relate. We currently do not hedge transactions undertaken in foreign currencies but manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currencies exposures. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity’s functional currency. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi (“RMB”), Euro (“EUR”) and Hong Kong dollar (“HKD”). As at December 31, 2025, the Group did not have significant foreign currency exposure from its operations.

HUMAN RESOURCES

As at December 31, 2025, the Group had 90 employees (December 31, 2024: 107), 40 of which were responsible for game development and maintenance, 24 for game operation and offline events organisation, and 26 for general administration and corporate management. The total remuneration expenses, excluding share-based compensation expense, for FY2025 were approximately US\$2.9 million, representing a decrease of approximately 0.9% as compared to FY2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group’s employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association of the Company, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during FY2025.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of the final dividend for FY2025 (FY2024: nil).

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceedings during FY2025.

EVENTS OCCURRED SINCE THE END OF FY2025

The Group did not have any significant events after December 31, 2025 and up to the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS FOR 2026 AGM

The register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting to be held on Friday, June 26, 2026 (the "**2026 AGM**"). In order to be eligible to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 pm on Monday, June 22, 2026.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

CORPORATE GOVERNANCE

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

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

REVIEW OF FINANCIAL STATEMENTS

Audit Committee

The audit committee of the Board, Professor CHAU Chi Wai, Wilton (chairman), Mr. LI Yi Wen and Mr. LU Qibo, has discussed with the management and the external auditor and reviewed the consolidated financial information for FY2025, including accounting principles and practices adopted by the Group, and annual results and discussed internal controls and financial reporting matters.

Scope of Work of ZHONGHUI ANDA CPA Limited

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 this annual results announcement have been agreed by the Group’s auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this annual results announcement.

The Board is pleased to announce the consolidated financial results of the Group for FY2025 with the comparative figures for FY2024 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>USD</i>	2024 <i>USD</i>
Revenue	<i>3</i>	9,436,909	9,058,572
Cost of revenue		<u>(5,090,293)</u>	<u>(4,915,576)</u>
Gross profit		4,346,616	4,142,996
Selling and marketing expenses		(2,949,587)	(3,425,075)
Administrative expenses		(4,158,415)	(2,422,144)
Research and development expenses		(1,257,997)	(1,383,271)
Reversal of impairment/(impairment) of financial assets, net		89,649	(156,961)
Other gains/(losses), net	<i>4</i>	<u>276,336</u>	<u>(218,982)</u>
Operating loss		(3,653,398)	(3,463,437)
Finance income		373,253	116,246
Finance costs		(27,820)	(157,033)
Share of profits of associates		30,800	24,045
Gain on disposal of subsidiaries		<u>–</u>	<u>463,420</u>
Loss before income tax		(3,277,165)	(3,016,759)
Income tax expense	<i>5</i>	<u>(440,687)</u>	<u>(191,352)</u>
Loss for the year		<u>(3,717,852)</u>	<u>(3,208,111)</u>
Other comprehensive income/(expense):			
<i>Item that will not be reclassified to profit or loss:</i>			
– Changes in fair value of equity investments at fair value through other comprehensive income		<u>88,576</u>	<u>64,454</u>
<i>Items that may be reclassified to profit or loss:</i>			
– Exchange differences on translating foreign operations		177,695	(136,316)
– Exchange differences reclassified to profit or loss on disposal of subsidiaries		<u>–</u>	<u>135,618</u>
		<u>177,695</u>	<u>(698)</u>

	<i>Notes</i>	2025 USD	2024 <i>USD</i>
Other comprehensive income/(expense) for the year, net of income tax		<u>266,271</u>	<u>63,756</u>
Total comprehensive expense for the year		<u><u>(3,451,581)</u></u>	<u><u>(3,144,355)</u></u>
Loss for the year attributable to:			
– Owners of the Company		<u><u>(3,717,852)</u></u>	<u><u>(3,208,111)</u></u>
Total comprehensive expense for the year attributable to:			
– Owners of the Company		<u><u>(3,451,581)</u></u>	<u><u>(3,144,355)</u></u>
Loss per share (USD cents)			
– Basic	7	<u><u>(0.20)</u></u>	<u><u>(0.17)</u></u>
– Diluted		<u><u>(0.20)</u></u>	<u><u>(0.17)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>USD</i>	2024 <i>USD</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,508	457,509
Right-of-use assets		–	470,935
Intangible assets		–	320,489
Interests in associates		87,294	53,361
Equity investments at fair value through other comprehensive income		274,553	185,977
Prepayments and other receivables		4,239,577	5,840,981
Deferred tax assets		–	152,381
		<u>4,603,932</u>	<u>7,481,633</u>
Current assets			
Trade receivables	<i>8</i>	959,534	893,675
Contract costs		733,690	530,142
Prepayments and other receivables		9,437,534	4,822,400
Bank and cash balances		13,625,766	19,077,802
		<u>24,756,524</u>	<u>25,324,019</u>
TOTAL ASSETS		<u>29,360,456</u>	<u>32,805,652</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	<i>10</i>	2,000,000	2,000,000
Reserves		19,588,881	23,040,462
Total equity		<u>21,588,881</u>	<u>25,040,462</u>

	<i>Notes</i>	2025 USD	2024 <i>USD</i>
Liabilities			
Current liabilities			
Trade payables	9	688,767	632,930
Contract liabilities		1,990,918	1,766,587
Accruals and other payables		4,612,621	4,610,192
Lease liabilities		301,861	373,563
Current tax liabilities		146,322	114,664
		<u>7,740,489</u>	<u>7,497,936</u>
Non-current liabilities			
Lease liabilities		<u>31,086</u>	<u>267,254</u>
Total liabilities		<u>7,771,575</u>	<u>7,765,190</u>
TOTAL EQUITY AND LIABILITIES		<u>29,360,456</u>	<u>32,805,652</u>

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

1. GENERAL INFORMATION

Digital Hollywood Interactive Limited (the “**Company**”) was incorporated in the Cayman Islands on 24 November 2014 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is 11/F, Tai Sang Bank Building, 784 Nathan Road, Kowloon, Hong Kong. The address of its headquarters is 2nd Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by International Accounting Standards Board (“**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

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

3. REVENUE AND SEGMENT INFORMATION

	2025	2024
	USD	USD
Online game revenue	9,428,346	9,058,556
Advertising revenue	8,563	16
	<hr/>	<hr/>
Total revenue	9,436,909	9,058,572
	<hr/> <hr/>	<hr/> <hr/>
Disaggregation of revenue from contracts with customers:		
Timing of revenue recognition		
Over time	9,436,909	9,058,572
	<hr/> <hr/>	<hr/> <hr/>

Segment information

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

Revenue from major customers:

The Group has a large number of game players, no individual game players generated revenue which exceeded 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: nil).

The revenue generated from top five largest revenue collection platforms, accounted for 76% (2024: 71%) of the Group's revenue for the year ended 31 December 2025.

The following table summarises the percentage of revenue from games licensed by a single company or group exceeding 10% of the Group's revenue during the year ended 31 December 2025:

	2025	2024
Game licensor A	<u>12%</u>	<u>16%</u>

Geographical information

Non-current assets other than financial instruments and deferred tax assets, by country:

	2025 USD	2024 USD
The PRC	3,739,885	4,452,907
Hong Kong	589,083	2,687,890
Other locations	<u>411</u>	<u>2,478</u>
	<u>4,329,379</u>	<u>7,143,275</u>

No geographical information for revenue is presented as 99.99% of the Group's revenue are derived from global online customers.

Game publishing service revenue

The Group is a publisher of online games developed by third party game developers or its own. The Group licenses online games from game developers and earns game publishing service revenue by making a localised version of the licensed games and publishing them to the game players through distribution platforms, include major social networking websites (such as Facebook), online application stores (such as Apple Inc.'s App Store (“**Apple App**”) and Google Play installed in mobile telecommunications devices), web-based and mobile game portals in certain countries and regions (collectively referred to as “**Platforms**”), including the Group’s websites. The games licensed to the Group are operated under a free-to-play model whereby game players can play the games free of charge and are charged for the purchase of Game Tokens or other virtual items via payment channels, such as the various mobile carriers and third-party internet payment systems (collectively referred to as “**payment channels**”).

(i) *Principal Agent Consideration*

Third party developed games

Proceeds earned from selling Game Tokens and other virtual items are shared between the Group and game developers, with the amount paid to game developers generally calculated based on face value of Game Tokens or other virtual items determined by game developers, after deducting certain deductible fees, multiplied by a predetermined percentage for each game. The deductible fees are predetermined and negotiated game by game, including the fees paid to the payment channels and the Platforms, as well as the credit allowable for deduction for each game.

(1) The Group acts as Agent

With respect to the Group’s game licenses arrangements entered into during the years ended 31 December 2025 and 2024, the Group considered that the (i) game developers are responsible for providing the game product desired by the game players; (ii) the costs incurred by the game developers to develop the games are more than the licensing costs and game localisations costs incurred by the Group; (iii) game developers have the right to determine the pricing of in-game virtual items and the specification, modification or update of the game proposed by the Group. The Group’s responsibilities are publishing, providing payment solution and market promotion service, and thus the Group views game developers to be its customers and considers itself as the agent of game developers in the arrangements with game players. Accordingly, the Group records the game publishing service revenue from these licensed games, net of amounts paid to game developers.

Games operated directly by the Group:

Games operated directly by the Group are in the form of self-operation on its own websites and cooperation with Platforms, which the Group is responsible for determining Platforms and payment channels, hosting and maintenance of game servers for game running, providing customer service as well as marketing activities. For games self-operated by the Group, payment channels are responsible for payment collections related to the games. For games cooperated with Platforms, Platforms are responsible for distribution, platform maintenance, paying player authentication and payment collections related to the games.

As the Group is responsible for identifying, contracting with and maintaining the relationships of Platforms and payment channels, commission fees paid to Platforms and payment channels are included in cost of revenues and presented on a gross basis. The Group considers it is the primary obligor to game developers for the reasons identified above as it has been given latitude by game developers in selecting Platform and payment channels for its service to game developers.

Different from the above analysis, for games cooperated with Facebook if it had been specified by game developers and Apple App, the game developers are fully aware of Facebook and Apple App's roles and responsibilities. The Group considered that Facebook, Apple App and itself provide services to the game developers together, as the Group does not have the latitude in selecting and negotiation with Facebook and Apple App and does not have the primary responsibility to game developers for the service provided by them, commission charges by Facebook and Apple App are deducted from revenue.

Games subcontracted to Platforms:

Certain games are subcontracted to Platforms to operate directly. For such subcontracted games, Platforms are responsible for determining secondary Platforms and payment channels, hosting and maintenance of game servers for game running, providing customer service as well as marketing activities. The Group's responsibilities are delivering games to Platforms, and thus the Group views the game developers to be its customers and considers itself as the agent of game developers in the arrangements with Platforms, as the Group does not have the primary responsibility to game developers for the service provided by these Platforms. Accordingly, the Group records revenue on a net basis, amounts paid to game developers and revenue-sharing amounts paid to Platforms or third party payment vendors are deducted from revenue.

(2) The Group acts as Principal

During the years ended 31 December 2025 and 2024, there was a game license arrangement under which the Group takes primary responsibilities of further game development and updates, game operation, including determining Platforms and payment channels, providing customer services, hosting game servers, if needed, and controlling pricing and game and services specifications during the license period. The Group bears the cost incurred to further develop the game. Under this type of game license arrangement, the Group considers itself as a principal in this arrangement. Accordingly, the Group records the online game revenue from this third party licensed game on a gross basis. Commission fees paid to Platforms and payment channels and amortisation of license fees paid to third party game developer are recorded as cost of revenues.

Self-developed games

The Group sometimes enters into license arrangements under which the Group takes primary responsibilities of game development and game operation, including determining Platforms and payment channels, providing customer services, hosting game servers, if needed, and controlling pricing and game and services specifications. The Group bears the cost incurred to develop the games. Under this type of agreements, the Group considers itself the principal. Accordingly, the Group records the online game revenues from these games on a gross basis. Commission fees paid to Platforms and payment channels and amounts paid to licensor are recorded as cost of revenue.

The Group self-develops mobile games. Revenues derived from self-developed games are recorded on a gross basis as the Group acts as a principal to fulfil most obligations related to the mobile game operation. Commission fees paid to Platforms and payment channels are recorded as cost of revenue.

(ii) Timing of revenue recognition

Third party developed games

(1) The Group acts as Agent

Games operated directly by the Group:

For the purposes of determining when services have been provided to the respective players, the Group has determined the following:

- Consumable virtual items represent items that are extinguished after consumption in the form of fixed charges levied on each round of games played. The paying players will not continue to benefit from the virtual items thereafter. Revenue is recognised at a point in time (as a release from contract liabilities) when the items are consumed and the related services are rendered.
- Durable virtual items represent items that are accessible and beneficial to paying players over an extended period of time. Revenue is recognised ratably over the average life of durable virtual items for the applicable game, which the Group makes best estimates to be average Player Relationship Period.

The Group estimates the Player Relationship Period on a game-by-game basis and re-assesses such periods semi-annually. If there is insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, it estimates the Player Relationship Period based on other similar types of games developed by the Group or by third-party developers until the new game establishes its own patterns and history. The Group considers the games profile, target audience, and its appeal to players of different demographics groups in estimating the Player Relationship Period.

If the Group does not have the ability to differentiate revenue attributable to durable virtual items from consumable virtual items for a specific game, the Group recognises revenue from both durable and consumable virtual items for that game ratably over the Player Relationship Period.

Games subcontracted to Platforms:

Revenue of games subcontracted to Platforms are recognised ratably over the Player Relationship Period, for (i) the Group has a continuous obligation to game developers to coordinate Platforms for providing service to game players, and (ii) the Group does not have the ability to differentiate revenue from games subcontracted to Platforms attributable to durable virtual items from consumable virtual items for a specific game.

(2) The Group acts as Principal

Revenue of third party developed games when the Group acts as a Principal are recognised ratably over the Player Relationship Period or as the durable virtual items are consumed, which is similar to the policy of third party developed games operated directly by the Group when the Group acts as an Agent mentioned above.

Self-developed games

Revenue of self-developed games are recognised ratably over the Player Relationship Period or as the durable virtual items are consumed, which is similar to the policy of third party developed games when the Group acts as a Principal mentioned above.

Advertising revenue

The Group provides advertising placement for a specified period on the interface of online games. The Group recognises revenue ratably over the period during which the advertising services are provided.

4. OTHER GAINS/(LOSSES), NET

	2025 <i>USD</i>	2024 <i>USD</i>
Government grants	14,414	22,755
Net foreign exchange gains/(losses)	251,229	(236,033)
Donations	(55)	–
Others	10,748	(5,704)
	<u>276,336</u>	<u>(218,982)</u>

5. INCOME TAX EXPENSE

	2025 <i>USD</i>	2024 <i>USD</i>
Current tax – Overseas withholding income tax (“WHT”) – Provision for the year	282,694	183,377
Current tax – Hong Kong Profits Tax – Under-provision in prior years	5,612	–
Deferred tax	152,381	7,975
	<u>440,687</u>	<u>191,352</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Pursuant to the rules and regulations of the BVI, the company incorporated in BVI are not subject to any income tax.

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong during both years.

Guangzhou You Lai Information Technology Company Limited was qualified as “Advanced Technology Service Enterprises” in 2025 and 2024 and was entitled to a preferential income tax rate of 15% for the years ended 31 December 2025 and 2024.

Guangzhou Suiyue Niandai Software Technology Company Limited and Guangzhou Ding Zhang Information Technology Company Limited were qualified as “Small Low-Profit Enterprise” for the years ended 31 December 2025 and 2024. These companies were entitled to a preferential income tax rate. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

No income tax provision of the Group in respect of operations in the PRC has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits during the both years.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

During the years ended 31 December 2025 and 2024, the Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on PRC WHT was accrued as of the end of each reporting period.

The Group has subcontracted games to a platform operating in Vietnam. According to the applicable the Vietnam tax regulations, royalty fees generated from Vietnam are subject to a 10% WHT.

The Group cooperates with a platform in Brazil. According to the applicable the Brazil tax regulations, income generated from Brazil is subject to 10% remittance tax and 15% income tax, which is withheld by the platform.

The reconciliation between the income tax expense and the product of loss before income tax multiplied by the PRC enterprise income tax rate of 25% is as follows:

	2025	2024
	<i>USD</i>	<i>USD</i>
Loss before income tax	<u>(3,277,165)</u>	<u>(3,016,759)</u>
Tax calculated at a tax rate of 25%	(819,291)	(754,190)
Effect of different tax rates available to different subsidiaries	448,873	406,605
Tax effect of temporary differences and tax losses not recognised	409,094	468,344
Tax effect of income that is not taxable	(40,296)	(126,424)
Tax effect of expenses not deductible for tax purpose	1,620	5,665
Tax losses previously recognised and reversed	152,381	7,975
Under-provision in prior years	5,612	–
Overseas WHT	<u>282,694</u>	<u>183,377</u>
Income tax expense	<u>440,687</u>	<u>191,352</u>

6. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the year ended 31 December 2025 (2024: nil).

7. LOSS PER SHARE

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

	2025 USD	2024 USD
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(3,717,852)</u>	<u>(3,208,111)</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares in issue		
less shares held for the Share Option Scheme for the purpose of calculating basic and diluted loss per share (Note a)	<u>1,861,021,877</u>	<u>1,861,021,877</u>

Notes:

- (a) The loss per share is determined based on that 1,861,021,877 (2024: 1,861,021,877) shares were the weighted average number of ordinary shares in issue excluding the 138,978,123 (2024: 138,978,123) shares which were the weighted average number held for the Share Option Scheme for the year ended 31 December 2025, without taking into account any shares which may be granted and issued by the Company pursuant to the Share Option Scheme.
- (b) The 22,661,666 (2024: 23,649,722) options granted and remained unexercised are not included in the calculation of diluted loss per share because they are antidilutive for the years ended 31 December 2025 and 2024. These options could potentially dilute basic loss per share in the future.

8. TRADE RECEIVABLES

	2025 USD	2024 USD
Trade receivables	1,493,659	1,512,047
Less: allowance for impairment	<u>(534,125)</u>	<u>(618,372)</u>
Carrying amount	<u>959,534</u>	<u>893,675</u>

Trade receivables are arising from the development and operation of online game business. The credit terms of trade receivables granted to the Platforms and third party payment vendors are usually 0 to 120 days and 0 to 30 days, respectively.

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

	2025 <i>USD</i>	2024 <i>USD</i>
0-30 days	456,662	473,849
31-90 days	292,274	263,730
91-180 days	99,660	78,861
Over 180 days	110,938	77,235
	959,534	893,675

Reconciliation of loss allowance for trade receivables:

	2025 <i>USD</i>	2024 <i>USD</i>
At 1 January	618,372	2,431,437
(Reversal of impairment)/impairment of trade receivables, net	(89,649)	156,961
Disposal of subsidiaries	-	(1,932,071)
Exchange difference	5,402	(37,955)
At 31 December	534,125	618,372

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	1-90 days past due	91-180 days past due	Over 180 days past due	Total
At 31 December 2025					
Weighted average expected loss rate	3.45%	19.38%	36.05%	90.91%	35.76%
Receivable amount (USD)	811,751	101,189	75,559	505,160	1,493,659
Loss allowance (USD)	28,025	19,607	27,238	459,255	534,125
At 31 December 2024					
Weighted average expected loss rate	5.01%	5.02%	31.61%	98.21%	40.90%
Receivable amount (USD)	814,290	72,207	60,586	564,964	1,512,047
Loss allowance (USD)	40,758	3,622	19,153	554,839	618,372

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2025	2024
	<i>USD</i>	<i>USD</i>
USD	657,860	649,380
RMB	166,966	150,973
HKD	134,708	93,322
	<u>959,534</u>	<u>893,675</u>

9. TRADE PAYABLES

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

	2025	2024
	<i>USD</i>	<i>USD</i>
0-90 days	328,607	317,928
91-180 days	141,863	111,098
181-360 days	3,361	47,945
Over 360 days	214,936	155,959
	<u>688,767</u>	<u>632,930</u>

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2025	2024
	<i>USD</i>	<i>USD</i>
USD	636,561	594,926
RMB	52,206	38,004
	<u>688,767</u>	<u>632,930</u>

10. SHARE CAPITAL AND SHARES HELD FOR THE SHARE OPTION SCHEME

	Number of ordinary shares	Amount <i>USD</i>
Authorised:		
Ordinary shares of USD0.001 (2024: USD0.001) each		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	4,000,000,000	4,000,000

As at 31 December 2025, the total number of issued ordinary shares of the Company was 2,000,000,000 shares (2024: 2,000,000,000 shares) with par value of USD0.001 per share (2024: USD0.001 per share) which included 138,978,123 shares (2024: 138,978,123 shares) held under the share incentive scheme. They have been fully paid up.

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

	Number of shares in issue	Share capital <i>USD</i>	Shares held for the Share Option Scheme <i>USD</i> <i>(Note)</i>
At 31 December 2025	2,000,000,000	2,000,000	(138,978)
At 31 December 2024	2,000,000,000	2,000,000	(138,978)

Note: According to the written resolutions of all the members of the Company dated 2 November 2015 and capitalisation issue dated 24 November 2017, an aggregate of 150,000,000 ordinary shares were authorised and reserved for the issuance to the employees, directors of the Group and other persons pursuant to the share incentive scheme (the “**Share Option Scheme**”) adopted by the Company.

The Company has appointed Core Trust Company Limited as the trustee to assist with the administration and vesting of options granted pursuant to the Share Option Scheme. On 27 May 2017, the Company allotted and issued shares to Share Scheme Trust, a wholly-owned subsidiary of Core Trust Company Limited, which are or will be used to satisfy the options upon exercise. The shares held by Share Scheme Trust are presented as a deduction in equity as shares held for the Share Option Scheme.

During the years ended 31 December 2025 and 31 December 2024, no ordinary share of the Company was transferred by the Share Scheme Trust to the grantees exercising of the awarded shares.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stakeholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital and capital reserves) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. In the opinion of the Directors, the Group's capital risk is low.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.gamehollywood.com/company/). The annual report of the Company for FY2025 will be dispatched (if necessary) to the shareholders of the Company and published on the aforesaid websites in due course.

APPRECIATION

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

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

Hong Kong, March 26, 2026

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

* *For identification purposes only*