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DIGITAL DOMAIN HOLDINGS LIMITED

數字王國集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Directors” and the “Board” respectively) of Digital Domain Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	4	777,252	625,830
Cost of sales and services rendered		(647,911)	(498,393)
Gross profit		129,341	127,437
Other income and gains	5	16,340	35,388
Selling and distribution expenses		(1,104)	(6,591)
Administrative expenses and other net operating expenses		(286,950)	(390,422)
Finance costs	7	(35,545)	(29,781)
Fair value (loss)/gain on financial assets measured at fair value through profit or loss	12	(37,059)	6,031
Loss on disposal of subsidiaries		-	(35,390)
Impairment loss on goodwill	10	(36,035)	-
Recognition of impairment loss on trade receivables and contract assets		(271)	(1,938)
Recognition of impairment loss on other receivables		-	(4,512)
Impairment loss on amounts due from associates, net	11	(17,719)	(12,305)
Loss before taxation	6	(269,002)	(312,083)
Taxation	8	3,148	(1,216)
Loss for the year		(265,854)	(313,299)

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to:			
- Owners of the Company		(257,345)	(300,275)
- Non-controlling interests		(8,509)	(13,024)
		<u>(265,854)</u>	<u>(313,299)</u>
 Loss per share attributable to the owners of the Company:			
		HK cents	HK cents
Basic and diluted	9	(3.23)	(3.77)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	<u>(265,854)</u>	<u>(313,299)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	14,506	1,253
Reclassification of exchange differences on disposal of subsidiaries	<u>-</u>	<u>(18,090)</u>
Other comprehensive income for the year	<u>14,506</u>	<u>(16,837)</u>
Total comprehensive income for the year	<u><u>(251,348)</u></u>	<u><u>(330,136)</u></u>
Total comprehensive income attributable to:		
- Owners of the Company	(241,875)	(319,546)
- Non-controlling interests	<u>(9,473)</u>	<u>(10,590)</u>
	<u><u>(251,348)</u></u>	<u><u>(330,136)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		16,181	18,312
Right-of-use assets		113,647	46,823
Goodwill and intangible assets	<i>10</i>	308,017	348,271
Interests in associates	<i>11</i>	11	16,929
Interests in joint ventures		-	-
Loan to a joint venture		-	911
Financial assets measured at fair value through other comprehensive income		17,901	-
Financial assets measured at fair value through profit or loss	<i>12</i>	96,658	120,170
Deposits and consideration receivable	<i>13</i>	4,888	8,319
Deferred tax assets		1,455	1,596
		<u>558,758</u>	<u>561,331</u>
Current assets			
Trade receivables, other receivables and prepayments	<i>13</i>	108,301	98,385
Loan to a joint venture		913	-
Financial assets measured at fair value through profit or loss	<i>12</i>	18,670	-
Contract assets		32,675	6,475
Cash and cash equivalents and other bank balances		426,369	400,120
		<u>586,928</u>	<u>504,980</u>
Current liabilities			
Trade payables, other payables and accruals	<i>14</i>	293,741	175,556
Lease liabilities		41,138	31,067
Contract liabilities		43,100	21,368
Borrowings		225,995	108,982
Tax payable		1,146	4,954
		<u>605,120</u>	<u>341,927</u>
Net current (liabilities) / assets		<u>(18,192)</u>	<u>163,053</u>
Total assets less current liabilities		<u>540,566</u>	<u>724,384</u>
Non-current liabilities			
Trade payables	<i>14</i>	92,348	-
Borrowings		186,946	271,112
Lease liabilities		83,042	31,262
		<u>362,336</u>	<u>302,374</u>
NET ASSETS		<u>178,230</u>	<u>422,010</u>
Capital and reserves			
Share capital		79,792	79,792
Reserves		188,823	423,130
Equity attributable to owners of the Company		<u>268,615</u>	<u>502,922</u>
Non-controlling interests		<u>(90,385)</u>	<u>(80,912)</u>
TOTAL EQUITY		<u>178,230</u>	<u>422,010</u>

NOTES

1. ORGANISATION AND OPERATIONS

Digital Domain Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and has its principal place of business at Suite 2005, 20/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of the Company’s principal subsidiaries are media entertainment business and trading business.

As at 31 December 2025, in the opinions of the directors of the Company (“the Directors”), the Company has no immediate and ultimate holding company or ultimate controlling party.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amended HKFRS Accounting Standards – effective on 1 January 2025

The HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective for the current accounting period of the Company and its subsidiaries (collectively the “Group”):

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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None of these amended HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The following new or amended HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 18 HKFRS 19	Presentation and Disclosure in Financial Statements ² Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKAS 1	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the Group's consolidated financial statements, the application of the new standard is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Except for the above, these new or amended HKFRS Accounting Standards are preliminary assessed and are not expected to have any significant impact on the Group's consolidation financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is the same as the functional currency of the Company.

For the year ended 31 December 2025, the Group incurred a loss of HK\$265,854,000 and as of that date, the Group had net current liabilities of HK\$18,192,000. These conditions may cast significant doubt about the Group's ability to continue as a going concern.

Nevertheless, these consolidated financial statements have been prepared on a going concern basis. In assessing the appropriateness of the going concern assumption, the directors have considered the Group's cash flow forecast covering a period of twelve months from the end of the reporting, after taking into account of the following plans and measures:

- (i) As at 31 December 2025, the Group's current liabilities included contract liabilities amounting to HK\$43,100,000, for which no cash outflows are expected to be required subsequent to the end of reporting period;
- (ii) As at 31 December 2025, the Group had unutilised banking facilities amounting to HK\$48,143,000 from its bankers;
- (iii) The Group has been in the process of renewing its banking facilities with its bankers and has assessed that the renewal is expected to be successfully completed, taking into account of its credit history; and
- (iv) The Group would consider disposing of financial assets measured at fair value through profit or loss to generate additional funding should liquidity needs arise.
- (v) The Group would implement comprehensive policies to monitor cash flows through cutting costs and capital expenditure.

The directors of the Company are in the opinion that the above measures are sufficient to enable the Group to meet its expected liquidity, operational and capital requirements. Accordingly, the directors of the Company consider that the use of the going concern basis of accounting in preparing these consolidated financial statements is appropriate.

4. REVENUE AND SEGMENT REPORTING

An analysis of the Group's revenue from its principal activities for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Provision of		
- visual effects production and post production services	605,893	518,242
- virtual human services	73,227	22,813
Sales of goods		
- Sales of semiconductor memory chips	-	79,563
- Sales of esports products	91,050	4,938
Commission income	7,082	274
	<u>777,252</u>	<u>625,830</u>

Disaggregation of revenue from contracts with customers

Segment	Media entertainment		Trading		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Types of goods or service						
Provision of						
- visual effects production and post production services	605,893	518,242	-	-	605,893	518,242
- virtual human services	73,227	22,813	-	-	73,227	22,813
Sales of goods						
- Sales of semiconductor memory chips	-	-	-	79,563	-	79,563
- Sales of esports products	-	-	91,050	4,938	91,050	4,938
Commission income	-	-	7,082	274	7,082	274
Total revenue from contracts with customers	679,120	541,055	98,132	84,775	777,252	625,830
Geographical markets						
				2025 HK\$'000		2024 HK\$'000
Hong Kong				10,026		80,442
The People's Republic of China (the "PRC")				35,690		45,499
The United States of America ("USA")				280,513		204,249
Canada				350,190		258,361
United Kingdom ("UK")				14,264		2,344
India				-		29,696
Other countries/regions				86,569		5,239
Total revenue from contracts with customers				777,252		625,830
Timing of revenue recognition						
				2025 HK\$'000		2024 HK\$'000
A point in time				100,551		85,582
Over time				676,701		540,248
Total revenue from contracts with customers				777,252		625,830

(a) Reportable segment

The Group determines its operating segment based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The following summary describes the operations in the Group's two reportable segments, media entertainment and trading:

- provision of visual effects production and post production services and virtual human services ("Media entertainment")
- sales of semiconductor memory chips and esports products ("Trading")

Management monitors the results of its operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/gains, which is a measure of adjusted loss before taxation. The adjusted loss before taxation is measured consistently with the Group's loss before taxation, except that, share of losses of a joint venture, impairment loss on amounts due from associates, fair value gain/(loss) on financial assets measured at fair value through profit or loss ("FVTPL"), gain on disposal of financial assets, loss on disposal of subsidiaries, auditor's remuneration, depreciation of unallocated property, plant and equipment and depreciation of unallocated right-of-use assets, professional fees, unallocated finance costs, equity-settled share-based payment expenses, unallocated short-term lease expenses, unallocated other income and gains (including royalty income, interest income and sundry income), as well as head office and corporate expenses, are excluded from such measurement.

Segment assets exclude interests in associates, interests in joint ventures, loan to a joint venture, financial assets measured at FVTPL, financial assets measured at fair value through other comprehensive income ("FVTOCI"), unallocated cash and cash equivalents and pledged bank deposits, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Media entertainment		Trading		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Revenue from external customers and reportable segment revenue	679,120	541,055	98,132	84,775	777,252	625,830
Reportable segment (loss)/gains	(123,928)	(97,703)	5,988	(693)	(117,940)	(98,396)
Additions to non-current assets	127,644	51,791	-	-	127,644	51,791
Depreciation and amortisation	(71,601)	(78,744)	-	-	(71,601)	(78,744)
Finance costs	(6,469)	(7,084)	-	-	(6,469)	(7,084)
Impairment loss on goodwill	(36,035)	-	-	-	(36,035)	-
Recognition of impairment loss on trade receivables and contract assets	(271)	(1,836)	-	-	(271)	(1,836)
Recognition of impairment loss on other receivables	-	(4,512)	-	-	-	(4,512)
Gain on disposal of property, plant and equipment, net	-	5	-	-	-	5
Taxation charged	3,191	(1,176)	-	-	3,191	(1,176)
Reportable segment assets	535,398	543,707	172,046	40,354	707,444	584,061
Reportable segment liabilities	294,720	186,381	184,039	18,242	478,759	204,623

(b) **Reconciliation of reportable segment profit or loss, assets and liabilities**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before taxation		
Segment loss	(117,940)	(98,396)
Recognition of impairment loss on trade receivables	-	(102)
Impairment loss on amounts due from associates	(17,719)	(12,305)
Fair value (loss)/gain on financial assets measured at FVTPL	(37,059)	6,031
Gain on disposal of financial assets	-	11,177
Loss on disposal of subsidiaries	-	(35,390)
Auditor's remuneration	(2,775)	(2,873)
Depreciation of unallocated property, plant and equipment and depreciation of unallocated right-of-use assets	(2,136)	(2,170)
Professional fees	(31,720)	(74,945)
Unallocated finance costs	(29,076)	(22,697)
Equity-settled share-based payment expenses	(7,568)	(26,863)
Unallocated short-term lease expenses	(160)	(160)
Unallocated other income and gains	10,155	15,106
Other unallocated corporate expenses*	(33,004)	(68,496)
Consolidated loss before taxation	<u>(269,002)</u>	<u>(312,083)</u>

*The balance mainly represented unallocated corporate operating expenses that are not allocated to operating segments, including directors' remuneration, staff cost and other head office expenses.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets		
Reportable segment assets	707,444	584,061
Interests in associates	11	16,929
Loan to a joint venture	913	911
Financial assets measured at FVTOCI	17,901	-
Financial assets measured at FVTPL	115,328	120,170
Unallocated cash and cash equivalents and pledged bank deposits	296,812	323,251
Unallocated corporate assets	7,277	20,989
Consolidated total assets	<u>1,145,686</u>	<u>1,066,311</u>
Liabilities		
Reportable segment liabilities	478,759	204,623
Tax payable	1,146	4,954
Borrowings	412,941	380,094
Unallocated corporate liabilities	74,610	54,630
Consolidated total liabilities	<u>967,456</u>	<u>644,301</u>

(c) Geographic information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("Specified Non-current Assets").

(i) Revenue from external customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	10,026	80,442
The PRC	35,690	45,499
USA	280,513	204,249
Canada	350,190	258,361
UK	14,264	2,344
India	-	29,696
Other countries/regions	86,569	5,239
	<u>777,252</u>	<u>625,830</u>

The information of revenue from the above is based on the location of customers.

(ii) Specified Non-current Assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	4,554	19,986
The PRC	12,605	52,690
Other regions of Asia	4,305	7,668
USA and Canada	416,392	349,991
	<u>437,856</u>	<u>430,335</u>

The information of Specified Non-current Assets from the above is based on the location of assets.

(d) Major customers

The Group's customer base is diversified and there were four customers (2024: one) from the media entertainment segment with whom transactions have exceeded 10% of the Group's total revenue as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	165,944	N/A ¹
Customer B	134,319	N/A ¹
Customer C	92,927	N/A ¹
Customer D	88,274	N/A ¹
Customer E	N/A ¹	133,157
	<u>N/A¹</u>	<u>133,157</u>

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective period.

(e) **Revenue**

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	83,740	61,226
Contract assets	32,675	6,475
Contract liabilities	43,100	21,368

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the provision of visual effects production and post production services. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group provides the invoice to the customer.

The contract liabilities mainly relate to the advance consideration received from customers.

The Group has applied the practical expedient to its sales contracts for visual effects production and post production services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for visual effects production and post production services that had an original expected duration of one year or less.

5. OTHER INCOME AND GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income	9,756	14,020
Gain on disposal of financial assets measured at fair value through profit or loss	-	11,177
Income arising from broadcasting movies and TV dramas	5,064	6,847
Consultancy income	240	1,086
Effect of lease modification	-	610
Government subsidies (<i>Note</i>)	-	80
Others	1,280	1,568
	16,340	35,388

Note:

There are no unfulfilled conditions or other contingencies attaching to these grants, all government subsidies have been received during the year. The Group did not benefit directly from any other forms of government assistance.

6. LOSS BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
This is arrived at after charging/(crediting):		
Cost of sales and services rendered (<i>Note</i>)	647,911	498,393
Gain on disposal of property, plant and equipment, net	-	(5)
Exchange differences, net	(381)	5,829
Auditor's remuneration:		
– audit services	2,498	2,605
– non-audit services	277	268
Depreciation of property, plant and equipment (<i>Note</i>)	9,639	18,616
Depreciation of right-of-use assets (<i>Note</i>)	30,547	33,294
Amortisation of intangible assets (<i>Note</i>)	33,551	29,004
Short-term lease expenses	226	400
Staff costs (<i>Note</i>):		
– Directors' remuneration	13,133	7,907
– Other staff costs:		
Salaries, wages and other benefits	528,265	442,146
Retirement benefit scheme contributions	8,847	9,601
Equity-settled share-based payment expenses	-	25,119
Total staff costs	<u>550,245</u>	<u>484,773</u>

Note:

Cost of sales and services rendered include HK\$441,963,000 (2024: HK\$342,815,000) relating to staff costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets, for which the amounts are also included in the respective total amounts disclosed separately above.

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Imputed interest on lease liabilities	6,600	7,329
Interest on bank and other loans	<u>28,945</u>	<u>22,452</u>
	<u>35,545</u>	<u>29,781</u>

8. TAXATION

Taxation (credited)/charged to the consolidated income statement represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current taxation - Hong Kong profits tax	-	-
Current taxation - Overseas tax		
- provision for the year	43	209
- (over)/under-provision in respect of prior years	(3,261)	913
Deferred taxation	<u>70</u>	<u>94</u>
	<u>(3,148)</u>	<u>1,216</u>

No provision for Hong Kong profits tax was made for the years ended 31 December 2025 and 2024 as there is no assessable profits arising in Hong Kong.

Taxation on overseas profits has been calculated on the estimated assessable profits for the years at the rates of taxation prevailing in the countries in which the Group operates.

The Group operates in certain jurisdictions where the Pillar Two Rules are enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

9. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(257,345)</u>	<u>(300,275)</u>
	2025	2024
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic loss per share (<i>Note</i>)	<u>7,979,248,625</u>	<u>7,960,092,638</u>

Note: The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 December 2024 had been adjusted for the bonus elements in the issue of shares through share subscriptions.

For the years ended 31 December 2025 and 2024, since the share options outstanding had an anti-dilutive effect on the basic loss per share, the exercise of outstanding share options were not assumed in the computation of diluted loss per share.

Except for the above, there is no other dilutive potential ordinary share during the current and prior years. Therefore, the basic and diluted loss per share in the current and prior years are the same.

10. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Trademarks	Proprietary software	Participation rights	Patents	Film rights	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note (a))	(Note (b))	(Note (c))	(Note (d))	(Note(e))	(Note (f))	
COST							
As at 1 January 2024	689,907	19,525	280,228	323,493	109,346	130,211	1,552,710
Additions	-	-	39,365	438	-	-	39,803
Disposal of subsidiaries	(378,506)	-	-	-	(103,389)	(129,527)	(611,422)
Exchange realignment	459	(103)	(8,978)	(1,369)	(5,179)	(684)	(15,854)
As at 31 December 2024 and 1 January 2025	311,860	19,422	310,615	322,562	778	-	965,237
Additions	-	-	27,388	-	-	-	27,388
Exchange realignment	(266)	36	5,255	481	1	-	5,507
As at 31 December 2025	311,594	19,458	343,258	323,043	779	-	998,132
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS							
As at 1 January 2024	440,454	-	208,349	323,493	109,346	130,211	1,211,853
Amortisation for the year	-	-	28,993	11	-	-	29,004
Disposal of subsidiaries	(378,506)	-	-	-	(103,389)	(129,527)	(611,422)
Exchange realignment	-	-	(5,237)	(1,369)	(5,179)	(684)	(12,469)
As at 31 December 2024 and 1 January 2025	61,948	-	232,105	322,135	778	-	616,966
Amortisation for the year	-	-	33,507	44	-	-	33,551
Impairment for the year	36,035	-	-	-	-	-	36,035
Exchange realignment	-	-	3,081	481	1	-	3,563
As at 31 December 2025	97,983	-	268,693	322,660	779	-	690,115
CARRYING AMOUNT							
As at 31 December 2025	213,611	19,458	74,565	383	-	-	308,017
As at 31 December 2024	249,912	19,422	78,510	427	-	-	348,271

Notes:

- (a) For the purpose of impairment testing to be performed, the carrying amount of goodwill, before impairment, is allocated to CGUs in the media entertainment segment identified as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Visual effects production services	209,206	209,472
Post production services	40,440	40,440
	<u>249,646</u>	<u>249,912</u>

In addition to goodwill above, certain intangibles assets (as stated in notes 10(b), 10(c) and 10(e)), property, plant and equipment, right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purpose of impairment assessment.

The recoverable amount of the visual effects production services CGU has been determined by the Directors on the basis of value-in-use calculation with reference to professional valuation report issued by Knight Frank Asset Appraisal Limited (“Knight Frank”).

The value-in-use calculation used cash flows projections based on latest financial budgets approved by the Group’s management covering a period of 5 years, which is consistent with the cash flows projections period in 2024.

The cash flow projections beyond the budget period are extrapolated using a growth rate of 1.0% to 2.5% (2024: 1.5% to 2.5%), which do not exceed the long-term growth rates for the industry in the corresponding countries.

The recoverable amount of the post production services CGU has been determined by the Directors on the basis of fair value less cost of disposal (“FVLCOD”) with reference to professional valuation report issued by Knight Frank. The FVLCOD was determined using income approach, which largely used observable and unobservable inputs, including average revenue growth rate within budget period, post-tax discount rate and average gross margin. The fair value of the post production services CGU subject to FVLCOD calculation is within level 3 of the fair value hierarchy.

The key assumptions used for the value-in-use and FVLCOB calculations are as follows:

	Visual effects production services CGU	Post production services CGU
2025		
Average revenue growth rate within budget period	10.2%	0.7%
Pre-tax discount rate	16.7%	N/A
Post-tax discount rate	N/A	12.0%
Average gross margin	21.6%	45.7%
Recoverable amount (HK\$'000)	403,530	9,837
	Visual effects production services CGU	Post production services CGU
2024		
Average revenue growth rate within budget period	14.4%	5.8%
Pre-tax discount rate	16.4%	12.4%
Average gross margin	22.1%	32.1%
Recoverable amount (HK\$'000)	387,467	59,729

The key assumptions disclosed in the above table, relate to the estimation of cash inflows/outflows which include budgeted service revenue and gross margin. Such estimations are based on the CGUs' past performance and the management's expectations for the market development.

(i) Visual effects production services CGU

As at 31 December 2025, the recoverable amount for the visual effects production services CGU is HK\$403,530,000 (2024: HK\$387,467,000). The recoverable amount is significantly above the carrying amount of the visual effects production CGU. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

(ii) Post production services CGU

As at 31 December 2025, the recoverable amount for the post production services CGU is HK\$9,837,000 (2024: HK\$59,729,000), which is below its carrying amount (before impairment).

During the year ended 31 December 2025, the number of projects from post production services CGU decreased. Management is of the opinion that the possibility for increment of the number of projects to a higher level is remote. Accordingly, impairment loss on the related goodwill of HK\$36,035,000 for post production services CGU was recognised in profit or loss during the year ended 31 December 2025.

- (b) Trademarks were considered as having indefinite useful lives as they are considered renewable at minimal costs.

As at 31 December 2025, the trademark is allocated to the Group's visual effects production services CGU for the purpose of impairment testing.

- (c) Proprietary software mainly represented internally developed and purchased software to produce various visual effects.

The proprietary software is allocated to the Group's visual effects production services CGU for the purpose of impairment testing.

- (d) Participation rights represented the contractual rights to income arising from broadcasting movies and TV dramas.

The participation rights are tested on asset level for a stand-alone basis in connection with respective movies and TV dramas involved.

- (e) Patents mainly represent certain intellectual properties which are licensed including patents, trademarks and software.

- (f) Film rights represent film produced by the Group. The film was internally produced by the Group which is entitled to all retained profit generated from the film right, after sharing with producers and other independent parties of certain percentages specified in the agreements between the Group and those parties.

During the year ended 31 December 2024, the film rights have been disposed of upon disposal of subsidiaries.

11. INTERESTS IN ASSOCIATES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Share of net assets	577	576
Amounts due from associates (<i>Note</i>)	<u>167,290</u>	<u>225,493</u>
	167,867	226,069
Less: Accumulated impairment loss	<u>(167,856)</u>	<u>(209,140)</u>
	<u>11</u>	<u>16,929</u>

Note:

The amounts due from associates are unsecured, interest-free and repayable on demand. In the opinion of the Directors, these amounts due from associates are unlikely to be repaid in the foreseeable future and are considered as long-term interests in associates, which are part of the Group's net investments in the associates. Management reassessed the ECL of amounts due from associates at the reporting date.

The Group's interests in associates are accounted for using the equity method in the consolidated financial statements.

As at 31 December 2025 and 2024, impairment assessment has been performed by the Group. Based on the assessment, the recoverable amount is not higher than the carrying amount of the interests in associates.

Impairment loss on amounts due from associates of HK\$17,719,000 (2024: HK\$12,305,000) including net share of losses of HK\$17,719,000 (2024: net share of losses of HK\$12,305,000) recognised in excess of investments in associates. The impairment loss on amounts due from associates comprise of the followings:

- (i) During the year ended 31 December 2025, the Group advanced HK\$185,000 (2024: advanced of HK\$216,000) to Lead Turbo Limited and its subsidiaries (the "Lead Turbo Group"). Management assessed the ECL of the amount due from Lead Turbo Group and recognised an impairment of HK\$185,000 (2024: recognised an impairment of HK\$216,000) for the year ended 31 December 2025.
- (ii) The Group recognised share of losses of HK\$17,534,000 (2024: HK\$12,089,000) for the year ended 31 December 2025 in excess of its investment in Digital Domain Virtual Human Group.

12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

- (a) On 3 February 2021, the Group acquired 248,431 common shares of asknet Solutions AG (“asknet”), a publicly traded German ecommerce company, the shares of which are traded on the Frankfurt Stock Exchange (ticker code: ASKN) at the consideration of approximately EUR3,709,000 (equivalent to approximately HK\$34,586,000). The shares represented approximately 19% of the total issued common shares of asknet on 3 February 2021.

In November 2021, asknet proposed to increase its capital from 1,307,530 shares to 3,268,825 shares. Therefore the shares held by the Group was diluted which represented approximately 7.6% of the total issued common shares of asknet since then.

On 30 May 2022, asknet announced that its Executive Board with the approval of the Supervisory Board decided to delist its shares on the Frankfurt Stock Exchange with effective from 31 August 2022, because the economic benefit of the inclusion of its shares in the Regulated Unofficial Market of the Frankfurt Stock Exchange no longer justifies the associated expenses.

On 31 August 2022, the common shares of asknet were delisted from the Frankfurt Stock Exchange. Immediately before the delist, the fair value of the Group’s interests in asknet, based on quoted market price, amounted to HK\$881,000. In the opinion of the Directors, upon the delist of asknet the fair value of the Group’s interests in asknet becomes minimal and accordingly a further fair value loss of HK\$881,000 was recognised in profit or loss during the year ended 31 December 2022.

As at 31 December 2023, asknet remains its delisted status. In the opinion of the Directors, the fair value of the Group’s equity interests in asknet remains minimal and there is no changes on fair value of asknet. During the year ended 31 December 2024, the Group disposed of its 248,431 common shares of asknet, for which details are set out in note 12(c).

- (b) On 26 February 2021 and 6 May 2021, the Group acquired 260,000 and 5,000, respectively, bearer shares of Highlight Event and Entertainment AG (“HLEE”), a publicly traded Swiss media and sports marketing company, the shares of which are traded on the Swiss Stock Exchange (ticker code: HLEE.SW) at the consideration of approximately EUR7,064,000 (equivalent to approximately HK\$66,405,000) and EUR150,000 (equivalent to approximately HK\$1,403,000), respectively. The shares represented approximately 2.91% and 0.06% of the total issued bearer shares of HLEE on 26 February 2021 and 6 May 2021, respectively. Upon the completion of these two acquisitions, the total shares represented approximately 3.01% of the total issued bearer shares of HLEE on 6 May 2021.

As at 31 December 2022, the shares held by the Group represented approximately 2.8% of the total issued bearer shares of HLEE.

In November 2023, HLEE increased its capital from 9,460,000 shares to 12,960,000 shares. Since then and as at 31 December 2024 and 31 December 2025, the shares held by the Group was diluted which represented approximately 2.04% of the total issued bearer shares of HLEE.

- (c) In June 2024, the Group subscribed 10,000,000 bearer shares of Youngtimers AG (“YTME”), a publicly traded Swiss special situation investment firm, the shares of which are traded on the Swiss Stock Exchange (ticker code: YTME.SW) for an aggregate consideration of US\$7,000,000 (equivalent to approximately HK\$54,570,000).

In February 2024, the Group acquired an unlisted corporate bond issued by Immo Prime S.A., a Luxemburg company independent to the Group, at the purchase price of US\$3,000,000 (equivalent to approximately HK\$23,453,000) from the original holder, Nobias Media S.à r.l. (“Nobias”), an independent third party.

In June 2024, the Group disposed of its 248,431 common shares in asknet and the bond at a consideration of share consideration of 4,000,000 bearer shares of YTME. The fair value of the share consideration was EUR3,331,808 (equivalent to approximately HK\$28,172,000) and the fair values of the 248,431 common shares and the bond were HK\$Nil and HK\$16,995,000, respectively, on the completion date of 27 June 2024. A gain on disposal of the financial assets was recognised in profit or loss during the year ended 31 December 2024.

In December 2025, YTME increased its capital from 72,013,566 bearer shares to 190,426,824 bearer shares. Since then and as at 31 December 2025, the shares held by the Group was diluted which represented approximately 7.352% (14,000,000 shares) of the total issued bearer shares of YTME.

- (d) In January 2025, the Group as purchaser entered into a bond purchase agreement with a seller, pursuant to which the Group agreed to purchase and the seller agreed to sell 1,000 notes (“Nobias Notes”) in total principal amount of EUR1,000,000 issued by Nobias at cash consideration of EUR1,000,000 (equivalent to approximately HK\$8,140,000). The Nobias Notes are unlisted, bearing coupon interest at the fixed rate of 5.0% per annum payable semi-annually with maturity date on 25 July 2026. The bond purchase was completed in February 2025.
- (e) In May 2025, the Group entered into a bond purchase agreement with Nobias, to acquire another 1,000 Nobias Notes in total principal amount of EUR1,000,000 at cash consideration of US\$1,000,000 (equivalent to approximately HK\$7,849,000). The Nobias Notes are unlisted, bearing coupon interest at the fixed rate of 5.0% per annum payable semi-annually with maturity date on 25 July 2026. The bond purchase was completed in June 2025.

The seller granted the Group an irrevocable and unconditional right to sell the Nobias Notes back to the seller (the “Put Option”) at the Put Option purchase price of US\$1,000,000 (equivalent to approximately HK\$7,849,000). The Put Option is exercisable by the Group within the period from 27 October 2025 to 31 October 2025, and has been expired as at 31 December 2025.

- (f) Information of the financial assets measured at FVTPL classified as non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Listed equity securities outside Hong Kong, at fair value	96,658	120,170
Financial assets measured at FVTPL	96,658	120,170

The movements of the Group’s financial assets measured at FVTPL classified as non-current assets were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	120,170	31,719
Additions	-	106,195
Fair value (loss)/gain recognised in profit or loss	(38,476)	6,031
Disposals	-	(16,995)
Exchange realignment	14,964	(6,780)
As at 31 December	96,658	120,170

The above investments are classified as non-current because the management expects to realise these financial assets after twelve months after the reporting period.

The fair value of the listed equity securities is determined based on the quoted market closing prices available on the relevant stock exchanges at the end of the reporting period.

(g) Information of the financial assets measured at FVTPL classified as current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unlisted corporate bonds outside Hong Kong, at fair value	<u>18,670</u>	<u>-</u>

The movements of the Group's financial assets measured at FVTPL classified as current assets were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	-	-
Additions	15,989	-
Fair value gain recognised in profit or loss	1,417	-
Exchange realignment	1,264	-
As at 31 December	<u>18,670</u>	<u>-</u>

13. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current portion:		
Deposits (<i>Note (i)</i>)	<u>4,888</u>	<u>8,319</u>
	<u>4,888</u>	<u>8,319</u>
Current portion:		
Trade receivables (<i>Notes (i) and (ii)</i>)	83,740	61,226
Consideration receivables (<i>Notes (i) and (iv)</i>)	-	15,538
Other receivables (<i>Notes (i) and (iii)</i>)	10,279	10,931
Deposits (<i>Note (i)</i>)	5,627	1,311
Prepayments	<u>8,655</u>	<u>9,379</u>
	<u>108,301</u>	<u>98,385</u>
Total trade receivables, other receivables and prepayments	<u>113,189</u>	<u>106,704</u>

Notes:

- (i) The Directors consider that the carrying amounts of trade receivables, consideration receivable, other receivables, and deposits approximate their fair values as at 31 December 2025 and 2024.

- (ii) The Group normally allows an average credit period of 30 to 45 days (2024: 30 to 45 days) to trade customers. The ageing analysis of the Group's trade receivables, net of allowance of impairment losses, based on the invoice date as of the end of reporting period, is as follows:

	2025	2024
	HK\$'000	HK\$'000
0 to 30 days	69,650	44,914
31 to 60 days	8,393	6,747
61 to 90 days	-	2,217
91 to 365 days	3,167	6,583
Over 365 days	2,530	765
	83,740	61,226

No interest is charged on trade receivables.

- (iii) Other receivables mainly represent advance to third parties and value-added tax recoverable.
- (iv) Consideration receivables as at 31 December 2025 comprised:

- (a) The second to the fifth instalments of the deferred cash consideration due from an independent third party arising from the disposal of subsidiaries during the year ended 31 December 2023 amounted to US\$2,000,000 (equivalent to HK\$15,538,000) (2024: US\$2,000,000 (equivalent to HK\$15,538,000)). The amounts are unsecured, interest-free and repayable as to US\$1,000,000 (equivalent to HK\$7,831,000) in 2024 and as to US\$1,000,000 (equivalent to HK\$7,831,000) in 2025. Repayment of US\$2,000,000 (equivalent to HK\$15,538,000) was fully received during 2025.
- (b) The second and the third instalments of the deferred consideration from disposal of subsidiaries amounted to HK\$68,000,000 in 2020. The amounts are secured by the 22.29% equity interests of the Lead Turbo Group, interest-free and repayable on the first and the second anniversary dates of the completion date of the disposal (i.e. 31 July 2021 and 2022).

The Directors are of the opinion that, after taking into account the overdue status on the debt from the purchaser and the recoverable amount of the pledged equity interests of the Lead Turbo Group, accumulated impairment loss of HK\$68,000,000 (2024: HK\$68,000,000) has been made as at 31 December 2025.

14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	228,561	38,086
Other payables	48,348	55,744
Interest payables	53,974	37,720
Accruals	55,206	44,006
Total trade payables, other payables and accruals	386,089	175,556
Less: current portion	<u>(293,741)</u>	<u>(175,556)</u>
Non-current portion (Note)	<u>92,348</u>	<u>-</u>

Trade payables are non-interest bearing and are normally settled within 30-180 days (2024: 30-180 days).

The Directors consider that the carrying amounts of trade payables, other payables and accruals approximate their fair values as at 31 December 2025 and 2024.

Note: Amount represented trade payables due to a shareholder of the Company in connection with the Group's trading business, which are not repayable within 12 months from end of reporting period.

The ageing analysis of the Group's trade payables based on invoice date as of the end of reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	125,935	19,548
31 to 60 days	60,664	10,110
61 to 90 days	11,892	1,865
91 to 365 days	26,039	1,904
Over 365 days	4,031	4,659
	<u>228,561</u>	<u>38,086</u>

15. CONTINGENT LIABILITIES

- (a) A wholly-owned subsidiary of the Company based in the United States (the “US Subsidiary”) has been acknowledged by several clients in the USA in connection with the possible indemnification of losses suffered by these clients as a result of their involvements in other lawsuits (the “Other Lawsuits”) filed by a claimant (the “Claimant”) against these clients. This Claimant had dispute over ownership of certain physical equipment and intellectual property (the “Disputed IP”) with the original owner (the “Original Owner”) and a court in the USA concluded that the Claimant owns the Disputed IP on 11 August 2017. The Group had used these Disputed IP under a licence from the Original Owner and completed certain visual effect projects for these clients.

The US Subsidiary submitted these indemnity requests to one of its insurance companies that may provide insurance coverage for indemnity claims brought against it. The insurance company believed that coverage was no longer existed under the insurance policy but would continue to negotiate with the US Subsidiary about contributing to the defence of the clients in the Other Lawsuits.

On 20 January 2022, Claimant, US Subsidiary’s clients, US Subsidiary and its insurance company commenced a settlement process through a neutral third-party mediator. The insurance company initially acknowledged its obligation to provide a defence for the US Subsidiary’s clients, but subsequently communicated to the US Subsidiary that it no longer believed that coverage existed under the insurance policy but would continue to negotiate with the US Subsidiary about contributing to the defence of the clients in the Other Lawsuits.

On 26 August 2024, ruling on a post-trial motion brought by US Subsidiary’s client, the trial court decided that the jury did not have sufficient evidence to render a verdict that US Subsidiary’s client was liable to Claimant and ruled that the judgment will be entered in favour of US Subsidiary’s client and that Claimant would not be entitled any relief. Claimant has initiated an appeal of the decision to the United States Court of Appeal for the Ninth Circuit, which is now pending. On 4 June 2025, this appellate court heard oral argument on the appeal and will issue its written decision on the appeal in due course.

No specific monetary amount has been identified in the indemnity requests by these clients. The insurance company and the US Subsidiary are continuing their discussion with respect to whether, and to what extent the insurance company will pay the defence costs of the US Subsidiary’s clients in the Other Lawsuits.

As at 31 December 2025, the litigation of Other Lawsuits is still ongoing.

No provision for the indemnity has been recognised for the year ended 31 December 2025 (2024: Nil) as, in the opinion of the Directors, the Group may or may not require a significant outflow of resource for the indemnification. There is no present obligation of cashflow on this matter as at 31 December 2024 and 2025.

- (b) On 21 April 2022, the Claimant filed a lawsuit against one of the US Subsidiary’s clients and its affiliates’ copyright infringement against those entities with respect to two films that are not part of the Other Lawsuits (the “New Lawsuit”). However, the US Subsidiary did not use the Disputed IP on either of these films. The court has on four separate motions to dismiss by US Subsidiary’s Clients dismissed the New Lawsuit on the grounds that the facts, as pleaded, in the lawsuit did not give rise to legally-actionable claims, but in each instance gave Claimant an opportunity to amend the New Lawsuit to rectify the defects that it has identified. Claimant has now had six opportunities to amend the New Lawsuit in order to state legally-actionable claims. Claimant filed its Fifth Amended Complaint on 24 January 2025. US Subsidiary’s clients have again moved to dismiss this latest attempt, which is scheduled for hearing on 22 May 2025. Until court decides whether to dismiss the New Lawsuit, no further action in the New Lawsuit will take place.

No provision for the indemnity has been recognised for the year ended 31 December 2025 (2024: Nil) as, in the opinion of the Directors, the Group may or may not require a significant outflow of resource for the indemnification. There is no present obligation of cashflow on this matter as at 31 December 2024 and 2025.

16. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the end of reporting period.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK\$Nil).

REVIEW AND OUTLOOK

FINANCIAL AND BUSINESS REVIEW

During the year ended 31 December 2025, the Group achieved revenue of HK\$777,252,000 (2024: HK\$625,830,000), an increase of approximately 24 % from the previous year. The gross profit of the Group amounted to HK\$129,341,000 (2024: HK\$127,437,000) during the year under review, showing an increase of approximately 1 %. The increase in turnover and gross profit were attributable to the media entertainment and trading segments. As at 31 December 2025, the total assets of the Group amounted to HK\$1,145,686,000 (as at 31 December 2024: HK\$1,066,311,000). The loss attributable to the owners of the Company for the year was HK\$257,345,000 (2024: HK\$300,275,000). The loss for the year was approximately HK\$265,854,000 (2024: HK\$312,299,000). The loss for the year was mainly caused by:

- (i) the recognition of non-cash outflow expenses, including:
 - (a) amortisation and depreciation expenses excluding depreciation related to Right-of-use Assets amounted to the value of HK\$43,190,000 (2024: HK\$47,620,000);
 - (b) the impairment losses on goodwill and intangible assets attributable to a cash generating unit (CGU) of HK\$36,035,000 (2024: HK\$ Nil);
 - (c) fair value loss on financial assets measures at fair value through profit or loss of HK\$37,059,000 (2024: gain of HK\$6,031,000);
 - (d) equity-settled share-based payments for the share options granted during the year to the value of HK\$7,568,000 (2024: HK\$26,863,000)
- (ii) administrative and other project expenses; and
- (iii) operating losses from the media entertainment segment.

MEDIA ENTERTAINMENT SEGMENT

During the year under review, this segment recorded a revenue of approximately HK\$679,120,000 (2024: HK\$541,055,000) and incurred a loss of approximately HK\$123,928,000 (2024: HK\$97,703,000). The loss included (i) impairment loss on goodwill and related intangible assets (if applicable) of HK\$36,035,000 (2024: Nil) and (ii) research and development costs relating to AI and VH technology incurred during the year under review.

“The earnings before interest, tax, depreciation and amortisation (EBITDA)” of the media entertainment segment (including impairment loss on goodwill and related intangible assets (if applicable) of HK\$36,035,000 (2024: Nil)) for the year ended 31 December 2025 were a loss of HK\$45,858,000 (2024: loss of HK\$11,875,000). EBITDA is not a standard measure under the Hong Kong Financial Reporting Standards (HKFRS) but is a widely used financial indicator of a company’s operating performance. EBITDA should not be considered in isolation or be construed as an alternative to cash flows, net income or any other measure of performance, or as an indicator of the Group’s operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA for the media entertainment segment is calculated based on the loss of the segment for the period but does not account for taxes, interest expenses, depreciation (of the segment’s property, plant and equipment) and amortisation charges (on the segment’s intangible assets).

A. Visual Effects Production and Post-Production Business

This segment offers a range of visual effects (VFX) production and post-production services. These services include visualisation, pre-visualisation, post-visualisation, visual effects, computer graphics (CG), animation, motion capture, facial capture, virtual production, real-time game engine production, live-action filming, editing, design, and finishing. Our clients include major motion picture studios, networks, streaming services, advertisers, brands, and game developers.

Digital Domain North America (“DDNA”) – The United States of America and Canada:

The following list of recent awards and nominations offers recognition for Digital Domain’s artists and technology:

Australian Effects & Animation Festival (AEAF) Awards

Digital Domain was named a finalist in multiple categories at the 2025 AEAF Awards, acknowledging the exceptional work of our teams across film and television. In the Feature Film Sequence category, our work on “*Captain America: Brave New World*” (“The Dogfight” sequence) and “*A Minecraft Movie*” (“Piglins vs The Iron Golems” sequence) received nominations. Additionally, “*The Electric State*” was recognised in the Feature Films VFX category, and “*Agatha All Along*” was named a finalist in the TV Series category.

70th Filmfare Awards

Digital Domain earned a nomination for Best VFX at the 70th Filmfare Awards 2025 for its visual effects work on “*Stree 2*”.

Annie Awards

For the Annie Awards, Digital Domain submitted our team's extensive animation work on the robots featured in "*The Electric State*", and we also look forward to 2026 submissions.

Visual Effects Society (VES) Awards

Digital Domain submitted several of our recent projects for consideration to the upcoming VES Awards, including "*The Electric State*", "*The Fantastic Four: First Steps*", and "*The Wizard of Oz at Sphere*". For "*The Electric State*", we entered our work on **Herman the robot** in Category 9: Outstanding Character in a Photoreal Feature, and our compositing and lighting work in Category 20: Outstanding Compositing & Lighting in a Feature. For "*The Fantastic Four: First Steps*", we submitted in Category 24: Emerging Technology, highlighting our groundbreaking **Masquerade3** technology. We also partnered with ILM on a joint submission for the creation of "*The Fantastic Four: First Steps*" **The Thing** in the **Outstanding Character** category. Lastly, for "*The Wizard of Oz at Sphere*", we submitted our tornado sequence in Category 17: Outstanding Effects Simulation. We were nominated and ultimately won in this category, alongside our collaborators from Warner Bros., Magnopus, Google, and Sphere.

Telly Awards

The Digital Domain team also submitted its visual effects work to the Telly Awards. Entries include "*The Fantastic Four: First Steps*" in the Craft: Use of Motion Capture category for our work on **The Thing**, "*The Electric State*" in Craft: Character Design for our creation of **Herman**, and "*Captain America: Brave New World*" in Craft: Visual Effects for the dogfight sequence. Telly Award winners will be announced on 2 June 2026.

Fast Company Most Innovative Company Awards

We are actively pursuing new opportunities for company-wide recognition that align with our strategic objectives. In September, we entered the **Fast Company Most Innovative Company Awards** and Digital Domain has been named No.7 in North America list at the end of March, 2026. Our submission highlighted our advanced production technology, particularly the innovations behind **Masquerade3** and its use in "*The Fantastic Four: First Steps*".

The artists of Digital Domain 3.0, Inc. ("DD3I"), a subsidiary of the Company, have provided VFX services for work including:

- VFX Supervisor, Mr. Joel BEHRENS, completed work alongside production VFX Supervisor, Mr. Matthew BUTLER on the Russo Brothers' and Netflix film, "*The Electric State*".
- VFX Supervisor, Mr. Hanzhi TANG and his team completed work on the Marvel film, "*Captain America: Brave New World*". For the film, the Digital Domain team worked on the intense battle in the sky and developed a new Cloud Shader tool, a task that took nearly three months to perfect, enabling them to produce stylised clouds that matched the film's look and feel.

- VFX Supervisor, Mr. Nikos KALAITZIDIS and his team completed work on the Chinese film “*Creation of the Gods II: Demon Force*” one of the most successful releases during the Lunar New Year. In addition, Mr. KALAITZIDIS and his team also contributed to Marvel Studios’ and Walt Disney Studios Motion Pictures’ “*Thunderbolts**”, another box office success and fan favourite that the Digital Domain team worked on 2025.
- VFX Supervisor, Mr. Jay BARTON and his team completed work on Apple Original Films’ and Skydance Media’s “*Fountain of Youth*”, which became a streaming success on AppleTV+.
- VFX Supervisor, Mr. Jan Philip CRAMER and his team completed work on the Marvel Studios’ and Walt Disney Studios Motion Pictures’ highly anticipated film, “*Fantastic Four: First Steps*”, which was released globally in theatres on 25 July 2025.
- VFX Supervisor, Mr. Alexandre MILLET and his team completed work on “*The Conjuring: Last Rites*”, the final film in the Conjuring series produced by New Line Cinema and Warner Bros. Mr. MILLET and his team collaborated closely with Digital Domain VFX Supervisor Mr. Scott EDELSTEIN, who served as the overall VFX Supervisor on the film.
- VFX Supervisor, Mr. Dave HODGINS and his team have completed work on Apple Original Films’ and Skydance Media’s “*Way of the Warrior Kid*”. The film will premiere globally on 20 November 2026 on Apple TV.
- The Digital Domain team is also collaborating on several unreleased projects with partners including Skydance Media, Apple Original Film, Marvel Studios, Walt Disney Studios Motion Pictures, Searchlight Pictures, Legendary Entertainment, Netflix, Universal Pictures/Amblin Entertainment, and Warner Bros Entertainment.

Digital Domain’s visual effects teams have completed work on several episodes for hit television and streaming shows such as:

- VFX Supervisors Mr. Nikos KALAITZIDIS and Mr. Mitch DRAIN, along with their team completed work on the HBO Original Series “*IT: Welcome to Derry*”, a prequel to the “*IT*” horror films. The series achieved the third-biggest debut in HBO history, averaging roughly 10.7 million global viewers per episode and holding the #1 spot in 45+ countries.
- The Digital Domain team is also collaborating on several unreleased projects with partners, including HBO and Skydance Media.

Digital Domain's visualisation studio provided previsualisation services for features and shows such as:

- Walt Disney Studios Motions Pictures' & Marvel Studios' *Captain America: Brave New World and Thunderbolts**
- AGBO & Netflix's *Electric State*
- New Line Cinema's & Warner Bros.' *The Conjuring: Last Rites*
- Warner Bros.' *Godzilla x Kong: Supernova*
- Abu Dhabi Film Commission's & Lionsgate's *Now You See Me: Now You Don't*
- Upcoming projects with **Universal Pictures, Marvel Studios & Walt Disney Studios Motion Pictures, Marvel Studios & Sony Pictures, and Skydance Media & Apple TV+**

The team also provided motion capture services for a number of projects including:

- The upcoming action-adventure game "*Marvel 1943: Rise of Hydra*" in collaboration with Skydance Games
- A new game in collaboration with a Japanese game developer
- Upcoming films with clients including Universal Pictures/Amblin Entertainment and Legendary Entertainment film
- Several game projects with AAA game companies

We provided VFX services for advertisements, special venue projects and games. Work completed in 2025 includes:

- On 7 January 2025, Digital Domain was proud to have created and delivered visuals that captivate and inspire for the first **CES** keynote ever hosted at the **Las Vegas Sphere**, for **Delta Air Lines**, honouring the airline's legacy of innovation over the past century while looking ahead to the company's vision for the future. For this project, the Digital Domain team created several immersive scenes, including a runway take-off, an airplane cockpit, an airplane landing, Earth visuals, and fireworks.
- Digital Domain collaborated with **EOS IT Solutions** to create a film for **the U.S. Conference of Mayors' 93rd Annual Meeting**, illustrating the impact of hurricane-induced flooding and how Miami's first responders and city infrastructure would react to such an extreme weather event. To bring these visuals to life, our team used our proprietary technology and additional AI tools to illustrate what severe flooding could look like if it happened in the city.
- Digital Domain proudly contributed to "*The Wizard of Oz*" at **Sphere**, a groundbreaking immersive environment of the iconic 1939 film for the Sphere's one-of-a-kind living experience that surrounds the audience, on a screen nearly 300 feet high and wrapping 180 degrees around them. In collaboration with Warner Bros. Discovery, Google, and Magnopus, the Digital Domain team helped bring the reimagining of this classic to life.

Possible Indemnification

A wholly-owned subsidiary of the Company based in the United States (the “US Subsidiary”) has used a combination of physical equipment and intellectual property to record images of human faces (the “Disputed IP”). The Disputed IP is one of several different technologies available to capture elements of a human face prior to visual effects enhancements that create the final image. The US Subsidiary’s use of the Disputed IP had been under a 2013 license from an unaffiliated company based in the PRC (the “Original Owner”).

In 2014, a dispute over the ownership of the Disputed IP between the Original Owner and another company based in the United States (the “Claimant”) resulted in the filing of a lawsuit (the “Lawsuit”) in the United States District Court, Northern District of California. Neither the Original Owner nor the Claimant is a member company of the Group. Another subsidiary of the Company agreed in 2015 to purchase the Disputed IP. The completion of the transfer of such Disputed IP is subject to the favourable outcome of the Lawsuit. On 11 August 2017, the court issued a statement of decision which concluded that the Claimant owned the Disputed IP. The US Subsidiary had already used alternative technologies. On appeal of the statement of decision, the court of appeal upheld the decision of the trial court that the Claimant was the owner of the Disputed IP.

During 2017, the Claimant filed four separate lawsuits against certain clients of the US Subsidiary relating to the use of the Disputed IP for certain visual effects projects that the US Subsidiary had completed (the “Other Lawsuits”). The US Subsidiary’s clients filed a number of separate motions to dismiss all or portions of the lawsuits brought against them. In response to these motions, the court dismissed a significant portion of the claims, but allowed the Claimant to proceed with litigation on the remaining portion of the claims with respect to only one of the seven motion pictures (the “Picture”) that were originally part of the lawsuit for unspecified monetary damages. The case concerning the other six motion pictures was stayed pending the conclusion of the trial of the Other Lawsuits concerning the Picture.

The jury trial of the Other Lawsuits concerning only the Picture commenced on 4 December 2023. In accordance with the jury’s verdict after the close of evidence, in April 2024 the court issued Findings of Fact and Conclusions of the Law, stating that Claimant was entitled to US\$250,638 in compensatory damages and US\$345,098 for disgorgement of the Picture’s profits. On 26 August 2024, ruling on a post-trial motion brought by US Subsidiary’s client, the trial court decided that the jury did not have sufficient evidence to render a verdict that US Subsidiary’s client was liable to Claimant and ruled that the judgment will be entered in favour of US Subsidiary’s client and that Claimant would not be entitled any relief.

Claimant has initiated an appeal of the decision concerning only the Picture to the United States Court of Appeal for the Ninth Circuit. On 11 September 2025, this appellate court issued its written decision in which it (1) reinstated the jury’s finding that Claimant was entitled to US\$250,638 in compensatory damages and US\$345,098 for disgorgement of the Picture’s profits and (2) rejected all of Claimant’s arguments requesting either a new trial or a larger monetary damage award. This decision concludes the litigation of the Other Lawsuits concerning only the Picture.

On 3 June 2024, Claimant and US Subsidiary’s clients concluded a confidential settlement which resulted in the dismissal of the Other Lawsuits to the extent that it concerned the other six motion pictures. Accordingly, the litigation of the Other Lawsuits is now concluded.

On 21 April 2022, the Claimant filed a lawsuit against one of the US Subsidiary's clients and its affiliates' copyright infringement against those entities with respect to two films that are not part of the Other Lawsuits (the "New LawsUIT"). However, the US Subsidiary did not use the Disputed IP on either of these films and US Subsidiary is not a party to the New LawsUIT. The court has on four separate motions to dismiss by US Subsidiary's Clients dismissed the New LawsUIT on the grounds that the facts, as pleaded, in the lawsuit did not give rise to legally-actionable claims, but in each instance gave Claimant an opportunity to amend the New LawsUIT to rectify the defects that it has identified. Claimant had six opportunities to amend the New LawsUIT in order to state legally-actionable claims. The court denied US Subsidiary's Client's motion to dismiss Claimant's sixth attempt to state legally-actionable claims. The parties in the New LawsUIT are initiating the discovery process.

In its production services agreements for the films that are the subject to the Other Lawsuits, the US Subsidiary agreed to certain indemnification obligations with respect to claims brought against these clients arising from allegations that the technology it used was not properly licensed or acquired. As a result, these clients have requested that the US Subsidiary acknowledge its obligation to indemnify them for any losses suffered as a result of their involvement in the Other Lawsuits. The US Subsidiary has submitted these indemnity requests to one of its insurance companies that may provide insurance coverage for indemnity claims brought against it. The insurance company initially acknowledged its obligation to provide a defence for the US Subsidiary's clients, but subsequently communicated to the US Subsidiary that it no longer believed that coverage existed under the insurance policy but would continue to negotiate with the US Subsidiary about contributing to the defence of the clients in the Other Lawsuits. On 23 May 2024, US Subsidiary filed a lawsuit against the insurance company seeking a judicial declaration that the insurance company is required to provide insurance coverage for the indemnity claims brought against it with respect to the Other Lawsuits and monetary damages (the "Insurance Coverage LawsUIT"). The parties are conducting pre-trial discovery in the Insurance Coverage LawsUIT, but the trial date has not been scheduled.

In its production services agreements for the films that are subject of the New LawsUIT, the US Subsidiary agreed to certain indemnification obligations with respect to claims brought against these clients arising from allegations that the technology it used was not properly licensed or acquired. As a result, these clients have requested that the US Subsidiary acknowledge its obligation to indemnify them for any losses suffered as a result of their involvement in the New LawsUIT. The US Subsidiary has denied that it is obligated to indemnify these clients on the grounds that the US Subsidiary did not use the Disputed IP during the production of the motion pictures that are subject of the New LawsUIT and thus did not breach a warranty to the clients. US Subsidiary also submitted these indemnity requests to one of its insurance companies that may provide insurance coverage for indemnity claims brought against it with respect to the New LawsUIT, but the request for insurance coverage was denied on the grounds that all claims arising from the Disputed IP were specifically excluded from coverage. In the Insurance Coverage LawsUIT, US Subsidiary is also seeking a judicial declaration that the insurance company is required to provide insurance coverage for the indemnity claims brought against it with respect to the New LawsUIT and monetary damages.

Digital Domain China:

With the establishment of Digital Domain China (“DD China”), the Group has a strong operating platform in China.

DD China provides VFX production and post-production services for commercials, TV drama series, and feature films in China, including offline and online editing, compositing, colour grading, design, music and audio, CG and VFX production. It also provides production services for commercials and feature films.

Visual effects and colour grading services delivered for feature films and episodic this year include “*Ling Cage II*”.

DD China continues to provide post-production and production services (e.g. shooting, editing, colour grading and music production) for various high-profile clients, including: *A2, Aptamil, BYD, CLEAR, Dove, Dragon TV, ELIXIR, Estée Lauder, Head & Shoulders, HONOR, HUAWEI, JD.com, Kinder, KOHLER, La Mer, Li Auto, Little Dream Garden, L’Oréal Paris, McDonald’s, MediaTek, MEIZU, Nexus, Paper Animation, Roborock, Singapore Changi Airport, Sprite, Tencent Games “Strongest NBA”, Tencent Games “The Hidden Ones”, Transsion, vivo, and YANGWANG.*

Digital Domain India:

In the first half of 2025, Digital Domain India (“DD India”) continues to be a key contributor to the global VFX operations of Digital Domain, with a primary focus on supporting Digital Domain North America. The team successfully delivered high-quality visual effects (VFX) services for major theatrical releases including “*The Fantastic Four: First Steps*”, “*Captain America: Brave New World*”, “*A Minecraft Movie*”, “*Fountain of Youth*”, “*The Conjuring: Last Rites*”, “*IT: Welcome to Derry*”, “*Way of the Warrior Kid*”, and “*The Wizard of Oz*”.

Going forward, DD India will continue to strengthen its sales efforts in the local and broader Asian markets by offering Digital Domain’s diverse service portfolio and advanced technical expertise to secure a wider and more diversified client base. As part of the Group’s overall growth strategy, Digital Domain will continue to invest in DD India’s talent development and infrastructure, enabling the delivery of higher-value work. This approach supports competitive pricing for clients while enhancing overall margins across the global VFX business.

DD India provides end-to-end VFX services across platforms for features, television, web-based content and over-the-top (OTT) platforms. Data security remains a top priority for the Company. DD India is a Trusted Partner Network (TPN) certified facility, a joint initiative of the Motion Picture Association (MPA) and the Content Delivery & Security Association (CDSA), the global leaders in third-party content security assessments. In addition, DD India maintains content security certifications from Walt Disney Studios Motion Pictures (Disney) and Marvel Studios, LLC (Marvel).

B. New Media and Virtual Human Business

The Group remains strongly committed to business development in the area of virtual human technology and continues to seek opportunities for financing and collaboration with strategic partners, and the recruitment of appropriate global talent.

Digital Domain’s Virtual Human Group (“VHG”) in North America – research and development aided multiple projects and resulted in new developments in 2025:

- **Masquerade3:** Digital Domain’s “Masquerade3”, a groundbreaking markerless facial capture system, was used extensively on Marvel Studios’ and Walt Disney Studios Motion Pictures’ “*The Fantastic Four: First Steps*”, further revolutionising the facial capture process for the film. Our work utilising Masquerade3 has been submitted to several awards, including the Visual Effects Society (VES) Award, Telly Awards, and Inc. Best in Business Award.
- **ML Cloth:** Our VES-nominated ML-Cloth tool was deployed at scale on Marvel Studios’ “*Captain America: Brave New World*”.
- **Charlatan:** The face-swapping tool, Charlatan, “*Thunderbolts**” marked the first time the technology was used to assist in replacing an actor’s body, including hair and costume, pushing the technology beyond facial replacement and into full-body digital performance blending.
- **Flex:** Flex is Digital Domain’s modular simulating muscle system, which is built to be fitted to high detail CG humanoid and animal characters for quick asset development. The tool provides realistic muscle, fat and skin motion, and has been built to incorporate our proprietary AI/Machine Learning Deformation System. It is currently being used on two feature films that have not yet been announced.

VHG participated in several events this year, including:

- VHG Software Developer, Mr. Jose SERRA, had his **SIGGRAPH** submission accepted. During the talk, Mr. SERRA discussed how Digital Domain’s video-driven animation transfer technique was improved by introducing automatic corrections as a post-process optimisation. Using this approach, we minimise the difference between our face swap model output (extended for light invariance) and predict animation parameters in a differentiable pipeline. The method is now being integrated into Digital Domain’s facial capture workflow.

The Greater China Region:

The virtual human team of the Greater China region participated in several events or projects (including those with business partners):

- In March 2025, Digital Domain announced the launch of a comprehensive collaboration with **TOPPAN Holdings Inc.**, and to work together in the field of virtual humans, utilising high-resolution data gathered from biometric scanning of real individuals.
- At the 2025 Smart City Summit and Expo, Digital Domain debuted its **AI Smart Bartender**, showcasing how **Momentum Cloud** integrates speech recognition, recommendation logic, and device control to enable virtual human-led smart retail experiences. The demo featured a voice-driven cocktail scenario, guiding users from conversation and personalised recommendations to real-time beverage preparation.

Co-developed with **Ennoconn Technology** and **Limbot Technology**, the project combined Ennoconn’s IPC, Limbot’s automated cocktail dispenser, and Digital Domain’s virtual human interface. The collaboration delivered an end-to-end solution linking semantic understanding, process flow, and device coordination.

Built for flexibility, **Momentum Cloud** supports modular deployment, real-time voice integration, and high-fidelity rendering. It can operate as a standalone solution or integrate with POS and automation systems, highlighting Digital Domain's strength in integrating voice and device technologies for deployable, scalable retail solutions with strong brand and channel collaboration potential.

- From 20 to 23 May 2025, **COMPUTEX 2025** was held in Taipei. This year, Digital Domain once again partnered with ADATA Technology—one of the world's top memory module brands—to create a fresh brand video for its gaming brand, XPG, using next-gen virtual human technology.

The collaboration centres on **XPG's brand ambassador "Mera"** brought to life through high-fidelity virtual character rendering that vividly showcases her distinct visual style and personality. This enhances both brand recognition and emotional resonance. The video was showcased on-site at the exhibition, allowing attendees to experience the futuristic energy and brand spirit in a tangible way.

This application demonstrates the potential of virtual human technology in brand content creation and interactive experiences. It not only elevates audience engagement but also offers a richer and more imaginative approach to shaping brand identities in the gaming and tech industries.

- Digital Domain participated in the **AI Culinary Culture Innovation Expo**, presenting its **AI Smart Bartender** as a use case for virtual human adoption in the F&B sector. Co-hosted by Ennoconn Technology and Wowprime Corp., the event focused on merging food culture with AI to accelerate smarter, more personalised dining experiences. Through voice interaction and contextual recommendations, the virtual human guided guests through product discovery and enhanced brand storytelling.

This AI Smart Bartender interaction system, co-developed by Digital Domain, Ennoconn Technology, and Limbot Technology, demonstrated the feasibility and practicality of integrating AI into restaurant services. The showcase not only aligned with Ennoconn's strategy of merging AI with local culture but also underscored Digital Domain's strength in smart dining integration and its potential for broader market collaboration.

- At the **2025 HPE × NVIDIA Private Cloud Conference**, Digital Domain showcased its AI Virtual Human solution and shared insights into how Momentum Cloud is enabling enterprise applications. The demo featured a reception scenario, emphasising the strategic role of virtual humans as the front-end interface for digital services, and how they integrate voice interaction with backend systems to improve service efficiency and user experience.

Charlie PAI, Vice President of Business Development, delivered a keynote presentation on global trends in AI avatar adoption. He outlined how Momentum Cloud is now being deployed across domains such as customer service, healthcare, finance, gaming, and smart retail, supporting enterprises in optimising frontline experiences and accelerating digital transformation.

This showcase also marked a key step in the ongoing collaboration between Digital Domain and HPE. The two companies are jointly evaluating system integration between virtual humans and high-performance computing platforms, with the goal of developing scalable enterprise solutions. Built with private and hybrid cloud flexibility in mind, Digital Domain's Momentum Cloud lays a strong foundation for real-world implementation and future business collaboration.

- From 11 to 13 June 2025, Digital Domain supported its partner **ReadSpeaker**, a global leader in AI voice solutions, in presenting an intelligent service solution at **Interop Tokyo** in Tokyo, Japan. The showcase featured a virtual customer service assistant for public institutions, combining natural voice synthesis with virtual humans. Enabling remote reception and real-time dialogue, the system guided users through administrative procedures and attracted strong on-site engagement, highlighting new opportunities for AI-driven automation in public services.
- In 2025, **V2 Indonesia** showcased its **Virtual Human Vivi**, developed with Digital Domain's Momentum Cloud, at several major events in Indonesia. Appearing in various outfits and identities, and deployed through kiosks and hologram devices, Vivi demonstrated interactive use cases in marketing and public engagement at events such as the XLSMART Planning Session, Forum Satu Data, and APMF in Bali.

Vivi was also featured in concept proposals for a range of sectors including commercial real estate, public transportation, and banking, highlighting how virtual humans can enhance everyday services and bring AI closer to the public in both commercial and civic settings.

- From 26 to 27 May 2025, the **Asia Summit on Global Health** was held at the Hong Kong Convention and Exhibition Centre. Digital Domain was honoured to collaborate with **ACTuWISE Limited** in showcasing our AI-driven ACT mental health training systems to a distinguished audience of investors, industry leaders, and potential collaborators.

ACTuWISE Limited, founded by Dr. Connie Chong (Associate Professor at the Nethersole School of Nursing, The Chinese University of Hong Kong), was one of five teams to receive the Outstanding Project Award in the AI startup category at the Shanghai Hong Kong Innovation Project Award 2025. This recognition underscores the innovative potential of our joint efforts in applying artificial intelligence to mental health solutions.

The showcase represented a meaningful milestone in demonstrating the transformative impact of AI-powered virtual humans on the healthcare sector. Our interactive training modules—featuring realistic case simulations—enable counsellors, social workers, and other mental health professionals to build practical skills and adhere to high professional standards in a scalable, technology-enhanced environment. This initiative aligns with our broader strategy to leverage AI and digital innovation to address pressing societal needs in mental health support and training.

- On 1 July 2025, **Radio Television Hong Kong (RTHK)** reintroduced its daily weather broadcasts using **AIDA**, an AI virtual human revitalised by Digital Domain. Powered by the Momentum Cloud platform, AIDA demonstrated consistent performance and flexible application throughout the news production workflow. This project successfully validated the feasibility of AI virtual humans in public-sector institutions, significantly enhancing productivity and creativity in content creation. It also set a new precedent for the adoption of automated virtual human broadcasting solutions in public media.
- In mid-July 2025, Digital Domain announced its support for **Tszkin Chen**, then a 16-year-old teen living with Duchenne Muscular Dystrophy (DMD), a rare disease, in creating his personalised AI virtual human. Digital Domain recreated Tszkin's appearance and voice, supporting his dreams to inspire others and amplifying his impact to give back to society through a virtual presence.
- In July 2025, Digital Domain participated in the **World AI Vision Exhibition (WAVE 2025)** in collaboration with **Ennoconn Corporation**, showcasing AI virtual humans in smart dining and automated service environments. The demonstration positioned the virtual human as the primary interactive interface, integrating voice and touch interactions to guide users through personalised beverage selection while seamlessly coordinating with backend automation systems. This approach delivered consistent, intuitive service experiences, allowing on-site staff to prioritise customer engagement and experience management. The exhibit highlighted the scalability and adaptability of AI virtual humans as effective human-machine interfaces, reinforcing their potential to enhance efficiency and interaction quality in public-facing and smart retail applications.
- In September 2025, Digital Domain partnered with **CJView** to showcase their virtual humans via a Glasses-Free 3D intelligent Display all-in-one Machine, further exploring how this proprietary technology empowers consumer experiences at the **Sign China 2025**. Powered by artificial intelligence, Digital Domain's virtual humans have stepped into the consumer sector. The applications of virtual humans are rapidly expanding, demonstrating their value in hospitality and reception, education and training, elderly care, banking and insurance, public services, and beyond.
- In October 2025, Digital Domain announced a collaboration with **Set Sail AI's** enterprise-grade Agentic AI platform to jointly develop, market, and implement Agentic AI kiosk solutions. The aim is to transform industries like Contact Centres, Property Management, Retail, Education, Public Services, and Hospitality by creating immersive, AI-driven experiences that boost efficiency, elevate customer engagement, and enhance operational capabilities. With Digital Domain's visualisation capabilities and Set Sail AI's cutting-edge technology, the collaboration is set to deliver scalable solutions tailored to fast-paced industry demands.

- In October 2025, Digital Domain participated in **HPE Discover More AI**, co-hosted by **Tatung System Technologies Inc. (TSTI)** and **Hewlett Packard Enterprise (HPE)**, where **VocalFace**—Digital Domain’s AI virtual human interaction product—made its debut at an enterprise-level public event in the second half of 2025. The demonstration positioned VocalFace as an intuitive, voice-based front-end interface for enterprise AI systems, addressing key adoption challenges such as high usage barriers and fragmented service experiences. By integrating seamlessly with existing enterprise AI platforms and data ecosystems, VocalFace delivers a unified, accessible interaction layer that boosts service efficiency, enhances user experience, and minimises additional manpower needs—highlighting the product’s potential to accelerate enterprise-wide AI usability and deployment.
- In November 2025, Digital Domain participated in the forum “**Digital Resilience in a New Era: Building a Secure and Efficient IT Environment through Multi-layered Protection**”, co-organised by **Tatung System Technologies Inc. (TSTI)**, **Hewlett Packard Enterprise (HPE)**, and **AMD**. Following VocalFace’s initial public debut in the second half of 2025, the showcase demonstrated its application as a robust AI virtual human interaction product within enterprise digital services and high-availability architectures. The presentation highlighted key enterprise needs for system stability, controllability, and deployment flexibility in sustained operations, with VocalFace supporting private or hybrid cloud deployments and seamless integration into existing IT and security infrastructures. This enables enterprises to deliver stable, efficient digital service interfaces for internal and external use—enhancing operational efficiency, maintaining high reliability, and facilitating future scalability.

C. **Digital Domain staff from the global studio participated in and/or organised several events during the year:**

North America Region

- VFX Supervisor, Mr. Hanzhi TANG, participated in the **Disney/Marvel VES** screening of “*Captain America: Brave New World*” at the Harmony Gold Theatre. He also joined a Q&A session alongside members of the local LA team who worked on the film. Mr. Alessandro ONGARO, the Production Visual Effects Supervisor, was also in attendance.
- The Advertising Experiences team hosted Digital Domain’s inaugural **Brews & Views** event, an evening of conversation and networking designed to connect with production company owners, directors, and agency producers. The event was a great success, drawing over 40 attendees who had the opportunity to meet our supervisors, including Mr. Matt DOUGAN, Mr. Mitch DRAIN, Mr. Matt MCCLURG, Mr. Piotr KARWAS, Mr. Andrew ZEKO, and Mr. Nikos KALAITZIDIS; explore our capabilities; and learn more about Digital Domain’s growing slate of creative offerings.
- VFX Supervisor, Mr. Nikos KALAITZIDIS, participated in the **VES screening and panel Q&A** for “*Thunderbolts**”, which was streamed across Los Angeles, Vancouver, Montreal, and Atlanta. During the panel, Nikos represented Digital Domain and highlighted the team’s contributions to the film, including the use of Digital Domain’s proprietary face-swapping tool, Charlatan, which played a key role in seamlessly stitching characters from different plates.

- In April 2025, our software partner, **Autodesk**, held a special event where Senior Animation Supervisor Ms. Elizabeth “Liz” BERNARD was invited as the guest speaker. Liz delivered an insightful presentation to an audience of Autodesk clients, students, and industry professionals, offering a deep dive into character development and performance in “*The Electric State*”.
- Following her successful presentation with Autodesk, Ms. Elizabeth “Liz” BERNARD was invited to speak as part of their **Speaker Series** at **SIGGRAPH**. In her talk, she examined the critical role that animation and visual effects play in enhancing narrative structure, highlighting the collaborative nature of storytelling throughout “*The Electric State*”.
- As part of a presentation hosted in collaboration with **Foundry** and **Gnomon**, Digital Domain Asset Supervisor Mr. Nick COSMI shared how our texture team developed a unique workflow in Mari to bring the robot cast of “*The Electric State*” to life with realism, texture fidelity, and creativity. Held at Gnomon in Los Angeles, the presentation was delivered to students and VFX enthusiasts and was also live-streamed on YouTube.
- VFX Supervisor, Mr. Hanzhi TANG, participated in a panel hosted by **Syracuse University’s LA Extension** at the **Skirball Centre** for their film students, discussing “*Captain America*” and conducting a Q&A alongside one of the show’s writers.
- In August, Digital Domain’s Digital Producers, Ms. Allison LUONG, participated in a Q&A panel following a Los Angeles friends and family screening of “*The Fantastic Four: First Steps*”, hosted by the Visual Effects Society, Walt Disney Pictures, and Marvel Studios. The event took place on the Walt Disney Studio lot and was moderated by VES Board Member, Robin PRYBIL. Allison joined Sony VFX Supervisor, Theo BIALEK, to discuss the film’s visual effects in front of an industry audience.
- Animation Supervisor, Ms. Elizabeth “Liz” BERNARD, participated in a presentation at **Spark Animation**, where she highlighted the creative and technical animation work involved in bringing the robots of “*The Electric State*” to life.
- VFX Supervisor, Mr. Jan Phillip CRAMER, was featured as a guest speaker at Campus VFX’s industry talk series, Voices of VFX. During the session, he shared insights on career development in CG, leading high-profile VFX teams, and working on blockbuster productions.

The Greater China Region

- In February 2025, Digital Domain was invited by the **Hong Kong Monetary Authority (HKMA)** to share AI-enabled Virtual Human applications with members of the **HKMA Technology Champion Community (TCC)** from various departments and divisions. This event was facilitated by the **Hong Kong Science and Technology Parks Corporation (HKSTP)**.
- In February 2025, Digital Domain participated in the **AI in Action Career Day** organised by **HKSTP**. The booth attracted numerous participants with demonstrated interest and potential in the AI, Data, and Software fields. Digital Domain had conversations with students, fresh graduates, and experienced professionals looking to take the next step in their careers.

- On 11 March 2025, Mr. Henry HOOI, the former Acting Chairman, and Mr. William WONG, the Chief Executive Officer (CEO) of Digital Domain, were invited to the Launch of the UGC HKTEA AI Community of Practice on **Enriching Future-Ready Education with GenAI and Beyond**. Kicked off with speeches from Professor ZHANG Xiang, President and Vice Chancellor of University of Hong Kong (HKU), Henry also shared insights on how Generative AI is transforming education and shaping the future. And guests experienced real-time interaction with our Virtual Human technology which showcased the future of AI-powered engagement.
- On 13 March 2025, Digital Domain joined HPE to showcase our virtual human technology at the “**AI Partners Executives Catchup in HPE AI Lab**” to the senior executives from HPE APAC. During the event, Mr. Charlie PAI, the Vice President of Business Development, presented and shared our insights of AI virtual human technology.
- On 19 March 2025, Mr. William WONG, CEO of Digital Domain, was invited to attend the “**Century Symposium 2025**”, co-organised by the Asia Pacific Taiwan Federation of Industry and Commerce and the Bay Area Hong Kong Centre. Mr. WONG delivered a keynote speech titled “**AI Creates a New Future: How Innovation and Technology Drive Industry Transformation**”, sharing Digital Domain’s commitment to innovative technologies and how it drives development amid rapid technological change. While also moderating the “Smart Manufacturing” panel discussion alongside industry experts to explore key trends and the future of smart manufacturing.
- In March 2025, Mr. Michael FU, Visual Effects Supervisor was invited to join the jury of **2025 Golden Lion Awards**.
- In March 2025, Digital Domain unveiled its “**AI Smart Bartender**” Virtual Human application for the first time at the 2025 Smart City Summit and Expo. In collaboration with **Ennoconn** and **Limbot Technology**, the AI Smart Bartender is able to provide an end-to-end service that integrates real-time interactive ordering, personalised recommendations, and professional crafted cocktail. This initiative demonstrates smart retail innovation and aims to extend its application across diverse service scenarios in the future.
- In April 2025, as the flagship series of **South** (established by the **Nanfang Media Group** and formerly known as “**GDToday**”), **Hong Kong Stories** is dedicated to in-depth discussions with individuals who have made significant contributions or have a strong influence in innovation and technology. Mr. William WONG, CEO of Digital Domain, was invited as a guest for Season II to further explore Digital Domain’s strategic deployment on how artificial intelligence is fuelling virtual humans, visual effects, and virtualisation.
- In May 2025, Mr. William WONG, CEO of Digital Domain, and Mr. Allen CHEN, Deputy General Manager, China, sat down with **Global People** to unveil the behind-the-scenes story of **Virtual Human Teresa Teng**, as well as the opportunities and challenges in the artificial intelligence era.

- To support employment for persons with disabilities (PWDs) and promote inclusivity, **The Hong Kong Jockey Club Charities Trust** is supporting the **Jockey Club Collaborative Project for Inclusive Employment**, and Digital Domain is proud to be one of the supporters to join this program. In May 2025, Mr. William WONG, CEO of Digital Domain attended the kick-off ceremony and participated in the Market Fair 2025.
- On 19 May 2025, Digital Domain showcased its AI Virtual Human solution, highlighting its application in reception scenarios at the “**HPE x NVIDIA Private Cloud Conference 2025**”, as part of the ongoing collaboration between Digital Domain and HPE. Mr. Charlie PAI, Vice President of Business Development, was also invited to deliver a keynote speech on global trends in AI Virtual Human applications, and their impact on user experience and digital transformation.
- On 19 May 2025, Digital Domain was invited to participate in the “**AI Culinary Culture Innovation Expo**”, co-hosted by **Ennoconn Technology** and **Wowprime Group**. Digital Domain showcased its **AI Smart Bartender** as a use case demonstrating the business potential of virtual humans in the F&B sector, and to highlight Digital Domain’s integrated capabilities and innovation in smart dining and F&B applications.
- Invited by the **Faculty of Medicine, CUHK**, Digital Domain showcased our **AI mental health solutions** at the Asia Summit on Global Health on 26 May 2025. Professor Connie CHONG (Assistant Professor at The Nethersole School of Nursing, Founder and CEO of ACTuWISE Limited) shared her insight of using technology to support and advance the delivery of Acceptance and Commitment Therapy, she also emphasised that Digital Domain’s virtual human solution may help in establishing an AI-driven training platform for ACT-based mental health advisory system.
- In May 2025, in the podcast series launched by the **China Computer Federation** (and its Technical Committee on CAD/CG), Mr. Michael FU, Visual Effects Supervisor, discussed how artificial intelligence is reshaping the creative landscape.
- On 30 May 2025, Digital Domain joined the **Ingram Micro x Hewlett Packard Enterprise: AI Ecosystem Partner Event**. In the session of “**Beyond Avatars: Scaling AI Virtual Humans for Seamless Interaction**”, our representative shared our views with AI ISV partners and IT infrastructure leaders, on how AI-driven virtual humans can transform engagement across industries.
- On 9 June 2025, Digital Domain participated in the “**Mobility & Logistics Innovations Matching Day**”, hosted by the Hong Kong Science & Technology Parks Corporation (HKSTP). This event brought together industry leaders and tech innovators to discuss cutting-edge advancements in mobility and logistics. Our team showcased Digital Domain’s Virtual Human technology, and shared insights on how immersive digital solutions can transform the future of the sector.
- On 20 June 2025, Digital Domain joined HKSTP to pitch our Virtual Human solution to the **Hospital Authority’s Executive Leadership Program**. There are around 40 visionary future leaders from the Hospital Authority in attendance, including Chief of Service, Consultant Doctors, and Nursing Managers. During the event, we showcased our innovative technology and explained how it can revolutionise the healthcare landscape and make a profound impact on patient care.

- In July 2025, Digital Domain announced the partnerships with educators from **The University of Hong Kong (HKU)**, **City University of Hong Kong (CityUHK)**, and **Hong Kong Design Institute** to nurture talent while driving innovation in emerging technologies, building upon its expertise in virtual humans, visual effects, and visualisation.

In the project named “**Voices Beyond the Physical: A Framework for Using Virtual Humans to Advance Equity and Inclusion in Schools**”, Digital Domain collaborated with Prof. Cecilia K.Y. Chan, Professor in the Faculty of Education and the Teaching and Learning Innovation Centre (TALIC) at HKU, by providing virtual human technology development, infrastructure, and creative support to promote AI education, inclusive learning, and research on teaching methods in line with ESG principles.

Digital Domain also inaugurated a training program in collaboration with Prof. Jianping Wang from the College of Computing at CityUHK, offering students internship opportunities, including participating in virtual human development, training generative AI models, and collaborating with Digital Domain’s experts to deepen AI application capabilities.

In addition, Digital Domain launched an internship program with the Department of Digital Media at Hong Kong Design Institute, where outstanding students will be selected to participate in hands-on projects at Digital Domain’s Shanghai studio.

- In July 2025, **iFeng.com** spoke with Mr. William WONG, Digital Domain Chairman of the Board, about artificial intelligence’s game-changing role in the creation of entertainment-related experiences.
- In July 2025, Digital Domain was invited to attend an event of **Ingram Micro’s “Unlocking Big Wins: How AI Transforms Data into Strategic Success”**, together with **iMBrace**, **Nvidia** and **Just International Group** on “How to Integrate Enterprise AI into Your IT Projects and Boost Sales”. The forum explored critical themes around corporate governance, compliance, and the responsible deployment of AI at scale.
- In July 2025, Digital Domain participated in the “**Mainland F&B, Retail, and Creative Enterprises Leverage Hong Kong Listing for New ‘Go Global’ Opportunities Seminar**”, organised by **Invest Hong Kong (InvestHK)**. Mr. William WONG, Chairman of the Board of Digital Domain, was engaged in an insightful discussion with Ms. Doris FONG, Head of Creative Industries, Sports & Entertainment at InvestHK. They exchanged perspectives on Hong Kong’s capital market, its long-term growth potential, and the support available for businesses expanding globally.
- On 15 July 2025, the **Printing Technology Association of China** arranged an industry seminar in Wuhan, Hubei, spotlighting how artificial intelligence is empowering the digitalisation of the printing. As one of the guest speakers, Mr. Allen CHEN, Deputy General Manager for China, explored Digital Domain’s artificial intelligence-driven advancements via a keynote speech.
- In end of July 2025, Digital Domain participated in the “**The Future of Immersive Entertainment where Web3.0, Blockchain & AI Converge**” forum, co-hosted by **LAVA** and **Cyberport Hong Kong**. During the event, Digital Domain showcased the groundbreaking virtual human technologies, demonstrating how the fusion of AI, blockchain, and Web3.0 is redefining immersive experiences.

- On 26 to 29 July 2025, **HKSTP** was joined hands with the **Hong Kong Trade Development Council (HKTDC)** and **Cyberport** established the “**Hong Kong Pavilion**”, spotlighting nine promising companies and their cutting-edge AI solutions at the **World Artificial Intelligence Conference (WAIC)** in Shanghai. Taking place at the Shanghai World Expo Exhibition & Convention Centre, Digital Domain showcased the advancements amid the commercialisation driven by AI, with its AI-powered video creation solution.

On the other hand, the Digital Domain China team collaborated with **the Teresa Teng Foundation** to showcase the virtual human Teresa Teng in the “**Cross-Strait AI Integrated Development and Innovation Exhibition Zone**”. Digital Domain’s virtual human Teresa Teng made a stunning appearance and performed the timeless classic “The Moon Represents My Heart”.

- In August 2025, Digital Domain successfully hosted a two-week Student Industrial Attachment program at Digital Domain’s Shanghai studio, welcoming a group of talented students and educators from the **Hong Kong Design Institute (HKDI)**.

The program offered participants valuable hands-on training, allowing them to engage directly with real-world VFX workflows, including compositing and CG animation, under the close mentorship of the company’s experienced industry professionals. Collaborative creative sessions fostered meaningful exchanges of ideas, enabling both the interns and Digital Domain team members to gain fresh perspectives from one another’s diverse approaches.

In addition, the program included insightful industry discussions, during which Digital Domain shared candid reflections on the evolving role of AIGC technologies in shaping the future of content creation. This initiative underscored the company’s ongoing commitment to nurturing emerging talent and advancing innovation within the visual effects industry.

- On 26 September 2025, Digital Domain announced a strategic partnership with **Hong Kong Baptist University (HKBU)** at the **BeUnicorn Day**. This event marked the launch of “**Inno Nexus**”, a new platform designed to connect HKBU’s start-ups with the investment and technology community.

As part of the Memorandum of Understanding (MOU), Digital Domain provided support to these start-ups by providing the technology in AI-enabled visualisation and virtual human solutions. HKBU will contribute its creative and research expertise, alongside access to vital infrastructure and funding through grants. In turn, Digital Domain will offer essential technical support to facilitate HKBU’s research and development efforts, while exploring innovative AI in various applications.

- In October 2025, in support of persons with disabilities entering the job market, the Chief Executive announced the launch of the “**Caring Employer**” medal in the 2024 Policy Address, honouring companies that actively engage and empower individuals with disabilities. In mid-October, Digital Domain was awarded the “**Caring Employer**” **Medal 2025**. This recognition reinforces Digital Domain’s ongoing commitment to building a workplace that is truly inclusive and supportive— to fostering a culture of acceptance and belonging.

- In November 2025, the **HKSTP** facilitated an inspiring dialogue with Digital Domain and several leading Asia media outlets, including **Tech in Asia**, **The Times Of India**, and **Press Trust of India (PTI)**. Mr. Stanley CHOI, Vice President of Business Development of Digital Domain, introduced AI Virtual Human technology and engaged in forward-looking discussions on the future of AI applications across industries.
- On 7 November 2025, the **Shanghai Film Development Research Institute** brought together industry professionals for a dive into the fusion of artificial intelligence and filmmaking. Mr. Allen CHEN, Deputy General Manager for China, unveiled Digital Domain’s initiatives around artificial intelligence, also case studies relative through an address.
- On 8 November 2025, backed by the **World Artificial Intelligence Film Festival**, a sub-forum held at the **5th China International Intelligent Communication Forum**. Mr. Michael FU, took the stage for a keynote speech and unpacked Digital Domain’s breakthroughs in artificial intelligence as Visual Effects Supervisor, while Mr. Allen CHEN, Deputy General Manager for China, joined a panel discussion on artificial intelligence-powered filmmaking, finding a path towards global race.
- In November 2025, joined hands with the Jingan District People's Government, Digital Domain and Executive Director Dr. Ta-Chien SUN participated into the **6th Yangtze River Delta International Cultural Industries Expo** as exhibitor and guest speaker. Also, Mr. Michael FU, Digital Domain Visual Effects Supervisor joined a panel discussion on where art and technology meet.
- In November 2025, **Dragon TV’s lens** turned to Dr. Ta-Chien SUN, Digital Domain Executive Director, decoded Digital Domain’s roadmap regarding artificial intelligence and the unfolding chapter in Shanghai.
- In November 2025, as the flagship summit of **36Kr, WISE 2025** gathered 1,000 attendees under one roof to explore the artificial intelligence-driven revolution sweeping across business industry. The opening cinematic created entirely by Digital Domain’s AI solution. Mr. Allen CHEN, Digital Domain’s Deputy General Manager for China also presented an address of “Across Every Canvas, Artificial Intelligence Is Revolutionising The Creative Landscape”.
- On 2 December 2025, the **Jingdezhen Ceramic University** held a sub-forum of this year’s **International Conference on the Cooperation and Integration of Industry, Education, Research, and Application** in Jingdezhen, Jiangxi. Under the theme of “Intelligent Fusion”, the sub-forum examined how advanced technologies are reshaping artistic creation. As a guest speaker, Mr. Allen CHEN, Deputy General Manager for China, outlined Digital Domain’s integration of the proprietary innovations with ceramic art.
- On 5 December 2025, Digital Domain participated in **BODW 2025**, Asia’s premier annual event on design, innovation & brands, where Mr. William WONG, Chairman of the Board of Digital Domain, delivered a keynote titled “**The Power of Possibility: Digital Domain’s Journey to Real-World AI Virtual Humans**”. He highlighted how Digital Domain continues to leverage its strength as a VFX production powerhouse while broadening its innovations in AI-driven virtual humans, and shared how Digital Domain’s vision and technical breakthroughs are supporting various industries and expanding the real-world potential of AI virtual humans.

Following the keynote, William joined a panel moderated by Mr. Darren CHUCKRY (HK Initiative), alongside with Ms. Emma CHIU (VML Intelligence), Mr. Matteo BATTISTON (EssilorLuxottica), and Mr. Will SHI (Baidu AI Cloud) to explore “**The New Era of AI: Reshaping the Future of Industry, Creativity, and Experience**”. Together, they dived into how AI is redefining what people consider real, reshaping public perceptions of AI-generated creativity, rethinking the role of designers and creatives, and accelerating tangible transformation across industries.

- On 11 December 2025, Digital Domain joined “**Navigating Geopolitical Shifts: Unlocking Resilient Growth through Hong Kong’s Global Business Hub**”, jointly organised by **Office for Attracting Strategic Enterprises (OASES)**, **Deloitte**, and **Standard Chartered**.

Mr. William WONG, Chairman of the Board of Digital Domain, took part in a fireside chat on the theme “Hong Kong as a Catalyst for Innovation & Expansion”, alongside leaders from **Westwell** and **CertiK**. The discussion centred on how digital transformation and innovation are accelerating global expansion, and the pivotal role Hong Kong plays as an engine for sustainable growth.

- In mid-December 2025, Mr. William WONG, Chairman of the Board of Digital Domain, was interviewed by **South China Morning Post (SCMP)**, a leading global news organisation that has reported on China and Asia for over 120 years. William shared his vision and insights on navigating the new era of technology and innovation, and the opportunities in enterprise applications, where technology is actively reshaping perceptions of AI-generated creativity, redefining the role of creators, and accelerating tangible transformation across industries.

D. Co-Productions

Feature Films:

James CAMERON, a director, writer, and producer, is known for his iconic film “Titanic”. The film won 11 Oscars and is famous for its romantic storyline. In 2023, the film celebrated its 25th anniversary. In honour of this milestone, the remastered 4K 3D version of the film was released on 10 February 2023. This new version includes updated technology, such as variable-frame-rate and high-frame-rate capabilities, making the viewing experience even more immersive than the previous version released in 2017.

The film “Ender’s Game” was released in November 2013 in the US. The film is based on a best-selling and award-winning novel. It features an all-star cast including Harrison Ford, Asa Butterfield, Hailee Steinfeld, Viola Davis, Abigail Breslin and Ben Kingsley. The film is an epic adventure that continues to generate income from non-box office channels both within and outside the US. Summit Entertainment distributed the film in association with OddLot Entertainment and is a Chartoff Productions/Taleswapper/OddLot Entertainment/K/O Paper Products/DD3I.

The profit sharing from participation rights in “Titanic” and “Ender’s Game” were recognised under “Other income and gains” in the Company’s consolidated income statement.

E. DDCP and Investments in Europ

Formation of DDCP

Digital Domain Capital Partners S.à r.l. (“DDCP”), an indirect wholly-owned subsidiary of the Company, was incorporated in the Grand Duchy of Luxembourg in 2021.

Investment in HLEE

Highlight Event and Entertainment AG (“HLEE”), a publicly traded Swiss media and sports marketing company, the shares of which are traded on the Swiss Stock Exchange (ticker code: HLEE.SW). HLEE carries its business in segments of film, sport and event-marketing and sport events through its subsidiaries and affiliates in Europe. As at 31 December 2025, DDCP holds 265,000 HLEE shares represented approximately 2.04% of the total number of bearer shares of HLEE in issue.

Investment in YTME

Youngtimers AG (“YTME”) is a publicly traded Swiss special situation investment firm focused on the international media, e-commerce and lifestyle goods sectors, the shares of which are traded on the Swiss Stock Exchange (ticker code: YTME.SW). In December 2025, YTME announced it successfully completed the capital increase from 72,013,566 bearer shares to 190,426,824 bearer shares. As at 31 December 2025, DDCP holds 14,000,000 YTME shares represented approximately 7.352% of the total issued bearer shares of YTME.

TRADING SEGMENT

In 2023, having identified and secured suitable business partners (suppliers and purchasers), the Group resumed its trading capabilities to generate supplemental income for the Group given the continued challenging operating environment. The results of such trading operations are reported in the Group’s trading segment.

Continuing Connected Transactions in relation to Distributor Agreement

Further to the business development efforts for DRAM (Dynamic Random Access Memory) trading in 2023 and first half of 2024, on 25 October 2024, Digital Domain Gaming Media Limited (“DD Gaming Media”), a wholly-owned subsidiary of the Company, and ADATA Technology Co., Ltd. (“ADATA”), a substantial Shareholder and a connected person of the Company, entered into a distributor agreement (“Distributor Agreement”), pursuant to which DD Gaming Media has been appointed as the exclusive general distributor of ADATA to promote, market, sell and distribute the XPG products (all existing and future products under the XPG (Xtreme Performance Gear) brand, including but not limited to computer memory, storage devices, computer and gaming peripherals and accessories, laptops, lifestyle gears and other similar or associated products and ancillary services) to third party customers in the Greater China and the Americas. For further details, please refer to the announcements for this transaction dated 25 October 2024 and 11 November 2024 and circular for this transaction dated 26 October 2024.

The trading segment recorded a turnover of approximately HK\$98,132,000 (2024: HK\$84,775,000). The increase in turnover was attributable to the increasing demand from the customers. At the same time, according to the Group's accounting policy for its trading segment, whereby transaction income of approximately HK\$310,553,000 (2024: HK\$13,672,000) had been netted off against purchase cost and was recorded as commission income under trading arrangements rather than being presented as turnover.

The profit for the year of this segment is HK\$5,988,000 (2024: loss of HK\$693,000), the increase in profit was mainly attributable to the increase in demand from the customers and the operation became more efficient when compared to the last year which just started to ramp up. The Group's business strategy for the trading segment is to seek steady growth under the challenging global business-economic environment.

INTERESTS IN ASSOCIATES

The Group invested in several associates and the review of the significant associates are summarised as below. The Group will continue to monitor the development and opportunities in this challenging operating environment with respect to the Group's other associates.

VIRTUAL HUMAN TERESA TENG

In 2014, Digital Domain Media (HK) Limited ("DDM"), (originally an indirect wholly-owned subsidiary of the Company but become an associate of the Company since 1 February 2019), and TNT Production Limited ("TNT") entered into a cooperation framework agreement for the formation of a joint venture company to engage in the production and utilisation of 3D hologram technology relating to the music works of the deceased Taiwanese pop diva, Miss Teresa Teng ("Virtual Human Teresa Teng"). The joint venture company, DD & TT Company Limited ("DDTT"), was formed in 2015. DDTT's business focuses on the production of a series of Virtual Human Teresa Teng events and activities, targeting audiences in Chinese communities around the world. The latest 3D hologram technology can be widely applied in the entertainment business, including but not limited to concerts, albums, movies and advertisements.

- From January to February 2025, the **Virtual Human Teresa Teng's holographic concert staged at the Hongyadong in Chongqing**. As a landmark attraction of Hongyadong, it has attracted a large number of tourists to come and watch.
- In May 2025, on the 30th anniversary of Teresa Teng's passing, **Global People**, supervised and sponsored by the People's Daily, launched a cover story centred on Teresa Teng, with a series of precious photos being revealed, including one from her digital avatar. Created by Digital Domain using the artificial intelligence-powered video creation solution, this Virtual Human Teresa Teng serves as a tribute to the legend that never fades.
- In July 2025, this year's **World Artificial Intelligence Conference** returned to Shanghai. Over 300,000 visitors gathered under one roof with thousands of experts, executives and elites from around the world, including Virtual Human Teresa Teng, who staged a comeback with "The Moon Represents My Heart" at the exhibition area of "Cross-Strait Artificial Intelligence Integration Development Innovation".
- In October 2025, Virtual Human Teresa Teng made a surprise appearance at the **13th Shinbei Beer Carnival**, filling the stage with the timeless hit "Evening Fragrance". To deliver an immersive and experimental experience, Digital Domain leveraged artificial intelligence to build digital environment for the performance.

Connected Transaction and Formation of JV with SPLHL (Interests in an associate)

On 6 June 2024, Tower Talent Holdings Limited (“Tower Talent”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement (“Joint Venture Agreement”) with Star Odyssey Limited (“SPLHL Shareholder”), an indirect wholly-owned subsidiary of Star Plus Legend Holdings Limited (“SPLHL”), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6683) in relation to the formation of the Star Plus Domain Limited, a limited liability company incorporated under the laws of British Virgin Islands (“Joint Venture Company”). The Joint Venture Company is as to 40% by Tower Talent, 40% by SPLHL Shareholder and 20% by a company established by the representatives of the management of the Company and SPLHL, being Mr. Seah Ang and Ms. Ma Hsin-Ting, the chairperson and an executive director of SPLHL (“Management Team Company”). The Joint Venture Agreement did not require shareholders’ approval under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The business of the Joint Venture Company is to develop and commercialise an AI-driven digital rights library for film, television and media and entertainment industry with joint contribution by its shareholder groups. The Joint Venture Company is to become the exclusive agent for SPLHL’s digital content production and Artificial Intelligence Generated Content in the globe and SPLHL’s digital content distribution business in the globe excluding Greater China and the Middle East. The Joint Venture Company is also to assist in digitising both newly created and licensed IP, as well as commercialising them globally. The digital content production services are expected to be primarily procured from the Group which services will not be exclusive to the Joint Venture Company.

For further details, please refer to the announcement for this transaction dated 6 June 2024.

Goodwill and intangible assets of the Group

As at 31 December 2025, the Group had intangible assets of approximately HK\$308,017,000 (being approximately 27% of the Group’s total assets as at the same date). Such intangible assets comprised goodwill of approximately HK\$213,611,000 that has been allocated to two cash generating units (or “CGUs”) of our media entertainment segment, namely the CGUs for (i) visual effects production (“VE CGU”) and (ii) post-production (“PP CGU”).

For the purposes of impairment testing, the recoverable amounts of the CGUs have been determined by the Directors on the basis of value-in-use and fair value less cost of disposal calculations with reference to professional valuation reports issued by Knight Frank Asset Appraisal Limited, an independent firm of professional qualified valuers. The recoverable amount of each CGU, the period of cashflow projections, the key assumptions used for the calculations (including the average growth rate, pre-tax discount rate and post-tax discount rate) for each CGU as at 31 December 2025 are set out in Note 10 to the financial statements included in this announcement.

The pre-tax discount rate, post-tax discount rate, corporate income tax rate, post-tax weighted average cost of capital, market rate of return and levered equity beta and terminal rates adopted in the valuations as at 31 December 2025 were determined on a basis consistent with that which was applied in calculations of the same CGUs as at 31 December 2025, with the absolute values of each rate varying by reference to the market data of the jurisdiction(s) in which the relevant CGU operates.

The average growth rate of each CGU was determined based on the projected revenue for the financial year ending 31 December 2026 that the Company expects to be derived from (i) projected work supported by signed contracts (“Committed Work”), (ii) budgeted engagements based on prospective identified projects and subject to negotiations (discounted for likelihood of success (“Success Discount”), based on management assessment by reference to historical success rate as well relationships with the counterparty) (“Likely Work”) and (iii) other projects that are not under negotiation at the time of forecast but may become available during the year, based on the prior year’s operating experience (“Possible Work”), while cost projections were based largely on historical rates with adjustment for inflation. This approach is consistent with that adopted in prior years.

The Group’s revenues are generally project based and the projects are often the subject of competitive tender, so it is not possible to make predictions with certainty. Shareholders should note that in addition to the goodwill and intangible assets of the Group that are subject to impairment review or are amortised over the years, certain research and development costs of technology being developed in-house are also expensed and charged to the income statement in the year of incurrence (instead of being capitalised) contributing to the Group’s losses in the media entertainment segment over the years.

VE CGU

As at 31 December 2025, the goodwill allocated to the VE CGU was approximately HK\$209,206,000 (2024: HK\$209,472,000) with headroom of approximately HK\$323,087,000 (2024: HK\$272,106,000) based on the value-in-use ascribed to this CGU. Key assumptions for the value-in-use calculations for this CGU included an average growth rate within the 5 years budget period of 10.2 % (2024: 14.4%) and a pre-tax discount rate of 16.7 % (2024: 16.4%). Based on a sensitivity analysis carried out by the independent valuer, the headroom attributable to the VE CGU would adequately cover a +/-0.5% change in the weighted average cost of capital and a +/- 0.5% change on the terminal growth rate. As the average growth rate is (as explained above) based on reasonable projections by management with reference to information currently available to them, any material changes in this CGU’s market or operating environment that reduce its cash inflow or gross profit margin could have an adverse impact on the recoverable amount of this CGU.

Please see the sections titled “Visual Effects Production and Post -Production Business – Digital Domain North America (USA and Canada)” and “Prospect” for a further discussion of the projects and prospects for this CGU.

PP CGU

As at 31 December 2025, the goodwill allocated to the PP CGU before impairment was approximately HK\$40,440,000 (2024: HK\$40,440,000) without headroom for the year (2024: headroom of HK\$5,319,000) based on the fair value less cost of disposal ascribed to this CGU, as a result of which an impairment loss on goodwill of HK\$36,035,000 (2024: HK\$ Nil) was made against this CGU as at 31 December 2025. Key assumptions for the fair value less cost of disposal calculation for this CGU included an average growth rate within the 5 years budget period of 0.7% (2024: 5.8%) due to a lower amount of Committed Work and a post-tax discount rate of 12.0% for the fair value less cost of disposal calculation (2024: pre-tax discount rate of 12.4% for the value-in-use calculation).

Based on a sensitivity analysis carried out by the independent valuer, the headroom attributable to the PP CGU would adequately cover a +/-0.5% change in the weighted average cost of capital and a +/- 0.5% change on the terminal growth rate. As the average growth rate is (as explained above) based on reasonable projections by management with reference to information currently available to them, any material changes in this CGU's market or operating environment that reduce its cash inflow or gross profit margin could have an adverse impact on the recoverable amount of this CGU.

Please see the sections titled "Visual Effects Production and Post-Production Business – Digital Domain China" and "Prospect" for a further discussion of the projects and prospects for this CGU.

CAPITAL

Shares

As at 31 December 2025, the total number of the Company shares of HK\$0.01 each in issue (the "Shares") was 7,979,248,625 Shares.

Share Options

The share option scheme of the Company was adopted on 27 April 2012 and amended on 3 April 2014 (the "2012 Option Scheme"). The 2012 Option Scheme was effective for a period of 10 years and expired on 27 April 2022. The other share option scheme of the Company was adopted on 16 June 2022 (the "2022 Option Scheme"). The 2022 Option Scheme is valid and effective for a period of 10 years commencing on 16 June 2022. For illustrative purpose, the exercise price and the number of the share options under the 2012 Option Scheme have been adjusted for the effect of capital reorganisation effective on 11 October 2021.

On 6 May 2015, a total of 7,800,000 share options were granted under the 2012 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 7,800,000 new Shares at an exercise price of HK\$13.20 per Share. For details, please refer to the Company's announcement dated 6 May 2015. During the year under review, no share option was exercised and the remaining 7,499,000 share options were cancelled or have lapsed. 1,000 share options were exercised and 7,799,000 share options were cancelled or have lapsed since the grant-date (6 May 2015) to 5 May 2025.

On 29 January 2016, a total of 37,950,000 share options were granted under the 2012 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 37,950,000 new Shares at an exercise price of HK\$4.13 per Share. For details, please refer to the Company's announcements dated 29 January 2016 and 7 June 2016, and the circular dated 30 April 2016. During the year under review, no share option was exercised, cancelled or has lapsed. No share option was exercised and 2,566,669 share options were cancelled or have lapsed since the grant-date (29 January 2016) to 31 December 2025.

On 22 June 2016, a total of 10,000,000 share options were granted under the 2012 Option Scheme to a grantee. The share options entitle the grantee to subscribe for up to a total of 10,000,000 new Shares at an exercise price of HK\$4.95 per Share. For details, please refer to the Company's announcement dated 22 June 2016. During the year under review and since the grant-date (22 June 2016), no share option was exercised, cancelled or has lapsed.

On 29 July 2016, a total of 5,000,000 share options were granted under the 2012 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 5,000,000 new Shares at an exercise price of HK\$5.66 per Share. For details, please refer to the Company's announcement dated 29 July 2016. During the year under review, no share option was exercised, cancelled or has lapsed. No share option was exercised and 1,320,007 share options were cancelled or have lapsed since the grant-date (29 July 2016).

On 13 February 2017, a total of 30,000,000 share options were granted under the 2012 Option Scheme to a grantee. The share options entitle the grantee to subscribe for up to a total of 30,000,000 new Shares at an exercise price of HK\$4.69 per Share. For details, please refer to the Company's announcements dated 13 February 2017 and 1 June 2017, and the circular dated 27 April 2017. During the year under review and since the grant-date (13 February 2017), no share option was exercised, cancelled or has lapsed.

On 24 April 2019, a total of 13,000,000 share options were granted under the 2012 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 13,000,000 new Shares at an exercise price of HK\$1.30 per Share. For details, please refer to the Company's announcement dated 24 April 2019. During the year under review and since the grant-date (24 April 2019), no share option was exercised, cancelled or has lapsed.

On 21 May 2020, a total of 47,800,000 share options were granted under the 2012 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 47,800,000 new Shares at an exercise price of HK\$0.46 per Share. For details, please refer to the Company's announcement dated 21 May 2020. During the year under review, no share option was exercised, cancelled or has lapsed. 170,000 share options were exercised and 2,000,000 share options were cancelled or have lapsed since the grant-date (21 May 2020).

On 26 July 2024, a total of 220,000,000 share options were granted under the 2022 Option Scheme to the grantees. The share options entitle the grantees to subscribe for up to a total of 220,000,000 new Shares at an exercise price of HK\$0.245 per Share. For details, please refer to the Company's announcement dated 26 July 2024. During the year under review and since the grant-date (26 July 2024), no share option was exercised, cancelled or has lapsed.

On 1 November 2024, a total of 40,000,000 share options were granted under the 2022 Option Scheme to a grantee. The share options entitle the grantee to subscribe for up to a total of 40,000,000 new Shares at an exercise price of HK\$0.49 per Share. For details, please refer to the Company's announcement dated 1 November 2024. During the year under review and since the grant-date (1 November 2024), no share option was exercised, cancelled or has lapsed.

As at 1 January 2025 and 31 December 2025, 172,902,762 share options were available for grant under the 2022 Option Scheme.

During the year under review, no share option was granted under the 2022 Option Scheme. As a result, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the year under review divided by the weighted average number of shares of the relevant class in issue for the period was nil.

Share Trading on OTCQX

The Company's American Depositary Shares ("ADSs") under a sponsored American Depositary Receipt ("ADR") Programme with the Bank of New York Mellon are currently traded on U.S. OTCQX Market under the symbol "DDHLY". For details, please refer to the Company's announcement dated 11 November 2024.

LIQUIDITY, FINANCIAL RESOURCES, CHARGES ON GROUP ASSETS AND GEARING RATIO

The Group has diverse sources of financing, including internal funds generated from the Group's business operations, general banking facilities on a secured basis or an unsecured basis, non-bank loans on a secured or an unsecured basis and non-regular contributions (such as placement of shares, issuance of convertible notes or financing through shareholder loans) from shareholders and other potential investors. The Group continues to adopt conservative funding and treasury policies.

In 2025, the Group had banking facilities from two banks in the United States amounting to US\$19,000,000 (approximately HK\$147,881,000) and these banking facilities were fully utilised during the period. Among the above mentioned US\$19,000,000 facilities, utilised facilities of US\$6,000,000 (approximately HK\$46,699,000) has been successfully refinanced for another 3 years (to 2028). These banking facilities were secured by time deposits of the Group. The Group had banking facilities from banks in Hong Kong in the amount of US\$20,000,000 (approximately HK\$155,664,000) with US\$16,000,000 (approximately HK\$124,531,000) being utilised and was secured by time deposits of the Group. The Group had banking facilities from a bank in Canada in amount of CAD7,250,000 (approximately HK\$41,109,000), CAD4,129,000 (approximately HK\$23,412,000) was utilised as equipment lease facility loan and CAD3,121,000 (approximately HK\$17,697,000) is unutilised. These banking facilities were secured by corporate guarantees provided by several subsidiaries.

In addition to the banking facilities mentioned above, an indirectly-owned subsidiary of the Group in the entertainment media segment, which was discontinued at the end of December 2010, obtained a banking facility amounting to HK\$6,000,000 from a bank in Hong Kong in 2009 which consisted of a 5-year instalment loan ("Five Year Loan").

This facility was granted under the Special Loan Guarantee Scheme of the Government of the Hong Kong Special Administrative Region (the "Government"), pursuant to which the Government provided an 80% guarantee to the bank. A corporate guarantee was provided to the bank by an intermediate subsidiary of the Company which held the aforesaid indirectly-owned subsidiary. On 20 December 2010, the Company announced that it would not provide further financial assistance to the entertainment media segment. As a result, the operation of the aforesaid subsidiary has been discontinued since the end of December 2010. The Five-Year Loan has been fully classified as a current liability.

As at 31 December 2025, the Group also had lease liabilities of HK\$124,180,000, which were determined at the present value of the lease payments that are payable at that date. The amount included in lease liabilities consisted of HK\$25,787,000 related to leased assets (equipment amounted to CAD4,537,000 (approximately HK\$25,727,000) and HK\$60,000) which are secured by the lessor's charge over the leased assets. Among these leased assets, the terms of payments were 36 months and 60 months respectively. Payments were on a fixed payment basis and the underlying interest rates were fixed at respective contract dates. No arrangements were entered into for contingent rental payments.

The Group had other loans of approximately HK\$135,620,000 as at 31 December 2025. One indirect wholly-owned subsidiary has a loan in amount of US\$3,500,000 (approximately HK\$27,065,000) which is unsecured, interest-free and is not repayable within 13 months from 31 December 2025. One indirect wholly-owned subsidiary also had a term loan facility of US\$10,000,000 (approximately HK\$77,832,000) and HK\$80,000,000, with a guarantee provided by the Company. The subsidiary drew down the facility in 2015 and 2018. The outstanding balance of these loans as at 31 December 2025 were US\$8,000,000 (approximately HK\$62,265,000) and HK\$34,290,000. These loans are unsecured, with a floating interest rate (prime rate quoted by a bank in Hong Kong) and are repayable on demand. During the year ended 31 December 2025, there was an other loan in one indirect wholly-owned subsidiary with principal amount of HK\$12,000,000. This loan was secured by shares charge of a subsidiary and repayable in the next two years.

The total cash and bank balance as at 31 December 2025 was approximately HK\$426,369,000. As at 31 December 2025, the Group had banking facilities of approximately HK\$344,654,000. Utilised portions of these bank facilities were set at a floating interest rate of these bank loans, loans amounting to approximately HK\$295,823,000 are denominated in United States dollars and equipment lease facility loan amounting to approximately HK\$23,411,000 are denominated in Canadian dollars. During the year under review, all of the Group's bank loans (except the Five Years Loan was classified as current liabilities) were classified as either current liabilities or non-current liabilities according to the agreed scheduled repayment dates. According to the agreed scheduled repayment dates, the maturity profile of the Group's bank borrowings (excluded the Five Years Loan) as at 31 December 2025 was spread over a period of five years, with approximately 46% repayable within one year and 54% repayable between two to three years.

The Group's current assets were approximately HK\$586,928,000 while the current liabilities were approximately HK\$605,120,000 as at 31 December 2025. As at 31 December 2025, the Group's current ratio was 0.97 (as at 31 December 2024: 1.5).

As at 31 December 2025, the Group's gearing ratio, representing the Group's financial liabilities (i.e. bank loans, other loans and lease liabilities) divided by the equity attributable to owners of the Company was 200% (as at 31 December 2024: 88%).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

The Group's revenue, expenses, assets and liabilities were mainly denominated in Hong Kong dollars ("HKD"), United States dollars ("USD"), Canadian dollars ("CAD"), Renminbi ("RMB"), Indian Rupees ("INR") and Euro ("EUR"). The exchange rates for the USD against the HKD remained relatively stable during the year under review. As some of the financial statements for the business operations in North America, Mainland of China, India and Europe were reported in CAD, RMB, INR and EUR, respectively, if the CAD or RMB or INR or EUR were to depreciate relative to the HKD, the reported earnings/expenses for the Canadian portion, Mainland of China portion, Indian portion or European portion would decrease.

At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations involving RMB, CAD, INR and/or EUR. However, the Group will constantly review the economic situation, the development of each business segment and the overall foreign exchange risk profile, and will consider appropriate hedging measures in future when necessary.

CONTINGENT LIABILITIES

Save as disclosed under "Possible Indemnification" of the Media Entertainment Segment above, as at 31 December 2025, the Group did not have any material contingent liabilities.

EMPLOYEES OF THE GROUP AND REMUNERATION POLICY

As at 31 December 2025, the total headcount of the Group was 864. The Group believes that its employees play an important role in its success. Under the Group's remuneration policy, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Other benefits include discretionary bonuses, a share option scheme and retirement schemes.

PROSPECT

The macroeconomic landscape throughout 2025 and into early 2026 has remained persistently challenging and complex. The Group has faced continued headwinds from heightened geopolitical tensions, rising sovereign debt, changes in global tariff regimes, inflationary pressures, and elevated unemployment, all of which have materially impacted the markets in which we operate. These factors have generated significant uncertainty not only around the Group's own operating costs but also those of our clients, while influencing consumer sentiment and demand patterns.

Client demand for our media and entertainment products and services is closely linked to their assessment of global consumer confidence, and many of their offerings span multiple international markets. Consequently, economic fluctuations in major territories such as the United States, China, and Europe can directly affect client budgets, feature film release schedules, advertising expenditures, and campaign timelines. Additionally, shifts in tariffs and the imposition of sanctions continue to shape the cost base and operational complexity of international trading activities.

Artificial intelligence ("AI") has become a transformative force in the creation of film and television content. AI now underpins every stage of production from scriptwriting and virtual shooting through to post-production editing and visual effects, delivering substantial efficiency gains, while also prompting a re-evaluation of traditional operating models across the industry. Looking ahead, we will actively seek to strengthen our business ecosystem and accelerate research and development by pursuing strategic financing and partnership opportunities, particularly in AI business applications with leading partners, investors, and academic institutions across the US, Europe, and Asia.

Notwithstanding the macroeconomic and sector-specific challenges, the Group remains steadfast in its commitment to innovation and operational excellence. We will continue to enhance our core VFX business by integrating advanced AI-driven production techniques, expanding our suite of AI-related business applications, and strategically reviewing our product mix within our trading business to optimise value creation.

The Group adopted a prudent and disciplined approach to operations (including but not limited to cost and staff reduction, adjustments on business direction and product mix) in response to ongoing market volatility. Rigorous financial discipline was maintained, with a focus on optimising our investment portfolio and controlling operational expenditure. At the same time, the Group will continue to evaluate the cost structure, function, operating arrangement and performance of each studio/ business unit in North America and Asia and where appropriate consider and/or implement appropriate business restructuring (including but not limited to diversification opportunities, full or partial disposals and/or strategic collaborations or outsourcing arrangements with business partners) to enhance the overall performance of the Group.

We remain vigilant in monitoring external risks and opportunities and are committed to maintaining a balanced, forward-looking strategy. Our objective remains clear: to drive sustainable growth and prosperity by leveraging the Group's diversity of markets, shareholders, directors, and staff. The Board and management are resolutely focused on acting in the best interests of the Company and all its shareholders, and we are deeply grateful for your continued trust and support. We are confident in our ability to deliver long-term, sustainable value for all stakeholders, including clients, shareholders, staff, and management. In closing, we extend our sincere appreciation to all staff and management team of the Group for their outstanding contributions throughout the year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

During the financial year of 2025, the Company was in compliance with the Code Provisions set out in the CG Code except for the following:

- (a) There is no separation of the roles of the chairman and the chief executive officer ("CEO") or chief executive during the period below. Mr. Seah Ang (who resigned from all position of the Company on 13 January 2025) assumed the roles of the chairman of the Board and CEO of the Company from 1 January 2025 to 12 January 2025 while Mr. Wong Cheung Lok, an executive Director and the CEO of the Company, was appointed as the chairman of the Board on 30 September 2025. Mr. Wong assumed the roles of the chairman of the Board and CEO of the Company thereafter. The Board believed that at the time of vesting of the roles of chairman and CEO in Mr. Seah (who resigned from all position of the Company on 13 January 2025) was and Mr. Wong is beneficial to the operation and management of the Group due to their in-depth knowledge in the Group's operation and their extensive business network and connections. Hence, the Board believes that it is in the best interest of the Company for Mr. Wong to assume the roles of both the chairman of the Board and the CEO;
- (b) During the year, the Company held two regular board meetings instead of at least four regular board meetings as required. In addition to two regular board meetings, there were two board meetings held for addressing ad hoc issues. The Board considered that sufficient meetings had been held during the year and business operation and development of the Group had been communicated on the Board;
- (c) The chairman of the Board is not subject to retirement by rotation pursuant to bye-law 87(1) of the Company's bye-laws (the "Bye-laws"). Mr. Wong Cheung Lok was appointed as an executive Director and the CEO of the Company on 13 January 2025 and was re-elected as an executive Director at the annual general meeting of the Company held on 20 June 2025 according to Bye-laws 86(2) of the Bye-laws. In addition, Mr. Wong has entered into a letter of appointment for an unspecified term but his appointment is terminable by giving at least three months' prior notice; and
- (d) During the year, the Company held the annual general meeting on 20 June 2025. Ms. Alla Y Alenikova, the non-executive Director was unable to attend the above annual general meeting.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2025.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company at www.digitaldomain.com and the Stock Exchange at www.hkexnews.hk respectively. The annual report of the Company will be despatched to shareholders and available at the same websites in due course.

By Order of the Board
DIGITAL DOMAIN HOLDINGS LIMITED
Wong Cheung Lok
Chairman and Chief Executive Officer

Hong Kong, 30 March 2026

As at the date of this announcement, Mr. Wong Cheung Lok and Dr. Sun Ta-Chien are the executive Directors; Ms. Chu Wing Sze and Mr. Wang Wei-Chung are the non-executive Directors; and Ms. Lau Cheong, Mr. Duan Xiongfei, Dr. Elizabeth Monk Daley and Mr. Woo King Hang are the independent non-executive Directors.