ACTIVATION GROUP

艾德韦宣

Activation Group Holdings Limited

艾德韋宣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9919)

POSITIVE PROFIT ALERT

This announcement is made by Activation Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2021 ("**Year 2021**") and assessment of the latest information currently available to the Board, the Group is expected to record revenue of over RMB900 million in Year 2021, representing a significant increase of about 90% over the year ended 31 December 2020 ("**Year 2020**"); and the net profit for the Year 2021 is expected to exceed RMB95 million, representing a substantial increase of about 280% over Year 2020.

Based on the relevant information available, the expected significant increase in revenue and the net profit in Year 2021 was mainly attributable to the continuous and steady recovery of the Chinese economy during the year, as well as the Chinese government's ability to respond to and control the pandemic quickly, thereby significantly boosting business and marketing activities across the country, in turn benefiting the Group's business. The Group has benefited from (i) the consumption upgrade in China, which significantly increased the sales of high end fashion brands in China in 2021; (ii) the increase in the scale and expenses of corporate clients in advertisements in the Chinese market; and (iii) the significant increase in corporate clients' demand on the effect of data interactive brand promotion, and the significant growth in the experiential marketing and digital marketing business.

As the Company has not yet finalised the consolidated financial results of the Group for Year 2021, the information contained in this announcement is only based on the preliminary assessment according to figures and information that have not been audited or reviewed by the Company's auditor. The actual financial results of the Group for Year 2021 may differ from what is disclosed in this announcement. Details of the Group's performance will be disclosed in its results for Year 2021, which is expected to be published in March 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Activation Group Holdings Limited
Lau Kam Yiu and Ng Bo Sing
Joint-Chairmen

Hong Kong, 25 January 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lau Kam Yiu, Mr. Ng Bo Sing, Mr. Chan Wai Bun and Ms. Low Wei Mun and three independent non-executive Directors, namely, Ms. Cheung Siu Wan, Mr. Yu Longjun and Dr. Cheung Wah Keung.