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## **ACTIVATION GROUP**

**艾德韦宣**

**Activation Group Holdings Limited**

**艾德韦宣集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9919)**

### **ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Board (the “**Board**”) of Directors (the “**Directors**”) of Activation Group Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) is pleased to present the consolidated results of the Group for the year ended 31 December 2022 (“**FY2022**”), together with the comparative audited figures for the year ended 31 December 2021 (“**FY2021**”).

The Group is a leading interactive data performance marketing group for pan-fashion (泛時尚) brands in Greater China that focuses on the provision of (i) experiential marketing, (ii) digital and communication, and (iii) intellectual property (“**IP**”) development. The Group has accumulated over 550 world-renowned brand clients including i) renowned mid-range and high-end fashion brands; ii) renowned mid-range and high-end automobile brands; and (iii) Chinese local premium brands. In the first half of 2022, the Group’s performance has been affected by the pandemic outbreak in China. Despite the challenging environment, the Group has recorded a reasonable profit in FY2022.

#### **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HK1.32 cents per ordinary share of the Company (“**Share(s)**”) and a final special dividend of HK9.38 cents per Share for FY2022 which amounted to HK\$79,687,000 subject to the approval of the shareholders of the Company (“**Shareholders**”) at the forthcoming annual general meeting. This proposed pay-out, together with the special dividend of HK12.00 cents per Share paid on 18 November 2022, would give a total dividend of HK22.70 cents per Share for FY2022 (FY2021: HK9.96 cents per Share). Subject to the Shareholders’ approval at the forthcoming annual general meeting of the Company (the “**2023 AGM**”) to be held on Tuesday, 16 May 2023, it is expected that the final dividend and the final special dividend shall be paid to the Shareholders on or before Friday, 30 June 2023.

## **OVERVIEW**

The Group's business has demonstrated a strong rebound from a loss in the first half of 2022 to a profit in the second half of 2022. The Group recorded a revenue and net profit of RMB522.0 million and RMB36.7 million respectively for the second half of 2022, as compared to a revenue of RMB172.8 million and a loss of RMB8.5 million in the first half of 2022. The overall business growth in the second half of 2022 is because of the increase in clients' demand for data interactive brand promotion following the relaxation of local government restrictions.

The revenue of the Group for FY2022 was approximately RMB694.8 million (FY2021: RMB904.1 million). The decline in revenue is mainly due to the impact of the resurgence of the pandemic outbreak and lockdown of certain cities in the PRC during the first half of 2022 resulting in the cancellation or postponement of large-scale marketing activities, together with the restrictions on operations in Shanghai, where the headquarter of the Company and most of its clients are located. The net profit of the Group for FY2022 was about RMB28.2 million (FY2021: RMB102.6 million); net profit margin for the Group was about 4.1% in FY2022 (FY2021: 11.3%). The profit attributable to equity shareholders of the Company was RMB23.6 million (FY2021: RMB92.5 million). The basic earnings per share were RMB3.21 cents (FY2021: RMB12.51 cents). Excluding the expenses arising from (i) the share awards granted in the amount of RMB18.5 million (FY2020: nil); and (ii) withholding tax relating to dividend payment from subsidiaries in the amount of RMB7.8 million (FY2021: nil), the Group recorded an adjusted net profit of RMB54.5 million and adjusted net profit margin of 7.8% for FY2022.

## **OUTLOOK AND STRATEGY**

The Group is confident in the overall business operations in 2023. With the significant recovery of business in the second half of 2022 following the relaxation of local government restriction policies from the pandemic, it is expected to have a growth on the luxury goods consumption in the next few years. The Group has obtained a number of marketing service projects from both global and domestic clients in PRC and Hong Kong which are to be conducted in 2023.

According to "2022 China Luxury Market Report" by Bain & Company, the decline in luxury sales in 2022 is only a temporary setback. In 2023, as China gradually recovers from the impact of the pandemic, it is expected that the luxury market will be back on track, and the consumption fundamentals of the Chinese market are still stable. Compared with other emerging markets, China has more middle to high-income consumers, which is expected to double by 2030. This shows that China remains an important growth engine in the global luxury market. Despite the global economic slowdown, the China luxury market will continue to grow and is expected to reach US\$412 billion in 2025.

As the market leader of luxury experiential marketing service provider, with over 550 clients from international and local mid-to-high-end brands, the Group believes that luxury brands will be highly motivated to conduct massive advertising and promotional activities in the Chinese market in the future.

Looking ahead to the future, the Group is brimming with confidence in its ability to achieve and exceed its developmental goals, and the strategies in the following directions:

**(i) Experiential marketing business**

The Group is committed to sustaining its focus on its core business of experiential marketing by increasing its client base and expanding the number of events. According to a report by Bain and Company, China's middle class is growing at an unprecedented rate and is increasingly becoming more affluent. As a result, the middle class now has greater disposable income to spend on luxury products and experiences. Chinese consumers are seeking unique and personalized luxury experiences, such as luxury travel, fine dining, and cultural experiences, which presents a significant opportunity for luxury marketers. Brands that create bespoke experiences that cater to the unique preferences of Chinese consumers are likely to succeed in this market.

Furthermore, according to the "China Luxury Report 2022" released by the YaoK Institute, in the Chinese market, in 2022, the Chinese luxury market sales reached RMB956 billion, accounting for 38% of the global luxury market. The Chinese people are still the most important force in the global luxury consumption, with the country projected to become the world's largest luxury market by 2025. Therefore, The Group believes that luxury brands will be highly motivated to conduct massive advertising and promotional activities in the Chinese market in the upcoming years.

The Group's experiential marketing services do not only focus on offline channels but also leverage the power of data interactive marketing to offer massive online exposure to clients. Therefore, the Group expects its future experiential marketing activities to grow steadily and take advantage of the vast opportunities presented by China's rapidly expanding luxury market.

**(ii) Digital and communication business**

In order to expand the digital and communication services business, the Group will continue to increase the investment in digital marketing and seeking for acquisition or cooperation partners. The latest report by ChinaIRN shows that the size of China's advertising market reached RMB914.39 billion, including RMB543.93 billion internet advertising, indicating significant growth opportunities for the Group in the digital marketing space. Given that the Group's experiential marketing business has generated a wealth of online data, this data can be leveraged to enable online and offline data interaction, enhancing and accumulating data on the behavior and preferences of premium brand consumers. Through this data, the Group can assist brands in making critical operational decisions, thereby strengthening their strategic value and reliance on the Group. Ultimately, the Group's profits and commissions can increase through the growth in online sales volume of the brands by enhancing its content planning capability. The increasing importance of digital and communication services has made it imperative for the Group to

remain at the forefront of the industry and provide clients with the most innovative and effective solutions. The Group's investment in digital marketing and its efforts to expand its service offerings align with this objective and will position it for long-term growth and success in the rapidly evolving digital landscape.

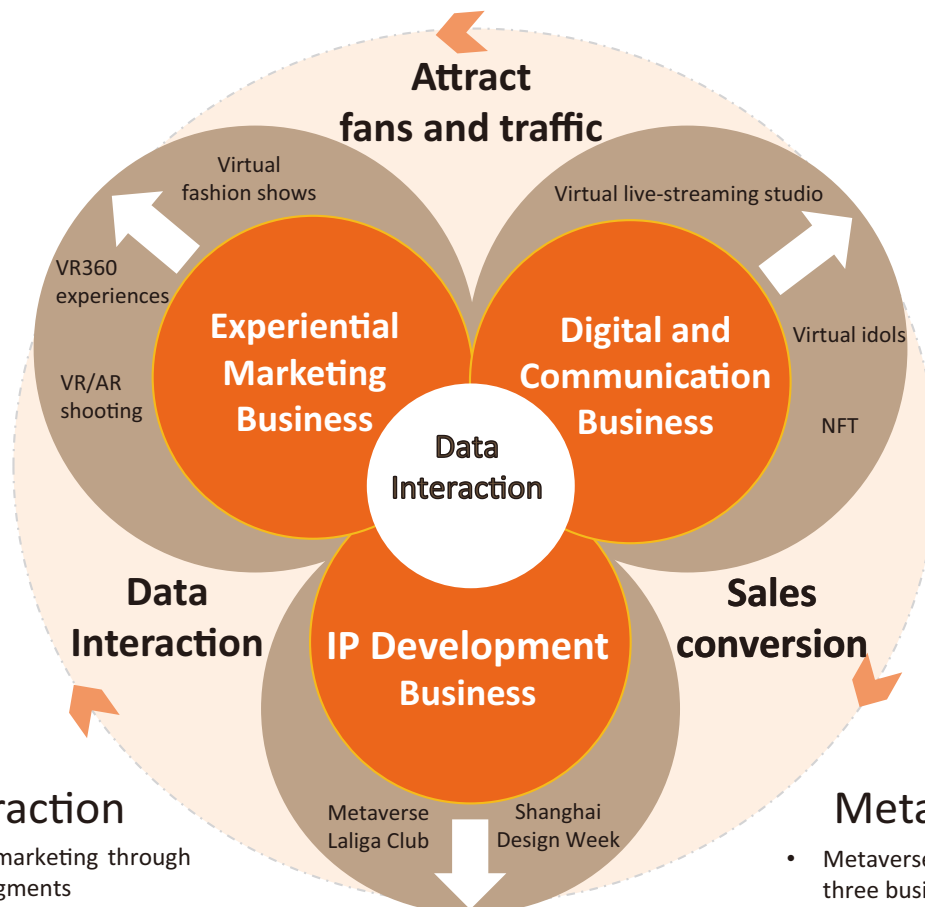
**(iii) IP Development**

The Group is dedicated to enhancing the operation of world-class IP, with a particular emphasis on Shanghai Design Week, the Group's newest IP. The Shanghai Municipal Commission of Economy and Informatization predicts that Shanghai's creative and design industry will surpass RMB2.0 trillion by 2025. As the IP operator of Shanghai Design Week, the Group is confident that this IP will make significant contributions to our Company's growth. Besides, the Group is expecting to resume tournaments of Le Tour de France and LaLiga activities which were postponed in FY2022.

Looking ahead to the future, the Group will continue to strengthen its market position and enhance its competitiveness and industry-leading position. At the same time, we will continue to improve the comprehensive quality and ability of employees, laying a solid talent foundation for the Company's long-term development.

**Three business segments sustainable development strategies**

Data interaction + Metaverse all round upgrading services create more digitalised value for brands



**Data Interaction**

- Data interactive marketing through three business segments
- High quality content leading to substantial data interaction

**Metaverse**

- Metaverse marketing supports the three business segments
- Accelerated the upgrade of digitalisation services

## BUSINESS REVIEW

### Geographical Review

The Group's business was conducted in the Mainland China, Hong Kong and Singapore. Due to the pandemic situation in Hong Kong and Mainland China, the Group's revenue in Mainland China, Hong Kong and Singapore for FY2022 has decreased by approximately 23.1% compared with FY2021.

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Mainland China	<b>669,619</b>	<b>96.4</b>	852,162	94.3
Hong Kong & Singapore	<b>25,188</b>	<b>3.6</b>	51,895	5.7
<b>Total</b>	<b>694,807</b>	<b>100.0</b>	<b>904,057</b>	<b>100.0</b>

### Business Segment Review

During FY2022, the revenue of the Group's experiential marketing services segment, digital and communication services segment and the IP development segment were RMB513.9 million (FY2021: RMB686.0 million), RMB154.4 million (FY2021: RMB201.7 million) and RMB26.5 million (FY2021: RMB16.3 million) respectively.

The following table sets out the revenue of the Group by service line for FY2021 and FY2022.

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Experiential marketing services	<b>513,877</b>	686,022
Digital and communication services	<b>154,399</b>	201,690
IP development	<b>26,531</b>	16,345
<b>Total</b>	<b>694,807</b>	<b>904,057</b>

## 1. Experiential Marketing Business

According to the research report by China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for premium and luxury brands in Greater China in 2022, with market share rising from 9.2% in 2021 to 10.0% in 2022. The Group's experiential marketing business scope covers creative design, event planning, event management and execution, and rendering content services to the target consumers of the brands. Since 2020, the Group has actively promoted data interactive marketing business. Fashion shows or exhibitions are now not only physical events with several hundred guests on the scene but also events which create contents that can be brought online for secondary marketing, making a massive amount of online exposure through data interactive services. In FY2022, several offline marketing events conducted by the Group were livestreamed, which drew millions or hundreds of millions of views online. It is expected that this model will continue in for 2023.

Despite the impact of the pandemic prevention and control in the PRC and Hong Kong in the first half of 2022, the Group quickly resumed its activities in the second half of 2022 and completed approximately 130 successful events in the PRC. As a result, more than 170 offline events were completed throughout FY2022, including CHANEL 2022 Christmas Facade project, DIOR "Dior Haute Joaillerie" Event, GUCCI Beauty Pop-up, LOUIS VUITTON "Louis Vuitton Men's Spring-Summer 2023 Spin-off" Show, PRADA "Prada FW22 Menswear and Womenswear Fashion Show", ROLLS-ROYCE "2022 RRM C Phantom Series II Launch & Experience" Campaign, Museum Of Ice Cream, TAIKOO "Taikoo Li Qiantan Lux Open 2022", VAN CLEEF & ARPELS "Time, Nature, Love" Exhibition and more.

In addition, the Group's strategic partner — Lanvin Group, which is one of the largest independent luxury brands group in China, has been publicly listed on the New York Stock Exchange in 2022. As the preferred marketing partner for all of Lanvin Group's brand portfolios and a strategic shareholder, the Group is well-positioned to leverage this exciting development to further enhance the Group's business operations and growth potential.

During FY2022, the revenue for experiential marketing business segment was RMB513.9 million, representing a decrease of 25.1% from the segment revenue of RMB686.0 million in FY2021. The experiential marketing business segment revenue accounted for 74.0% of the Group's total revenue in FY2022.



## 2. Digital and Communication Business

The Group's digital and communication business has been growing due to massive demand from brand owners over the past several years. Since the pandemic outbreak in 2020, many luxury and premium brands have become aware that digitalisation would become a global trend. Accordingly, the budget for online marketing has substantially increased, creating an excellent opportunity for the digital marketing services industry. The "stay-at-home economy" consumption model has stimulated the demand for digital marketing for brands in the China market. Meanwhile, as more brands have launched their online stores, e-commerce sales have become an increasingly significant portion of their total sales.

The Group has been providing data interactive services to its clients, generating millions to billions of viewerships through online platforms from experimental marketing services. Such online exposure can also enhance the sales revenue of the Group's clients. The Group also tapped into livestreaming e-commerce business since second half of 2021 by forming a joint venture with Vision Entertainment with a majority shareholding, focusing on live-streaming e-commerce business on Douyin, with a total of 6 celebrities by the end of FY2022.

In order to enhance the development of the digital and communication services business, on 10 January 2022, the Group has made a strategic investment in Weikuai Technology Group (also known as VeeR Group), a leading enterprise in virtual reality content production in China, and has formed a joint venture with its subsidiary, Beijing Weikuai Technology Co., Ltd. (北京為快科技有限公司) (also known as VeeR), to create a new field of pan-fashion metaverse marketing, of which the Group holds 51% equity interest in the joint venture.

In July 2022, the Group has announced an in-depth co-creation cooperation agreement with Beijing Baidu Netcome Science and Technology Co., Ltd. ("**Baidu Netcome**"), a subsidiary under Baidu, Inc. to design and develop an interactive online platform, namely, D UNIVERSE, which has officially entered into Baidu Xirang Metaverse Platform (百度希壤元宇宙平台) with the aim of driving premium and luxury brands to experience and discover Web3.0 in the PRC. The Group has successfully launched the first virtual avatar and real time fashion show (虛實互動同頻時裝秀) on Baidu Xirang Metaverse Platform.

During FY2022, the Group is the retainer agency of numerous brands, including BOBBI BROWN, DIESEL, HAMILTON, KENZO, L'OCCITANE, LOEWE Perfume, MAKE UP FOR EVER, MAX MARA, NEW BALANCE, REMY MARTIN, SEPHORA, TORY BURCH, VENCHI and more. The Group has also launched a number of digital marketing campaigns, for instance, REMY MARTIN "Rémy Martin XO Online Social Campaign", NEIWAI "Neiwai 22SS Online Fashion Show" and LAND ROVER "Above & Beyond", NEW BALANCE "Performance Marketing Online Launch" and more.

For FY2022, the revenue of the digital and communication business was RMB154.4 million, representing a decrease of 23.5% as compared to RMB201.7 million in FY2021, and accounted for 22.2% of the Group's total revenue for the year.

### 3. IP Development Business

On 7 June 2022, the Group entered into a contract with Shanghai Design Week Investment Management Company Limited in regards to the exclusive operation right of Shanghai Design Week, which the Group will be responsible for the promotion and operation of the new “Shanghai Design Week” IP. Despite the impact of the pandemic, the Group has successfully launched the first event – WDCC (2022世界設計之都大會) and a series of Shanghai Design Week projects in the second half of 2022. During the conference, there was one opening ceremony, two Summit forums (including the Design Summit for 100 People and the Design Capital Summit), two exhibitions (including the leading exhibition and the Paris exhibition), more than 50 summit forums and design activities and the wisdom sharing of nearly 300 domestic and international design and industry leaders. There were more than 720 million views on relevant topics on the conference website.

Since 2016, the Group has started its IP development business for sports market where the Group entered into cooperation agreements with each of LaLiga and Amaury Sport Organisation for granting the Group to organize events with LaLiga Club brand and Le Tour de France brand for marketing, sponsorship and merchandising in the PRC. Due to the effect of the pandemic, offline activities and events for LaLiga Club and Le Tour de France brands were temporarily suspended or postponed in FY2022.

During FY2022, the revenue for the IP development business was RMB26.5 million, representing an increase of 62.6% as compared to RMB16.3 million in FY2021, while the IP development business accounted for 3.8% of the Group’s total revenue in FY2022.



## **FINANCIAL REVIEW**

### **Cost of sales**

The cost of sales of the Group decreased from RMB636.8 million for FY2021 to RMB492.6 million for FY2022. Overall speaking, the decrease in cost of sales was mainly caused by the decrease in revenue. The fluctuations in cost of sales components were mainly dependent on the types and mix of projects carried out by the Group in the respective periods. The cost of sales components mainly includes production cost, third party service cost, media cost and venue rental cost.

### **Gross profit and gross profit margin**

As a result of the foregoing, the Group's gross profit decreased by 24.4% from RMB267.3 million in FY2021 to RMB202.2 million for FY2022, such decrease was mainly caused by the decrease in revenue. Its overall gross profit margin decreased from 29.6% for FY2021 to 29.1% for FY2022. Such decrease in gross profit margin was due to the difference in revenue mix from different service segments.

### **Other income and gains**

The Group's other income and gains increased from RMB12.7 million for FY2021 to RMB16.3 million for FY2022. The increase in other income and gains was mainly due to the increase in government grants and subsidies.

### **Selling and distribution expenses**

The Group's selling and distribution expenses increased from RMB85.9 million for FY2021 to RMB86.4 million for FY2022. Such increase in selling and distribution expenses was mainly due to the increase in staff cost.

### **General and administrative expenses**

The Group's general and administrative expenses increased from RMB42.6 million for FY2021 to RMB65.7 million for FY2022, which was mainly attributable to the share award payments of RMB18.5 million.

### **Other expenses, net**

The Group's other expenses recorded a net increase from RMB2.4 million for FY2021 to RMB10.5 million for FY2022. The increase in other expenses was mainly due to an impairment of trade receivables.

## **Finance costs**

The Group's finance costs decreased from RMB0.6 million for FY2021 to RMB0.5 million for FY2022, as the Group did not have any bank borrowing in FY2022.

## **Net profit and net profit margin**

The Group recorded a net profit of RMB28.2 million for FY2022 (FY2021: RMB102.6 million), a decrease of 72.5%. Overall net profit margin decreased from 11.3% for FY2021 to 4.1% for FY2022. Such decrease in net profit margin was mainly due to the suspension in operations in the PRC during the first half of 2022 and share award expenses in 2022.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Cash and cash equivalents**

As at 31 December 2022, the Group's cash and cash equivalents amounted to approximately RMB300.3 million (31 December 2021: RMB405.8 million).

### **Net proceeds from the Global Offering**

The Shares were listed on the Main Board of the Stock Exchange on 16 January 2020. The net proceeds from the global offering of the Shares ("**Global Offering**") including the over-allotment of Shares were approximately HK\$345.0 million (the "**Net Proceeds**").

On 19 April 2021, the Board has resolved to change the use of net proceeds such that unutilised Net Proceeds of the Global Offering (the "**Unutilised Net Proceeds**") in the amount of HK\$224.5 million, originally allocated for the capital commitment for the establishment of the partnership, are to be reallocated for the capital commitment required for strategic investment in the pan-cultural sector due to the lapse of the limited partnership agreement. Please refer to the announcement of the Company dated 19 April 2021 for further details.

The following table sets out the breakdown on the revised utilisation of the Net Proceeds.

Designated use of the Net Proceeds	Original allocation of Net Proceeds <i>HK\$ million</i>	Revised allocation of Net Proceeds <i>(Note)</i> <i>HK\$ million</i>	Unutilised Net Proceeds as at 31 December 2021 <i>HK\$ million</i>	Net Proceeds utilised during FY2022 <i>HK\$ million</i>	Unutilised Net Proceeds as at 31 December 2022 <i>HK\$ million</i>
Develop and expand the existing business of integrated marketing solutions and IP development	192.8	81.1	1.0	1.0	—
Cash reserve for strategic investment funds for suitable cooperation or investment opportunities	118.0	5.2	5.2	—	5.2
General working capital and general corporate purpose	34.2	34.2	—	—	—
Cash reserve for strategic investment in the pan-cultural sector	—	224.5	205.0	43.5	161.5
<b>Total</b>	<b>345.0</b>	<b>345.0</b>	<b>211.2</b>	<b>44.5</b>	<b>166.7</b>

*Note: For details of the changes in the use of the Net Proceeds, please refer to the announcements of the Company dated 20 August 2020 and 19 April 2021.*

The Group had utilised HK\$44.5 million of the Net Proceeds during FY2022. The Group is expected to utilise all unutilised Net Proceeds within the year ending 31 December 2023.

## **Borrowing and charges on the Group's assets**

As at 31 December 2022, the Group did not have any interest-bearing borrowing (as at 31 December 2021: nil).

## **Gearing ratio**

The gearing ratio as at 31 December 2022, calculated on the basis of bank and other borrowings over total equity, was nil (as at 31 December 2021: nil).

With the current level of cash and cash equivalents as well as available banking facilities, the Group's liquidity position remains strong and has sufficient financial resources to meet its current working capital requirement and future expansion.

## **Employees and remuneration policies**

As at 31 December 2022, the total number of employees of the Group was approximately 261 (as at 31 December 2021: 285). For FY2022, the employee benefit expenses of the Group (including directors' emoluments) were approximately RMB110.7 million (FY2021: RMB91.4 million).

The Group offers a comprehensive remuneration package to its employees which is reviewed by the management on a regular basis. The Group also invests in continuing education and training programs for its management staff and other employees with a view to constantly upgrade their skills and knowledge. The Group values employees as its most valuable assets and believes effective employee engagement is an integral part of business success. In this context, effective communication with employees at all levels is highly valued with the ultimate goal to enhance the efficiency in providing quality service to the clients.

## **Trade receivables and trade payables**

The trade receivables of the Group increased from RMB231.7 million as at 31 December 2021 to RMB308.9 million as at 31 December 2022; and the trade payables of the Group increased from RMB221.8 million as at 31 December 2021 to RMB289.6 million as at 31 December 2022.

## **Contingent liabilities**

The Group has no material contingent liabilities as at 31 December 2022.

## **Acquisition and disposal of subsidiary and associated companies**

The Group had no material acquisitions and disposals of subsidiaries and associated companies during FY2022.

## **Capital commitment**

As at 31 December 2022, the Group has a capital commitment of RMB5.1 million (as at 31 December 2021: RMB25.1 million) relating to the future capital contributions.

## **Significant investments**

The Group has no significant investments, including investment in companies with a value of 5% or more of the Company's total assets as at 31 December 2022.

## **Foreign exchange risk**

Most of the Group's income and expenditures are denominated in Renminbi, being the functional currency of the major operating entities, and hence, the Group does not have any material foreign exchange exposures.

The Group will continue to adopt a proactive approach to closely monitor the foreign currency market, as well as exploring the domestic capital market for financing opportunities and consider other hedging arrangements if such need arises.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>REVENUE</b>	4	<b>694,807</b>	904,057
Cost of sales		<u>(492,566)</u>	<u>(636,774)</u>
Gross profit		<b>202,241</b>	267,283
Other income and gains	4	<b>16,263</b>	12,661
Selling and distribution expenses		<b>(86,423)</b>	(85,870)
General and administrative expenses		<b>(65,698)</b>	(42,630)
Other expenses, net		<b>(10,480)</b>	(2,385)
Finance costs		<b>(526)</b>	(613)
Share of profits and losses of an associate and a joint venture		<b>321</b>	(3,818)
<b>PROFIT BEFORE TAX</b>	5	<b>55,698</b>	144,628
Income tax expense	6	<u>(27,454)</u>	<u>(42,074)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>28,244</u></b>	<b><u>102,554</u></b>
Attributable to:			
Owners of the parent		<b>23,632</b>	92,488
Non-controlling interests		<b>4,612</b>	10,066
		<b><u>28,244</u></b>	<b><u>102,554</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic and diluted (RMB cents)		<b><u>3.21</u></b>	<b><u>12.51</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>28,244</b>	102,554
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	(736)	3,985
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>3,155</u>	<u>(3,932)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<u>2,419</u>	<u>53</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u><u>30,663</u></u></b>	<b><u><u>102,607</u></u></b>
Attributable to:		
Owners of the parent	26,051	92,541
Non-controlling interests	<u>4,612</u>	<u>10,066</u>
	<b><u><u>30,663</u></u></b>	<b><u><u>102,607</u></u></b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	<i>Notes</i>	<b>2022</b> <b>RMB'000</b>	2021 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>6,421</b>	5,299
Right-of-use assets		<b>8,246</b>	8,518
Goodwill		<b>10,233</b>	10,233
Intangible assets		<b>309</b>	426
Investment in a joint venture		—	—
Investment in an associate		<b>908</b>	—
Investments at fair value through other comprehensive income		<b>42,344</b>	19,998
Investment at fair value through profit or loss		<b>16,354</b>	—
Deposits		<b>701</b>	—
Deferred tax assets		<b>358</b>	1,085
Total non-current assets		<b>85,874</b>	45,559
<b>CURRENT ASSETS</b>			
Trade receivables	9	<b>308,859</b>	231,692
Prepayments, deposits and other receivables		<b>15,579</b>	32,511
Pledged bank deposits		<b>665</b>	665
Cash and cash equivalents		<b>300,269</b>	405,817
Total current assets		<b>625,372</b>	670,685
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>289,595</b>	221,755
Other payables and accruals		<b>41,631</b>	34,377
Lease liabilities		<b>3,123</b>	1,465
Tax payable		<b>13,382</b>	21,757
Total current liabilities		<b>347,731</b>	279,354
<b>NET CURRENT ASSETS</b>		<b>277,641</b>	391,331
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>363,515</b>	436,890
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>6,475</b>	7,273
Deferred tax liabilities		<b>3,450</b>	203
Total non-current liabilities		<b>9,925</b>	7,476
Net assets		<b>353,590</b>	429,414

	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	<b>659</b>	667
Reserves	<b>335,650</b>	405,648
	<b>336,309</b>	406,315
Non-controlling interests	<b>17,281</b>	23,099
Total equity	<b>353,590</b>	429,414

## NOTES

Year ended 31 December 2022

### 1. CORPORATE AND GROUP INFORMATION

Activation Group Holdings Limited is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 8/F, No. 399A Liu Zhou Road, Xu Hui District, Shanghai, the People's Republic of China (the "PRC"). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2020 (the "Listing").

The Company is an investment holding company. During FY2022, the Company's subsidiaries were involved in the following principal activities:

- provision of experiential marketing services;
- provision of digital and communication services; and
- IP development-management and operation of sport events

### 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for investments at fair value through other comprehensive income and investment at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group’s financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- (a) Experiential marketing services segment
- (b) Digital and communication services segment
- (c) IP development segment

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that unallocated other income and gains, finance costs and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, right-of-use assets, pledged bank deposits and corporate and other unallocated assets as these assets are managed on a group basis.

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

**Year ended 31 December 2022/At 31 December 2022**

	Experiential marketing services <i>RMB'000</i>	Digital and communication services <i>RMB'000</i>	IP development <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
Sales to external customers	513,877	154,399	26,531	<u>694,807</u>
<b>Segment results</b>	76,099	17,139	(12,166)	81,072
<u>Reconciliation:</u>				
Corporate and other unallocated expenses, net				(26,544)
Interest income				1,696
Finance costs				(526)
Profit before tax				<u>55,698</u>
<b>Segment assets</b>	506,619	79,799	39,891	626,309
<u>Reconciliation:</u>				
Corporate and other unallocated assets				84,937
Total assets				<u>711,246</u>
<b>Segment liabilities</b>	240,581	33,006	46,937	320,524
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				37,132
Total liabilities				<u>357,656</u>
<b>Other segment information</b>				
Share of profit of an associate	(321)	—	—	(321)
Impairment of a joint venture	—	—	334	334
Depreciation and amortisation	1,614	554	18	2,186
Impairment of trade receivables, net	1,368	7,463	132	8,963
Capital expenditure*	2,857	423	—	3,280

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

**Year ended 31 December 2021/At 31 December 2021**

	Experiential marketing services <i>RMB'000</i>	Digital and communication services <i>RMB'000</i>	IP development <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
Sales to external customers	686,022	201,690	16,345	904,057
<b>Segment results</b>				
<u>Reconciliation:</u>				
Corporate and other unallocated expenses, net				(7,903)
Interest income				73
Finance costs				(613)
Profit before tax				144,628
<b>Segment assets</b>				
	429,321	140,351	30,779	600,451
<u>Reconciliation:</u>				
Corporate and other unallocated assets				115,793
Total assets				716,244
<b>Segment liabilities</b>				
	211,704	29,953	5,313	246,970
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				39,860
Total liabilities				286,830
<b>Other segment information</b>				
Share of losses of an associate and a joint venture	2,942	—	876	3,818
Depreciation and amortisation	412	505	24	941
Impairment of trade receivables, net	807	437	180	1,424
Capital expenditure*	3,684	773	—	4,457

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.



## Geographical information

### (a) Revenue from external customers

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Mainland China	669,619	852,162
Hong Kong/Singapore	25,188	51,895
	<u>694,807</u>	<u>904,057</u>

The revenue information above is based on the locations where the underlying services were rendered.

### (b) Non-current assets

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Mainland China	18,572	15,958
Hong Kong/Singapore	16,354	—
	<u>34,926</u>	<u>15,958</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets, investments at fair value through other comprehensive income and right-of-use assets.

## Information about major customers

Revenues from transactions with each customer or group of entities known to be under common control amounting to 10% or more of the Group's total revenue, which are reported in the experiential marketing services and digital and communication services segments, are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Customer A	198,040	235,466
Customer B*	64,694	93,783
	<u>262,734</u>	<u>329,249</u>

\* Contributing less than 10% to the total revenue of the Group in that year.

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<u>Revenue from contracts with customers</u>		
<b>Major service lines</b>		
Experiential marketing services	513,877	686,022
Digital and communication services	154,399	201,690
IP development	26,531	16,345
	<u>694,807</u>	<u>904,057</u>
<b>(i) Disaggregated revenue information</b>		
<b>Geographical locations</b>		
<i>Experiential marketing services</i>		
Mainland China	489,493	634,756
Hong Kong/Singapore	24,384	51,266
	<u>513,877</u>	<u>686,022</u>
<i>Digital and communication services</i>		
Mainland China	153,595	201,061
Hong Kong/Singapore	804	629
	<u>154,399</u>	<u>201,690</u>
<i>IP development</i>		
Mainland China	26,531	16,345
	<u>26,531</u>	<u>16,345</u>
Total revenue from contracts with customers	<u>694,807</u>	<u>904,057</u>
<b>Timing of revenue recognition</b>		
At a point in time	548,907	726,600
Over time*	145,900	177,457
	<u>694,807</u>	<u>904,057</u>

\* Included projects on retainer basis

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Experiential marketing services	872	8,641
Digital and communication services	1,155	226
IP development	—	2,843
	<u>2,027</u>	<u>11,710</u>

An analysis of other income and gains is as follows:

	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<u>Other income and gains</u>		
Bank interest income	<b>1,696</b>	1,675
Government subsidies*	<b>10,651</b>	6,977
Gain on termination of operating leases	—	—
Gain on deregistration of a subsidiary	—	704
Gain on deregistration of an associate	—	216
Others	<b>3,916</b>	3,089
	<b>16,263</b>	12,661

\* The government subsidies mainly represented subsidies received by certain subsidiaries of the Group from PRC's local government authorities as incentives to support the Group's business development/ contribution to local economies/contribution for developing the cultural industry in specific cities and subsidies granted under the Employment Support Scheme from the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions or contingencies relating to these government subsidies.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Cost of services rendered	<b>492,566</b>	636,774
Depreciation of property, plant and equipment**	<b>2,063</b>	811
Depreciation of right-of-use assets**	<b>2,937</b>	5,256
Amortisation of intangible assets**	<b>123</b>	130
Lease payments not included in the measurement of lease liabilities**	<b>3,298</b>	819
Fair value losses of financial asset at fair value through profit or loss*	<b>329</b>	—
Impairment of trade receivables, net*	<b>8,963</b>	1,424
Impairment of a joint venture*	<b>334</b>	—
Foreign exchange differences, net	<b>89</b>	242

\* Included in "Other expenses, net" in the consolidated statement of profit or loss.

\*\* Included in "General and administrative expenses" in the consolidated statement of profit or loss.

## 6. INCOME TAX

Taxes on profits assessable in Mainland China have been calculated at the applicable PRC corporate income tax (“CIT”) rate of 25% (2021: 25%) during the year.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

For those subsidiaries incorporated in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

For the subsidiary incorporated in Singapore, Singapore profits tax has been provided at the rate of 17% (2021: 17%) on the estimated assessable profits arising in Singapore during the year.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current — PRC		
Charge for the year	23,396	39,714
Under-provision in prior year	10	2,915
Current — Hong Kong/Singapore		
Under-provision in prior year	74	—
Deferred	3,974	(555)
	<u>27,454</u>	<u>42,074</u>
Total tax charge for the year	<u>27,454</u>	<u>42,074</u>

## 7. DIVIDENDS

The dividend declared by the Company to its shareholders during the year are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interim — nil (2021: HK1.03 cents) per ordinary share	—	6,455
Special — HK12.00 cents (2021: HK6.93 cents) per ordinary share	76,896	43,434
Proposed final — HK1.32 cents (2021: HK2.00 cents) per ordinary share	8,455	12,322
Proposed final special — HK9.38 cents (2021: nil) per ordinary share	60,084	—
	<u>145,435</u>	<u>62,211</u>

The proposed final dividend and final special dividend for the year are subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 735,333,000 (2021: 739,558,000) in issue during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those years.

## 9. TRADE RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Billed receivables	157,078	156,869
Impairment	(9,489)	(2,498)
	<u>147,589</u>	<u>154,371</u>
Unbilled receivables	161,270	77,321
	<u>308,859</u>	<u>231,692</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period generally ranges from 60 to 90 days from the date of invoice. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the billed receivables as at the end of the reporting period, based on the invoice date or equivalent and net of loss allowance, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 month	119,544	69,250
1 to 3 months	13,796	50,889
Over 3 months	14,249	34,232
	<u>147,589</u>	<u>154,371</u>

## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 month	186,269	179,031
1 to 3 months	53,006	22,793
Over 3 months	50,320	19,931
	<u>289,595</u>	<u>221,755</u>

The trade payables are non-interest bearing and are normally settled on terms ranging from 60 to 90 days.

## OTHER INFORMATION

### Purchase, sale or redemption of the Company's listed securities

During FY2022, the Company exercised its powers under the general mandate granted by the Shareholders to the Board at the annual general meeting of the Company held on 2 June 2022 to repurchase Shares not exceeding 10% of the total number of Shares in issue as at the date of the meeting, which shall expire at the conclusion of the next annual general meeting of the Company, and repurchased a total of 8,976,000 Shares on the Stock Exchange at an aggregate consideration of HK\$11,301,480. As at the date of this announcement, all the Shares repurchased in 2022 have been cancelled.

Particulars of the repurchases made by the Company during FY2022 are as follows:

Trading Month	Number of Shares Repurchased	Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)	Total Consideration Paid (HK\$)
January	—	—	—	—
February	—	—	—	—
March	6,342,000	1.41	1.20	8,401,360
April	20,000	1.25	1.20	24,680
May	1,342,000	1.23	1.08	1,551,880
June	206,000	1.17	1.06	231,080
July	514,000	1.16	0.99	533,920
August	258,000	1.01	0.96	252,240
September	20,000	0.99	0.96	19,340
October	12,000	1.36	1.26	15,560
November	—	—	—	—
December	262,000	1.09	1.00	271,420
Total	<u>8,976,000</u>			<u>11,301,480</u>

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during FY2022.



## **Compliance with Corporate Governance Code**

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company. In the opinion of the Directors, the Company has fully complied with the CG Code in FY2022 except from the deviation from the Code Provision C.2.1 of the part 2 of the CG Code.

Mr. Lau Kam Yiu (“**Mr. Lau**”) is currently performing the roles of joint-chairman of the Board and chief executive officer of the Group. Under Code Provision C.2.1 of the part 2 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Taking into account Mr. Lau’s extensive experience in the marketing industry, the Board considered that the roles of joint-chairman and chief executive officer being performed by Mr. Lau enables more effective business planning and implementation by the Group. In order to maintain good corporate governance and fully comply with the provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of joint-chairman and chief executive officer separately.

## **Compliance with the Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company.

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during FY2022. The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in Code Provision C.1.3 of the part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during FY2022 after making reasonable enquiry.

## **Audit Committee and review of financial statements**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Cheung Siu Wan, Mr. Yu Longjun and Dr. Cheung Wah Keung. Ms. Cheung Siu Wan was appointed as the chairlady of the Audit Committee.

The Audit Committee has reviewed the Group’s annual results for FY2022, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters with the management of the Company.

## **Auditors’ procedures performed on this results announcement**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit of loss, consolidated statement of comprehensive income and the related notes thereto for the FY2022 as set out in this preliminary announcement have been agreed by the Company’s auditors, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

## **Significant events after the reporting period**

The Group had no significant events after 31 December 2022 that are required to be disclosed.

## **Annual general meeting**

The 2023 AGM will be held on Tuesday, 16 May 2023 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2023.

## **Closure of register of members**

### ***(a) For determining the entitlement of the shareholders to attend and vote at the AGM***

The register of members of the Company will be closed from Thursday, 11 May 2023 to Tuesday, 16 May 2023, both days inclusive and during which no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2023 AGM. In order to be eligible to attend and vote at the 2023 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712- 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Wednesday, 10 May 2023.

### ***(b) For determining the entitlement to the proposed final dividend and final special dividend***

The register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023 (both days inclusive), during which no transfer of Shares will be registered. In order to be eligible for the proposed final dividend and final special dividend, unregistered holders of Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 June 2023.

## **Publication of 2022 annual results and annual report**

This annual results announcement of the Group for FY2022 is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.activation-gp.com](http://www.activation-gp.com). The 2022 annual report containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in April 2023.

## APPRECIATION

On behalf of the Board, we would like to take this opportunity to express our gratitude to the management and staff of the Group for their commitment and contribution during the year. We would also like to express our appreciation to the guidance from the regulators and continued support from the Shareholders and customers.

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

Hong Kong, 8 March 2023

*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.*

*This announcement is available for viewing on the Company's website at [www.activation-gp.com](http://www.activation-gp.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).*