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)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 ("**FY2023**"), together with the comparative audited figures for the year ended 31 December 2022 ("**FY2022**").

FINANCIAL HIGHLIGHTS

- The revenue of the Group for FY2023 recorded an increase of about 39.2% from approximately RMB694.8 million for FY2022 to approximately RMB967.2 million for FY2023.
- The gross profit of the Group for FY2023 recorded an increase of about 47.5% from approximately RMB202.2 million for FY2022 to approximately RMB298.2 million for FY2023. Gross profit margin increased from 29.1% in FY2022 to 30.8% in FY2023.
- The net profit of the Group for FY2023 recorded an increase of about 319.9% from approximately RMB28.2 million for FY2022 to approximately RMB118.4 million for FY2023. Net profit margin increased from 4.1% in FY2022 to 12.2% in FY2023. Profit attributable to owners of the parent was approximately RMB108.0 million (FY2022: RMB23.6 million).
- Basic earnings per share is RMB14.80 cents for FY2023 (FY2022: RMB3.21 cents).

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK6.16 cents per ordinary share of the Company ("**Share(s)**") and a final special dividend of HK4.42 cents per Share for FY2023 which amounted to approximately HK$78.8 million subject to the approval of the shareholders of the Company ("**Shareholders**") at the forthcoming annual general meeting. This proposed pay-out, together with the interim dividend of HK2.00 cents per Share paid on 14 September 2023, would give a total dividend of HK12.58 cents per Share for FY2023 (FY2022: HK22.70 cents per Share). Subject to the Shareholders' approval at the forthcoming annual general meeting of the Company (the "**2024 AGM**") to be held on Monday, 27 May 2024, it is expected that the final dividend and the final special dividend shall be paid to the Shareholders on or before Tuesday, 18 June 2024.

The Group is a leading marketing group for pan-fashion (泛時尚) brands in Greater China that mainly focuses on the provision of (i) experiential marketing, (ii) digital and communication, and (iii) intellectual property ("**IP**") development in Greater China. 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. According to China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for mid-range and high-end fashion brands in Greater China with a market share of 12.7% in 2023.

OVERVIEW

In 2023, China's macroeconomic stability and the expansion of the consumer service industry paved the way for considerable growth opportunities in the marketing economy sector. Throughout the year, the strategic importance of the Chinese market attracted numerous owners and management teams from global luxury brands visited mainland China. This trend not only highlighted the significance of the Chinese luxury market but also opened up business opportunities for the Group.

As a leading premium and luxury brands experiential marketing services provider in the Greater China region, the Group achieved historic highs in financial performance and demonstrated growth capabilities. This outstanding achievement extends beyond our excellent financial performance. More crucially, it reflects the dedication and professional expertise of our employees. The Group's success showcases our sharp insights into market dynamics, understanding of customer needs, and prediction of future market trends.

The strategy of the Group focuses on providing innovative, diverse and high-quality marketing services. This approach not only helps us to deeply understand and meet the needs of customers but also enables the Group to maintain a leading position in a competitive and fast changing market environment. The outstanding performance of the Group consolidates our leadership position in the industry also reaffirms our long-term commitment to strategic direction and refined management practices.

The Group's revenue for FY2023 was approximately RMB967.2 million, an increase of 39.2% compared to RMB694.8 million for FY2022. The net profit of the Group for FY2023 was approximately RMB118.4 million, up 319.9% compared to RMB28.2 million for FY2022; and the net profit margin for the Group was about 12.2% in FY2023, an increase of 8.1 percentage points compared to 4.1% in FY2022. The profit attributable to equity shareholders of the Group was RMB108.0 million (FY2022: RMB23.6 million). The basic earnings per share were RMB14.80 cents (FY2022: RMB3.21 cents).

MARKET OPPORTUNITIES

According to the latest report from Bain & Company's "2023 China Luxury Market Report" (the "**Bain Report**"), the Chinese market continues to solidify its position as the preferred destination for global luxury consumption and holds strategic importance for luxury brands worldwide. The report indicates that in 2023, Chinese mainland consumers were expected to account for 22–24% of the total global luxury consumption, while the Chinese market itself contributes approximately 16% to the global total. The Bain Report predicts that by 2030, China is poised to become the leading luxury market globally, with Chinese consumers potentially capturing a global market share of 35–40%, and the Chinese market's share itself increasing to 24–26%. Complementing these findings, market research from Euromonitor has also revealed that for at least the next four years, China's luxury spending is set to outpace that of the US and Western Europe, further underscoring the pivotal role of the Chinese market in the luxury sector.

This trend indicates that, as the Chinese consumer market expands, China is set to emerge as one of the world's predominant luxury goods markets. Major luxury brands globally are intensifying their efforts to capture the attention of Chinese consumers. After years of development, the luxury goods market in mainland China has witnessed significant changes in consumer recognition of brand value and pursuit of high-quality living, which have become key drivers propelling the market towards positive growth. Therefore, for luxury brands, continuous innovation and effective marketing strategies will play a decisive role on the brand's long-term development. This approach not only helps strengthen the connection between the brand and consumers but also establishes and deepens consumer loyalty to the brand. In light of these developments, the Group anticipates that luxury brands will continue to actively engage in large-scale marketing and promotional activities in the Chinese market in the coming years.

OUTLOOK AND STRATEGY

Given the increasing importance of the Chinese market in the global luxury goods industry, the Group has successfully secured multiple marketing service projects from both international and local clients in mainland China and Hong Kong, and has been implementing these projects gradually.

The Group has developed proactive strategies reflecting the growth trends of the Chinese luxury goods market and evolving consumer demands. These strategies are crafted to enhance relationships with current clients while simultaneously seeking to captivate new clientele. The Group is determined to broaden its impact in the Chinese market by employing creative marketing tactics and offering exceptional service experiences. As the Chinese luxury goods market continues to grow, the Group is ready to further solidify and advance our predominant status in the industry, aiming for sustained and stable growth.

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:

Continuing to advance one-stop integrated marketing services

As a leading integrated marketing group for pan-fashion brands in the Greater China, the Group is dedicated to providing clients with comprehensive brand marketing solutions to enhance their brand influence in the Chinese market. The Group's offline and online one-stop marketing strategy has demonstrated significant effectiveness in 2023.

The Group's experiential marketing focuses on planning content-rich and sensory-rich activities for the brand, with the aim of allowing consumers to subconsciously gain an in-depth understanding of the brand's history and culture. Through these activities, the Group aims to provide a visual feast that transcends to a deep emotional experience. Such methods are effective in enhancing the brand's image and creating a memorable impact on consumers. These engagements are designed to spur sales in the short term while simultaneously fostering a lasting emotional bond between consumers and the brand. Over time, they solidify the relationship with key clients, such as Very Important Customers (VIC), and bolster brand loyalty.

Through the execution of large-scale offline events, the Group successfully attracted thousands of attendees, generating significant on-site engagement. Our approach to providing exclusive, customized activities for clients was not just about crafting memorable on-site experiences; it also strategically extended the brand's reach and engagement across digital platforms. By leveraging online media channels such as Douyin, Weibo, Xiaohongshu, YouTube, Instagram, alongside live streaming and interactive discussions, we captured the attention of hundreds of millions of viewers online. This synergistic integration of online and offline marketing tactics has been instrumental in driving substantial online traffic, with hundreds of millions of hits over the past three years. This strategy has not only broadened our brand's consumer base but also markedly amplified its influence. Such results underscore the effectiveness of our marketing initiatives, highlighting their role in enhancing the brand's market positioning and driving long-term value creation.

The Group's integrated offline and online marketing strategy is a key driver of brand growth, contributing significantly to the local economy and enhancing regional visibility. These initiatives highlight our comprehensive expertise in marketing and underscore our commitment to long-term strategic planning. Our innovative and varied tactics lead to market expansion for brands while also delivering substantial benefits to the local community. This dual focus emphasizes our dedication to business success as well as to social responsibility.

The Group recognize that young consumers are pivotal in shaping future consumption trends. As per the Bain Report, generations post-85s, post-90s, and post-2000s are increasingly influential in the market. These digital natives, who prioritize personalization, quality, and experience, are crucial in guiding China's consumption evolution. Our offline events, like exhibitions, often represent the initial touchpoint for these young potential customers with a brand, offering significant opportunities for the Group's experiential marketing strategies. By tapping into these trends, we aim to maximize our engagement with this key demographic, anticipating a substantial return on investment through increased brand loyalty and market share.

According to the "2023 China Luxury Goods Report" by the Yaok Institute, China's luxury goods market has seen substantial online growth this year, primarily due to a significant digital transformation in physical retail spaces. This shift has been a driving force behind the surge in online luxury brand sales. In 2023, these online sales constituted 42% of total annual sales, with projections suggesting this could surpass 60% within the next 3 to 5 years. Such a trend underscores the tremendous opportunity for expansion in digital marketing for luxury goods.

Therefore, the Group expects that its experiential marketing and digital and communication activities will grow steadily in the future and will firmly capture the huge opportunities brought by the rapid expansion of China's luxury goods market.

Moving forward, the Group will continue to refine our one-stop online and offline marketing services, and deliver superior quality marketing solutions to existing clients, further cementing our leadership in the industry. Simultaneously, we are actively working to expand our customer base. This strategy is in alignment with current market trends and is designed to maximize returns and strengthen our market presence in the ever-evolving luxury goods sector.

IP Development

IP development business is the second growth driver of the Group. The cultural IP, "Shanghai Design Week," has successfully executed various activities both domestically and internationally, showcasing a robust increase in brand influence and market appeal. Moreover, the operation of "West Bund Orbit" exhibition hall in West Bund Financial Hub in Xuhui District in Shanghai by a joint venture of the Group and Hongkong Land has commenced in November 2023, providing a new high-end offline scenario for the Group's clients.

In terms of sports IP, the Group is actively engaged in discussions to host stages of the Le Tour de France cycling race in several major tourist cities across China. With progress advancing smoothly, the Group expects to organize a number of cycling events in 2024. These sports events have strong appeal and wide influence, which will further enhance the Group's brand awareness and market influence.

As the operator of these multiple IPs, through the efforts of the Group's team, the IP business will become an important driving force for future business growth.

BUSINESS REVIEW

Geographical Review

The Group's business was conducted in Chinese Mainland, Hong Kong and Singapore. The following table sets forth the breakdown of revenue by geographic region for the periods indicated:

	For the year ended 31 December			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Chinese Mainland	**867,277**	**89.7**	669,619	96.4
Hong Kong and Singapore	**99,954**	**10.3**	25,188	3.6
Total	**967,231**	**100.0**	694,807	100.0

Business Segment Review

During FY2023, the revenue of the Group's experiential marketing services segment, digital and communication services segment and the IP development segment were RMB762.0 million (FY2022: RMB513.9 million), RMB188.2 million (FY2022: RMB154.4 million) and RMB17.0 million (FY2022: RMB26.5 million) respectively.

The following table sets out the revenue of the Group by service line for FY2022 and FY2023.

	2023	2022
	RMB'000	*RMB'000*
Experiential marketing services	**761,972**	513,877
Digital and communication services	**188,237**	154,399
IP development	**17,022**	26,531
Total	**967,231**	694,807

Experiential Marketing

According to the research report by China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for premium fashion brands in Greater China with a market share of 12.7% in 2023.

The Group's experiential marketing business scope covers creative design, content production, event planning, event management and execution, all tailored to the brand's target consumers. These services are aimed at boosting brand awareness and increasing consumer engagement for the Group's clients. Since 2020, the Group has actively promoted data interactive marketing business. The combination of physical events with data interactive services did not only create contents but also provide massive online exposure and secondary marketing to expand coverage and enhance marketing effect. Previously, several offline marketing events conducted by the Group were livestreamed, which drew millions to hundreds of millions of views online.

During 2023, the Group has held a number of events, including ARC'TERYX "Upwards Beauty" themed show, BOTTEGA VENETA Fall/Winter 2023-2024 Beijing Fashion Show, CARTIER "Cartier and Women" special exhibition, CHANEL "Première Funfair Event", CINDY CHAO "The Art Jewel" exhibition, COMME MOI "Fall/Winter 2023 Show", DIOR "Autumn 2023 Collection Preview", GUCCI "Gucci Cosmos" archive exhibition, LORO PIANA "Summer Resort 2023 Collection" pop-up store, LOUIS VUITTON "Women's Pre-Fall 2023 Show" in Korea and "Mens Pre-Fall 2024 Fashion Show" in Hong Kong, MERCEDES-BENZ "All-new EQE pure electric SUV launch in China" festival, OPPO "Find X6 Series Launch Event", SWAROVSKI "Masters of Light" exhibition, and more. The success of these events has once again proved the Group's leading position and expertise in the experiential marketing sector.

During 2023, the Group's experiential marketing business recorded a revenue of approximately RMB762.0 million, representing an increase of 48.3% as compared to approximately RMB513.9 million in FY2022. The revival of the Chinese economy and the active consumption of premium and luxury goods and the increased demands from clients marketing have brought more business opportunities for experiential marketing for the Group.

The revenue generated from experiential marketing business segment accounted for 78.8% of the Group's total revenue in FY2023. This demonstrates the dominant position of the Group in this field and the success of its business model to grasp the marketing demand of premium brands in Greater China.

Digital and Communication

Digital and communication business can be better integrated with experiential marketing business to foster a potent synergy. This approach amplifies the strengths of each individual strategy, culminating in a comprehensive and highly effective marketing framework. In addition to expand brand recognition and influence, digital and communication business also helps to increase consumer engagement and loyalty by providing valuable content and interactive experiences, thereby generating greater value for the Group's business.

The Group's digital and communication services mainly help customers promote their brands and products on social media platforms such as Weibo, WeChat, Douyin, Xiaohongshu, Facebook, Instagram, etc. The Group oversees the overall project implementation process, including formulating creative strategy, managing and coordinating parties involved in a project, devising detailed work plans, actualising the project until it goes online, as well as carrying out maintenance and on-going online services on a retainer basis.

Since 2020, the Group has been providing data interactive services, generating millions to billions of viewerships through online platforms. Such kind of online promotion has also effectively increased the sales revenue of customers. The Group actively seizes cooperation opportunities and promotes the livestream e-commerce business of its joint ventures. In addition, since 2022, the Group has also been deploying additional value-added service solutions for metaverse marketing to better respond to the rapid changes in the digital age and provide customers with more comprehensive marketing services.

During FY2023, the Group provided online marketing services for numerous brands, including BALMAIN, BARBOUR, BOBBI BROWN, COTY, DIESEL, FILA, GENTLE MONSTER, HAMILTON, JACQUEMUS, KENZO, LA PRAIRIE, LOEWE PERFUME, JOYERIA TOUS, MARC JACOBS, MAX&CO, NEW BALANCE, REMY MARTIN, ROGER DUBUIS, SEPHORA, SK-II, STEINWAY, TASAKI, TORY BURCH, TUDOR, VENCHI, and more.

In FY2023, the revenue of the digital and communication business was approximately RMB188.2 million, representing an increase of 21.9% as compared to RMB154.4 million in FY2022, which accounted for 19.5% of the Group's total revenue for FY2023. The primary reason for the rise in digital and communication business is the increasing demand from clients for one-stop (online+offline marketing) services, which has led to the benefit of the business segment.

IP Development

The Group owns long-term exclusive operating rights for a number of IPs, including Shanghai Design Week, D UNIVERSE, West Bund Orbit, Le Tour de France and LaLiga Club. These IPs will not only provide more bushiness opportunities, more importantly it can also further enhance the brand recognition and market influence of the Group.

During FY2023, Shanghai Design Week successfully held multiple events in China and overseas, including the "18th International Architecture Exhibition La Biennale di Venezia Pavilion of the P.R. China", "2023 Made in Shanghai Expo" and "Shanghai Design Week – Design Express à Shanghai" and "2023 World Design Cities Conference (WDCC)". West Bund Orbit has officially launched in November 2023 and a few activities are being conducted successively. Throughout 2023, the Group concluded the Laliga Club Legend Tour in China and actively prepared for the Le Tour de France cycling event during the year. A number of cycling matches is expected to be held in tourist cities in the coming years.

In FY2023, the revenue for the IP development business was approximately RMB17.0 million (FY2022: RMB26.5 million), a decrease of 35.8%. which accounted for 1.8% of the Group's total revenue in FY2023. The decrease is mainly due to the exclusion of the revenue generated from the associate of Shanghai Design Week and West Bund Orbit.

FINANCIAL REVIEW

Cost of sales

The cost of sales of the Group increased from RMB492.6 million for FY2022 to RMB669.0 million for FY2023, which was in line with the increase in revenue. The cost of sales mainly includes production cost, third party service cost, media cost and venue rental cost which may fluctuate depending on the types and mix of projects carried out by the Group in the relevant period.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by 47.5% from RMB202.2 million in FY2022 to RMB298.2 million for FY2023, such increase was mainly caused by the increase in revenue. Its overall gross profit margin increased from 29.1% for FY2022 to 30.8% for FY2023. Such increase in gross profit margin was due to the fact that the Group has improved on project cost control.

Other income and gains

The Group's other income and gains decreased from RMB16.3 million for FY2022 to RMB13.9 million for FY2023. The decrease in other income and gains was mainly due to the decrease in government grants and subsidies and interest income.

Selling and distribution expenses

The Group's selling and distribution expenses were approximately RMB86.5 million for FY2023 (FY2022: RMB86.4 million).

General and administrative expenses

The Group's general and administrative expenses decreased from RMB65.7 million for FY2022 to RMB58.6 million for FY2023. Such decrease was primarily due to the decrease in share award expense from RMB18.6 million for FY 2022 to RMB9.8 million in FY2023, which was arising from the grant of shares of the Company to executive directors and senior management in March 2023 and December 2023.

Other expenses, net

The Group's other expenses recorded a decrease from RMB10.5 million for FY2022 to RMB6.0 million for FY2023. The decrease in other expenses was mainly due to the decrease in the impairment of trade receivables.

Finance costs

The Group's finance costs were approximately RMB0.4 million for FY2023 (FY2022: RMB0.5 million).

Net profit and net profit margin

The Group recorded a net profit of RMB118.4 million for FY2023 (FY2022: RMB28.2 million), representing an increase of 319.9% as compared to FY2022. Overall net profit margin increased from 4.1% for FY2022 to 12.2% for FY2023.

LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents

As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately RMB307.1 million (31 December 2022: RMB300.3 million) which were mainly denominated in Renminbi and Hong Kong dollars.

Net proceeds from the Global Offering

The Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (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** *HK$ million*	**Revised allocation of Net Proceeds** *(Note)* *HK$ million*	**Unutilised Net Proceeds as at 1 January 2023** *HK$ million*	**Net Proceeds utilised during FY2023** *HK$ million*	**Unutilised Net Proceeds as at 31 December 2023** *HK$ million*
Develop and expand the existing business of integrated marketing solutions and IP development	192.8	81.1	—	—	—
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	161.5	—	161.5
Total	**345.0**	**345.0**	**166.7**	—	**166.7**

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 "Announcements").

Save as disclosed in the Announcements, there has been no material change in the intended use of the Net Proceeds. The Group is expected to utilise all Unutilised Net Proceeds by the end of the year ending 31 December 2025.

Borrowing and charges on the Group's assets

As at 31 December 2023, the Group did not have any interest-bearing borrowing (as at 31 December 2022: nil).

Gearing ratio

Since the Group did not have any bank borrowings, the gearing ratio as at 31 December 2023, calculated on the basis of bank and other borrowings over total equity, was nil (as at 31 December 2022: 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 2023, the total number of employees of the Group was approximately 243 (as at 31 December 2022: 261). For FY2023, the employee benefit expenses of the Group (including directors' emoluments) were approximately RMB114.2 million (FY2022: RMB110.7 million).

The Group offers a comprehensive remuneration package to its employees, which is generally structured with reference to market terms and individual merits, and 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. The Company has also adopted a share option scheme and a share award plan with the purposes of, among others, giving incentives or rewards to eligible participants for their contribution to the growth and development of the Group.

Trade receivables and trade payables

The trade receivables of the Group increased from RMB308.9 million as at 31 December 2022 to RMB397.6 million as at 31 December 2023; and the trade payables of the Group increased from RMB289.6 million as at 31 December 2022 to RMB339.4 million as at 31 December 2023.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2023.

Acquisition and disposal of subsidiaries and associated companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during FY2023.

Capital commitment

As at 31 December 2023, the Group had a capital commitment of RMB8.1 million (as at 31 December 2022: RMB5.1 million) relating to the future capital contributions.

Significant investments

The Group had no significant investments, including investments in companies with a value of 5% or more of the Group's total assets as at 31 December 2023.

Future plan for material investments or capital assets

The Group does not have plans for material investments and capital assets for the year ending 31 December 2024 as at the date of this announcement.

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

	Notes	**2023** **RMB'000**	2022 RMB'000
REVENUE	*4*	**967,231**	694,807
Cost of sales		**(669,009)**	(492,566)
Gross profit		**298,222**	202,241
Other income and gains	*4*	**13,858**	16,263
Selling and distribution expenses		**(86,486)**	(86,423)
General and administrative expenses		**(58,648)**	(65,698)
Other expenses, net		**(5,950)**	(10,480)
Finance costs		**(410)**	(526)
Share of profits and losses of an associate		**4,199**	321
PROFIT BEFORE TAX	*5*	**164,785**	55,698
Income tax expense	*6*	**(46,366)**	(27,454)
PROFIT FOR THE YEAR		**118,419**	28,244
Attributable to:			
Owners of the parent		**107,992**	23,632
Non-controlling interests		**10,427**	4,612
		118,419	28,244
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic (RMB cents)		**14.80**	3.21
Diluted (RMB cents)		**14.60**	3.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2023	2022
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**118,419**	28,244
OTHER COMPREHENSIVE INCOME		
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:		
Changes in fair value	**(12,029)**	(736)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,830)**	3,155
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(13,859)**	2,419
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**104,560**	30,663
Attributable to:		
Owners of the parent	**94,133**	26,051
Non-controlling interests	**10,427**	4,612
	104,560	30,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**2023** **RMB'000**	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,856**	6,421
Right-of-use assets		**5,567**	8,246
Goodwill		**10,233**	10,233
Intangible assets		**861**	309
Investment in an associate		**5,107**	908
Investments at fair value through other comprehensive income		**31,770**	42,344
Investment at fair value through profit or loss		**13,101**	16,354
Deposits		**701**	701
Deferred tax assets		**554**	358
Total non-current assets		**72,750**	85,874
CURRENT ASSETS			
Trade receivables	*9*	**397,637**	308,859
Prepayments, deposits and other receivables		**17,270**	15,579
Pledged bank deposits		**665**	665
Cash and cash equivalents		**307,079**	300,269
Total current assets		**722,651**	625,372
CURRENT LIABILITIES			
Trade payables	*10*	**339,405**	289,595
Other payables and accruals		**62,220**	41,631
Lease liabilities		**3,292**	3,123
Tax payable		**23,855**	13,382
Total current liabilities		**428,772**	347,731
NET CURRENT ASSETS		**293,879**	277,641
TOTAL ASSETS LESS CURRENT LIABILITIES		**366,629**	363,515
NON-CURRENT LIABILITIES			
Lease liabilities		**3,289**	6,475
Deferred tax liabilities		**3,365**	3,450
Total non-current liabilities		**6,654**	9,925
Net assets		**359,975**	353,590

	2023	2022
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**659**	659
Reserves	**339,110**	335,650
	339,769	336,309
Non-controlling interests	**20,206**	17,281
Total equity	**359,975**	353,590

NOTES

Year ended 31 December 2023

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 FY2023, 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, 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. Since the Group has recognised a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases, the amendments did not have any impact to the Group.

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to 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 investments at fair value through other comprehensive income, investment at fair value through profit or loss 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 2023/At 31 December 2023

	Experiential marketing services *RMB'000*	Digital and communication services *RMB'000*	IP development *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	**761,972**	**188,237**	**17,022**	**967,231**
Segment results	**138,352**	**33,364**	**9,748**	**181,464**
Reconciliation:				
Corporate and other unallocated expenses, net				**(17,323)**
Interest income				**1,054**
Finance costs				**(410)**
Profit before tax				**164,785**
Segment assets	**633,335**	**76,098**	**27,308**	**736,741**
Reconciliation:				
Corporate and other unallocated assets				**58,660**
Total assets				**795,401**
Segment liabilities	**347,603**	**33,513**	**9,525**	**390,641**
Reconciliation:				
Corporate and other unallocated liabilities				**44,785**
Total liabilities				**435,426**
Other segment information				
Share of profit of an associate	**—**	**—**	**(4,199)**	**(4,199)**
Depreciation and amortisation	**1,848**	**530**	**15**	**2,393**
Impairment of trade receivables, net	**816**	**159**	**56**	**1,031**
Capital expenditure*	**1,265**	**109**	**35**	**1,409**

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

Year ended 31 December 2022/At 31 December 2022

	Experiential marketing services *RMB'000*	Digital and communication services *RMB'000*	IP development *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	513,877	154,399	26,531	694,807
Segment results	76,099	17,139	(12,166)	81,072
Reconciliation:				
Corporate and other unallocated expenses, net				(26,544)
Interest income				1,696
Finance costs				(526)
Profit before tax				55,698
Segment assets	506,619	79,799	39,891	626,309
Reconciliation:				
Corporate and other unallocated assets				84,937
Total assets				711,246
Segment liabilities	240,581	33,006	46,937	320,524
Reconciliation:				
Corporate and other unallocated liabilities				37,132
Total liabilities				357,656
Other segment information				
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.

Geographical information

(a) Revenue from external customers

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**867,277**	669,619
Hong Kong/Singapore	**99,954**	25,188
	967,231	694,807

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

(b) Non-current assets

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**21,664**	18,572
Hong Kong/Singapore	**94**	—
	21,758	18,572

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets, investment at fair value through profit or loss, 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:

	2023	2022
	RMB'000	*RMB'000*
Customer A	**253,485**	198,040
Customer B	**176,682**	64,694*

Revenue from these customers includes sales to a group of entities which are known to be under common control of these customers.

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

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023 *RMB'000*	2022 *RMB'000*
Revenue from contracts with customers		
Major service lines		
Experiential marketing services	**761,972**	513,877
Digital and communication services	**188,237**	154,399
IP development	**17,022**	26,531
	967,231	694,807

(i) **Disaggregated revenue information**

	2023 *RMB'000*	2022 *RMB'000*
Geographical locations		
Experiential marketing services		
Chinese Mainland	**706,654**	489,493
Hong Kong/Singapore	**55,318**	24,384
	761,972	513,877
Digital and communication services		
Chinese Mainland	**143,601**	153,595
Hong Kong/Singapore	**44,636**	804
	188,237	154,399
IP development		
Chinese Mainland	**17,022**	26,531
Total revenue from contracts with customers	**967,231**	694,807
Timing of revenue recognition		
At a point in time	**949,400**	548,907
Over time*	**17,831**	145,900
Total revenue from contracts with customers	**967,231**	694,807

* 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:

	2023	2022
	RMB'000	*RMB'000*
Experiential marketing services	**2,100**	872
Digital and communication services	**706**	1,155
	2,806	2,027

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**1,054**	1,696
Government subsidies*	**8,921**	10,651
Others	**3,883**	3,916
	13,858	16,263

* 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:

	2023	2022
	RMB'000	*RMB'000*
Cost of services rendered	**669,009**	492,566
Depreciation of property, plant and equipment**	**2,192**	2,063
Depreciation of right-of-use assets**	**2,800**	2,937
Amortisation of intangible assets**	**201**	123
Lease payments not included in the measurement of lease liabilities**	**3,681**	3,298
Fair value losses of financial asset at fair value through profit or loss*	**3,807**	329
Impairment of trade receivables, net*	**1,031**	8,963
Impairment of a joint venture*	**—**	334
Foreign exchange differences, net	**649**	89

* 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 Chinese Mainland have been calculated at the applicable PRC corporate income tax ("**CIT**") rate of 25% (2022: 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% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2023	2022
	RMB'000	*RMB'000*
Current — PRC		
Charge for the year	**44,384**	23,396
Underprovision in prior year	**540**	10
Current — Hong Kong/Singapore		
Charge for the year	**1,723**	–
Underprovision in prior year	**–**	74
Deferred	**(281)**	3,974
Total tax charge for the year	**46,366**	27,454

7. DIVIDENDS

	2023	2022
	RMB'000	*RMB'000*
Interim — HK2.00 cents (2022: nil) per ordinary share	**13,236**	—
Special — nil (2022: HK12.00 cents) per ordinary share	—	76,896
Proposed final — HK6.16 cents (2022: HK1.32 cents) per ordinary share	**40,766**	8,455
Proposed final special — HK4.42 cents (2022: HK9.38 cents) per ordinary share	**29,250**	60,084
	83,252	145,435

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 729,561,644 (2022: 735,332,537) in issue during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed vesting of all dilutive share awards of the Company awarded under the share award scheme of the Company.

Earnings

The calculations of basic and diluted earnings per share are based on profit for the year attributable to ordinary equity holders of the parent.

Shares

	Number of shares	
	2023	2022
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**729,561,644**	735,332,537
Effect of dilution – weighted average number of ordinary shares:		
Share awards	**10,083,404**	—
Number of shares used in the diluted earnings per share calculation	**739,645,048**	735,332,537

9. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Billed receivables	**310,530**	157,078
Impairment	**(2,216)**	(9,489)
	308,314	147,589
Unbilled receivables	**89,323**	161,270
	397,637	308,859

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**287,435**	119,544
1 to 3 months	**6,498**	13,796
Over 3 months	**14,381**	14,249
	308,314	147,589

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**276,961**	186,269
1 to 3 months	**16,563**	53,006
Over 3 months	**45,881**	50,320
	339,405	289,595

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 FY2023, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities.

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 C1 to the Rules Governing the Listing of Securities on the Stock Exchange (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 FY2023 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 C3 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 FY2023. 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 FY2023 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 FY2023, 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 FY2023 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 2023 that are required to be disclosed.

Annual general meeting

The 2024 AGM will be held on Monday, 27 May 2024 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2024.

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 Wednesday, 22 May 2024 to Monday, 27 May 2024, 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 2024 AGM. In order to be eligible to attend and vote at the 2024 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 Tuesday, 21 May 2024.

(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, 3 June 2024 to Thursday, 6 June 2024 (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, 31 May 2024.

Publication of 2023 annual results and annual report

This annual results announcement of the Group for FY2023 is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.activation-gp.com. The 2023 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 2024.

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, 11 March 2024

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 and the Stock Exchange's website at www.hkexnews.hk.