

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## 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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Activation Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (“**2025 Interim**”) together with comparative figures for the six months ended 30 June 2024 (“**2024 Interim**”) and certain comparative figures as at 31 December 2024. These interim results have been reviewed by the Company’s audit committee.

#### **INTERIM DIVIDEND**

To provide higher returns to shareholders of the Company (“**Shareholders**”) and share the results of the Group’s growth, after giving careful consideration to its profitability, cash flow generation capabilities and future development needs, the Company has resolved to declare the payment of dividend of HK2.3 cents per ordinary share of the Company (the “**Share(s)**”) for 2025 Interim (2024 Interim: HK2.0 cents), which amounted to nearly HK\$17,129,000.

The interim dividend will be paid on or about Friday, 19 September 2025 to Shareholders whose names appear on the register of members of the Company on Thursday, 11 September 2025 (the “**Record Date**”).

#### **OVERVIEW**

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 13.8% in 2024.

In the first half of 2025, the global economy faced heightened uncertainty, with subdued consumer spending posing challenges to the luxury consumer goods sector. Despite these headwinds, the Group demonstrated strong adaptability and resilience by implementing flexible business strategies and effective cost control measures, allowing it to achieve solid results.

During 2025 Interim, the Group recorded revenue of RMB311.7 million (2024 Interim: RMB316.4 million), reflecting a slight year-over-year decline of 1.5% due to weakened domestic consumer confidence, subdued global market demand, and intensified market competition. However, the Group successfully mitigated the impact of these external pressures through strategic cost optimization and operational adjustments, resulting in significant progress in profitability.

The net profit of the Group grew by 16.2% to RMB35.1 million in 2025 Interim (2024 Interim: RMB30.2 million) as a result of improved operational efficiency. The gross profit margin also increased by 1.0 percentage points, from 32.7% in 2024 Interim to 33.7% in 2025 Interim, reflecting the Group's ability to manage costs effectively and enhance profitability even during challenging times.

Through proactive strategic adjustments and operational resilience, the Group demonstrated its capacity to navigate a rapidly evolving market environment.

The Group remains cautiously optimistic about the future, as it continues to refine its strategies and capitalize on new opportunities. With a strong foundation and proactive approach, the Group is well-positioned to navigate the challenges ahead and achieve stable development in the second half of the year.

## **MACROECONOMIC AND MARKET ENVIRONMENT**

In the first half of 2025, the global and Chinese luxury goods markets continued to face significant headwinds from macroeconomic challenges. According to Bain & Company's latest report, the global luxury sales were constrained by mounting economic pressures and heightened price sensitivity among consumers, with full-year projections forecasting a contraction of 2%-5%. As a critical growth engine for the global luxury market, China also experienced a market slowdown, primarily driven by weak performance in the real estate sector and fluctuations in international exchange rates. These challenges have collectively undermined consumer confidence, further suppressing high-end consumption behavior and intensifying the market's volatility.

In this context, Chinese consumers have adopted a more cautious approach to purchasing luxury goods, with spending decisions increasingly influenced by a combination of price sensitivity, brand equity, and cultural relevance. Data from China Insights Consultancy indicates a diverging demand trend, where certain consumer segments are delaying or scaling back high-end purchases, exacerbating the softness in domestic luxury demand. Nevertheless, some high-growth brands have managed to sustain robust performance by leveraging well-defined market positioning and innovative marketing strategies.

Meanwhile, structural shifts within China's luxury market are gradually becoming more apparent. Competition among brands has intensified, and consumer preferences are no longer confined to traditional luxury players but are expanding toward a more diversified landscape. Moreover, certain brands have capitalized on their deep integration with local cultural elements and precise market strategies, delivering strong market performance. These developments underscore the unique resilience and growth potential of the Chinese market within the global luxury goods sector.

## OUTLOOK

Looking ahead to the second half of 2025, China's economy is expected to maintain a trajectory of steady progress, with consumption continuing to play a pivotal role in driving economic growth. As consumption-boosting policies are progressively implemented, along with local subsidy programs for durable goods under trade-in initiatives, market vitality is anticipated to gradually recover. These measures, coupled with the optimization of consumption structures, will present new growth opportunities for the industry. While the recovery of the luxury market remains slow, the ongoing trend of boosting consumption will provide long-term support for the sector's development.

In this market environment, the Group will continue to deepen its commitment to luxury brand marketing to reinforce its position as an industry leader. The Group will focus on its core business areas by leveraging precise resource allocation and efficient operations to help luxury brands enhance their brand value and market share in an increasingly competitive landscape. To meet consumers' demand for personalized and culturally relevant luxury experiences, the Group will integrate experiential marketing with digital marketing to create a one-stop service platform. By leveraging data-driven insights and immersive marketing approaches, the Group enables brands to reach their target consumers more effectively and enhance brand value. In response to consumers' growing emphasis on brand value and emotional connections, the Group will adopt a prudent and pragmatic approach to assist brands in building deeper connections with their core consumer base, ensuring stable growth in its core business.

Furthermore, the Group will closely monitor emerging opportunities arising from shifts in consumption patterns by selectively expanding its services in the sports fashion, beauty, and premium Chinese brand sectors. By adopting a cautious investment approach and implementing refined operations, the Group aims to deliver localized and tailored marketing solutions for its clients. Additionally, leveraging its extensive experience in serving international luxury brands, the Group will assist clients in achieving effective localization within the Chinese market. For Chinese brands with aspirations for international expansion, the Group will provide flexible support, focusing on enterprises that prioritize brand building, helping them to unlock the potential of overseas markets.

Despite persistent market challenges, the management remains cautiously optimistic about the second half of the year. The Group will continue to pursue a strategy of steady progress, with an emphasis on cost control and resource optimization to ensure business stability. By prioritizing innovation and adaptability, the Group is confident it can effectively respond to market dynamics while maintaining its competitive edge. Management is confident that through prudent strategic adjustments and ongoing optimization, the Group will be well-positioned to seize opportunities and create greater value for both its clients and Shareholders.

## BUSINESS REVIEW

### Geographical Review

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

	For the six months ended 30 June			
	2025		2024	
	<i><b>RMB'000</b></i>		<i><b>RMB'000</b></i>	
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Mainland China	<b>302,187</b>	<b>97.0%</b>	288,530	91.2%
Hong Kong & Singapore	<b>9,471</b>	<b>3.0%</b>	27,831	8.8%
<b>Total</b>	<b><u>311,658</u></b>	<b><u>100.0%</u></b>	<b><u>316,361</u></b>	<b><u>100.0%</u></b>

### Business Segments Review

During 2025 Interim, the revenue of the Group's experiential marketing services segment, digital and communication services segment and IP development segment were RMB246.3 million (2024 Interim: RMB257.5 million), RMB65.2 million (2024 Interim: RMB48.9 million) and RMB0.2 million (2024 Interim: RMB9.9 million) respectively.

The following table sets out the revenue of the Group by service line for 2025 Interim and 2024 Interim:

	For the six months ended 30 June	
	2025	2024
	<i><b>RMB million</b></i>	<i><b>RMB million</b></i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Experiential marketing	<b>246.3</b>	257.5
Digital and communication	<b>65.2</b>	48.9
IP development	<b>0.2</b>	9.9
<b>Total</b>	<b><u>311.7</u></b>	<b><u>316.3</u></b>

## ***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 13.8% in 2024.

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 content but also provided massive online exposure and secondary marketing to expand coverage and enhance marketing effect, offline marketing events conducted by the Group were livestreamed, drawing millions to hundreds of millions of views online.

During 2025 Interim, the Group successfully executed multiple highly creative and impactful campaigns including BMW "BMW 2025 Ultimate Driving Challenge Show", CARTIER "Cartier Collection Exhibition Opening Event", CHOW TAI FOOK "Timeless Harmony" high jewelry collection exhibition, COMME MOI "Spring/Summer 2025 Collection Show", LORO PIANA "Villa Shanghai", LOUIS VUITTON "Visionary Journeys" exhibition, MICHAEL KORS JORDI pop-up event, MIU MIU "The Encounter", NIKE "Nike Women Shanghai Fashion Week", SAINT LAURENT "Shanghai Trunk Show", OPPO "OPPO Find N5 & Watch X2 Global Launch Event", VAN CLEEF & ARPELS "Spring is Blooming" in West Nanjing Road, and more. Through these campaigns, the Group demonstrated its outstanding capabilities in delivering world-class experiential marketing solutions, further solidifying its leadership position in the industry. This is a testament to the Group's dominant role in this field and its proven business model in addressing the marketing needs of premium brands across Greater China. By seamlessly integrating innovative design, immersive experiences, and brand engagement, the Group continues to set benchmarks for the experiential marketing industry.

During 2025 Interim, the Group's experiential marketing business recorded a revenue of approximately RMB246.3 million, representing a decrease of 4.3% compared to approximately RMB257.5 million in 2024 Interim. Despite this slight decline, this segment still accounted for 79.0% of the Group's total revenue, further underscoring the critical importance of experiential marketing as a core business pillar for the Group.

The decline in experiential marketing revenue reflects changes in industry trends. In recent years, the boundaries between experiential marketing and digital marketing have increasingly blurred. Clients now prefer integrated marketing solutions that span multiple channels rather than relying solely on standalone experiential campaigns. Brand clients are increasingly inclined toward multi-channel communication strategies and holistic solutions to achieve their marketing objectives, rather than depending on single-form activities.

In response, the Group has swiftly adjusted its strategy by integrating experiential marketing with digital communication, social media promotion, and content marketing to deliver more comprehensive services to its clients. For instance, the Group successfully planned and executed “Campaign A” for a leading international luxury brand, creating an immersive artistic space and innovative interactive experiences. This campaign not only attracted a significant number of high-end offline customers but also generated nearly 2 billion views across various social media platforms, showcasing the powerful amplification of digital channels. While this strategic adjustment may have temporarily impacted the standalone revenue of experiential marketing, the added value and client loyalty generated by integrated marketing services have significantly increased, laying a solid foundation for the Group’s long-term growth.

The core competitiveness of the luxury sector lies not only in the exclusivity and craftsmanship of its products but also in its ability to forge deep emotional connections with consumers. In this regard, experiential marketing plays an essential role in creating unique brand engagement opportunities that strengthen relationships with consumers and achieve differentiation in a highly competitive market.

For example, initiatives such as private bespoke salons, limited-edition product launches, and artistic cross-collaborations allow brands to effectively communicate their distinctive values while creating unforgettable exclusive experiences for consumers. These highly focused experiential marketing campaigns not only showcase a brand’s cultural heritage and innovative capabilities but also deepen emotional resonance with consumers, and in turn fostered stronger brand loyalty and recognition.

Looking ahead, the Group will remain focused on innovative design, immersive experiences, and integrated marketing strategies to provide premium brands with world-class marketing solutions. By adapting to shifting industry trends and enhancing service capabilities, the Group is well-positioned to assist luxury brands in achieving greater success across Greater China and international markets. Amid these evolving industry dynamics, the Group has not only demonstrated its ability to adapt swiftly but has also reinforced its position as an industry leader through strategy optimization and service upgrades.

### ***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, which include promoting brands and products on platforms like Weibo, WeChat, Douyin, Xiaohongshu, Facebook, and Instagram, are designed to capitalize on these synergies. Services span the entire project lifecycle, from creative strategy and execution to ongoing maintenance and retainer-based online services.

The Group has been offering data interactive services, generating millions to billions of viewerships through online platforms. Such online promotion has effectively increased the sales revenue of customers. The Group also provides data-driven interactive services, generating millions to billions of views, which boost customers' sales. Additionally, it leverages celebrity and influencer livestream e-commerce to create engaging shopping experiences and drive significant sales conversions.

This integrated approach aligns perfectly with evolving consumer trends. According to Bain & Company and Fondazione Altagamma's luxury market study "Long Live Luxury: Converge to Expand through Turbulence", younger generations (Generations Y, Z, and Alpha) are emerging as the dominant luxury consumer group, accounting for nearly 75% to 85% of global consumption by 2030. These digitally native consumers are highly active on social media and value interactive, immersive experiences. The Group recognizes this trend as a major growth opportunity, leveraging the convergence of digital and experiential marketing to better serve clients and drive impactful results in the digital marketing sector.

During 2025 Interim, the Group has provided online marketing services for numerous brands, including ALEXANDER WANG, BOBBI BROWN, BYREDO, CHRISTIAN LOUBOUTIN, EVISU, HAMILTON, LA PRAIRIE, LULULEMON, MYTHERESA, NIKE, NIKON, OLAY, RÉMY MARTIN, SCHIAPARELLI, SEPHORA, SILHOUETTE, SKII, TUDOR, VALENTINO, VENCHI, and more.

In 2025 Interim, the revenue of the digital and communication business was approximately RMB65.2 million, representing an increase of 33.3% as compared to approximately RMB48.9 million in 2024 Interim, which accounted for 20.9% of the Group's total revenue for 2025 Interim.

Looking ahead, the Group is optimistic about the potential for growth in its digital and communication segment. The Group aims to enhance its digital capabilities and deliver even greater value to its clients. The strategies put in place are designed to capitalize on the increasing importance of digital marketing in the overall marketing mix, ensuring that the Group remains at the forefront of this rapidly evolving industry.

### ***IP Development***

In the first half of 2025, the IP development business faced a challenging macroeconomic and policy environment. External factors, such as economic fluctuations and regulatory adjustments, placed certain constraints on IP-related activities, limiting revenue-generating opportunities in the short term. Additionally, evolving market dynamics and competitive pressures added further complexity to the operating landscape.

In 2025 Interim, the revenue for the IP development business was approximately RMB0.2 million (2024 Interim: RMB9.9 million), which accounted for 0.1% of the Group's total revenue in 2025 Interim. The decline was primarily due to the cyclical nature of the business, with a concentration of IP-related activities and partnership projects scheduled for execution in the second half of the year. These factors, coupled with the external challenges, weighed on financial performance during the reporting period.

Looking ahead, the Group remains committed to IP development as a core long-term strategic priority. These IPs not only unlock additional business opportunities but also significantly enhance brand equity. By operating high-profile IPs, the Group has enhanced its market recognition and industry influence. Furthermore, the long-term exclusive operating rights for these IPs have established a high-barrier business model, ensuring a sustainable competitive advantage and providing a robust foundation for stable revenue growth.

To drive future growth, the Group will prioritize optimizing the operational performance of existing IPs, unlocking the potential of new IPs, and enhancing synergies between IPs and its digital and experiential marketing businesses. At the same time, the Group will explore selective international opportunities to expand its reach and maximize the value of its IP portfolio. These focused efforts aim to deliver sustainable growth and create long-term value for shareholders.

## **FINANCIAL REVIEW**

### **Cost of sales**

The cost of sales of the Group decreased from RMB213.0 million for 2024 Interim to RMB206.6 million for 2025 Interim, which was in line with the decrease 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 1.6% from RMB103.4 million for 2024 Interim to RMB105.1 million for 2025 Interim. Its overall gross profit margin increased from 32.7% in 2024 Interim to 33.7% in 2025 Interim.

### **Other income and gains**

The Group's other income and gains remained stable at RMB5.4 million for 2025 Interim (2024 Interim: RMB5.3 million).

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased from RMB37.1 million for 2024 Interim to RMB35.5 million for 2025 Interim. The decrease in selling and distribution expenses was mainly due to the decrease in staff cost.



## **General and administrative expenses**

The Group's general and administrative expenses decreased from RMB29.4 million for 2024 Interim to RMB19.6 million for 2025 Interim. Such decrease was primarily due to the decrease in share award expenses from RMB9.6 million for 2024 Interim to RMB0.3 million for 2025 Interim.

## **Other expenses, net**

The Group's other expenses recorded a decrease from RMB1.2 million for 2024 Interim to approximately RMB1.0 million for 2025 Interim.

## **Finance costs**

The Group's finance costs remained at approximately RMB0.2 million for 2025 Interim (2024 Interim: RMB0.2 million).

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

As a result of the foregoing, the Group recorded a net profit of RMB35.1 million for 2025 Interim (2024 Interim: RMB30.2 million). Overall net profit margin was 11.3% for 2025 Interim (2024 Interim: 9.5%).

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Cash and cash equivalents**

As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB288.7 million (as at 31 December 2024: RMB379.2 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 20 August 2020 and 19 April 2021, the Board has resolved to change the use of net proceeds such that unutilised Net Proceeds of the Global Offering in the amount of HK\$224.5 million were reallocated for the capital commitment required for strategic investment in the pan-cultural sector. Please refer to the announcements of the Company dated 20 August 2020 and 19 April 2021 (the “**Announcements**”) 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 1 January 2025 <i>HK\$ million</i>	Net Proceeds utilised during 2025 Interim <i>HK\$ million</i>	Unutilised Net Proceeds as at 30 June 2025 <i>HK\$ million</i>
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	<u>345.0</u>	<u>345.0</u>	<u>166.7</u>	<u>—</u>	<u>166.7</u>

*Note: For details of the changes in the use of the Net Proceeds, please refer to the Announcements.*

During 2025 Interim, the Group has not utilised any Net Proceeds. Save as disclosed in the Announcements, there has been no material change in the intended use of the Net Proceeds. Taking into account the current macroeconomic environment and to minimize risk exposure, the Company has decided to defer the expected timeline for full utilisation of the unutilised Net Proceeds allocated for strategic investments to 2026.

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

As at 30 June 2025, the Group did not have any interest-bearing borrowing (as at 31 December 2024: nil) or charge on its assets.

### **Gearing ratio**

Since the Group did not have any bank borrowings, the gearing ratio as at 30 June 2025, calculated on the basis of bank and other borrowings over total equity, was nil (as at 31 December 2024: 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 30 June 2025, the total number of employees of the Group was approximately 224 (as at 30 June 2024: 233). For 2025 Interim, the employee benefit expenses of the Group (including Directors' emoluments) were approximately RMB44.4 million (2024 Interim: RMB54.1 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 decreased from approximately RMB264.9 million as at 31 December 2024 to approximately RMB211.3 million as at 30 June 2025; and the trade payables of the Group decreased from approximately RMB294.7 million as at 31 December 2024 to approximately RMB206.6 million as at 30 June 2025.

## **Contingent liabilities**

The Group has no material contingent liabilities as at 30 June 2025.

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

The Group had no material acquisitions and disposals of subsidiaries and associated companies during 2025 Interim.

## **Capital commitment**

As at 30 June 2025, the Group had commitment of approximately RMB5.1 million (as at 31 December 2024: RMB5.1 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 30 June 2025.

## **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 2025 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 Group, 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.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
<b>REVENUE</b>	4	<b>311,658</b>	316,361
Cost of sales		<u>(206,593)</u>	<u>(212,970)</u>
Gross profit		<b>105,065</b>	103,391
Other income and gains	4	<b>5,360</b>	5,327
Selling and distribution expenses		<b>(35,503)</b>	(37,089)
General and administrative expenses		<b>(19,625)</b>	(29,351)
Other expenses, net		<b>(954)</b>	(1,218)
Finance costs		<b>(175)</b>	(151)
Share of profits and losses of:			
Joint venture		<b>760</b>	—
Associate		<u><b>(494)</b></u>	<u>1,178</u>
<b>PROFIT BEFORE TAX</b>	5	<b>54,434</b>	42,087
Income tax expense	6	<u><b>(19,298)</b></u>	<u>(11,934)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>35,136</b></u>	<u>30,153</u>
Attributable to:			
Owners of the parent		<b>32,028</b>	26,858
Non-controlling interests		<u><b>3,108</b></u>	<u>3,295</u>
		<u><b>35,136</b></u>	<u>30,153</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	7		
Basic (RMB cents)		<b>4.31</b>	3.70
Diluted (RMB cents)		<u><b>4.31</b></u>	<u>3.61</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>PROFIT FOR THE PERIOD</b>	<b>35,136</b>	<b>30,153</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(2,348)</u>	<u>(7,457)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>32,788</u></b>	<b><u>22,696</u></b>
Attributable to:		
Owners of the parent	<b>29,680</b>	19,401
Non-controlling interests	<b><u>3,108</u></b>	<u>3,295</u>
	<b><u>32,788</u></b>	<b><u>22,696</u></b>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		3,974	4,474
Right-of-use assets		8,745	6,980
Goodwill		10,233	10,233
Intangible assets		575	700
Investment in a joint venture		5,039	4,279
Investment in an associate		7,745	8,239
Investments at fair value through other comprehensive income		22,433	22,433
Investment at fair value through profit and loss		13,375	13,375
Deposits		391	391
Deferred tax assets		1,875	1,875
Total non-current assets		74,385	72,979
<b>CURRENT ASSETS</b>			
Trade receivables	9	211,273	264,935
Prepayments, deposits and other receivables		27,719	28,141
Pledged bank deposits		665	665
Cash and cash equivalents		288,691	379,189
Total current assets		528,348	672,930
<b>CURRENT LIABILITIES</b>			
Trade payables	10	206,579	294,701
Other payables and accruals		34,087	63,730
Lease liabilities		2,620	1,910
Tax payable		7,974	15,219
Total current liabilities		251,260	375,560
<b>NET CURRENT ASSETS</b>		277,088	297,370
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		351,473	370,349
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		6,922	5,890
Deferred tax liabilities		3,311	3,315
Total non-current liabilities		10,233	9,205
<b>Net assets</b>		341,240	361,144

	30 June 2025 (Unaudited) <i>RMB'000</i>	31 December 2024 (Audited) <i>RMB'000</i>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	659	659
Reserves	<u>324,116</u>	<u>340,702</u>
	324,775	341,361
Non-controlling interests	<u>16,465</u>	<u>19,783</u>
Total equity	<u><u>341,240</u></u>	<u><u>361,144</u></u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 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 the six months ended 30 June 2025, 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 sports events

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (the “**HKAS**”) 34 *Interim Financial Reporting*. The unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

### **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/loss 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 dividend payable, tax payable, lease liabilities, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

**Six months ended 30 June 2025 (Unaudited)**

	<b>Experiential marketing services RMB'000</b>	<b>Digital and communication services RMB'000</b>	<b>IP development RMB'000</b>	<b>Total RMB'000</b>
<b>Segment revenue (note 4)</b>				
Sales to external customers	246,234	65,193	231	<u>311,658</u>
<b>Segment results</b>	<b>41,983</b>	<b>14,588</b>	<b>454</b>	<b>57,025</b>
<u>Reconciliation:</u>				
Corporate and other unallocated expenses, net				(4,112)
Interest income				1,696
Finance costs				<u>(175)</u>
Profit before tax				<u>54,434</u>
<b>Other segment information</b>				
Share of profit of a joint venture	—	—	(760)	(760)
Share of loss of an associate	—	—	494	494
Depreciation and amortisation	836	317	5	1,158
Impairment of trade receivables	421	184	—	605
Capital expenditure*	519	15	—	534
<b>As at 30 June 2025 (Unaudited)</b>				
<b>Segment assets</b>	<b>455,954</b>	<b>47,256</b>	<b>28,945</b>	<b>532,155</b>
<u>Reconciliation:</u>				
Corporate and other unallocated assets				<u>70,578</u>
Total assets				<u>602,733</u>
<b>Segment liabilities</b>	<b>224,647</b>	<b>11,785</b>	<b>242</b>	<b>236,674</b>
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				<u>24,819</u>
Total liabilities				<u>261,493</u>

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

**Six months ended 30 June 2024 (Unaudited)**

	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 (note 4)</b>				
Sales to external customers	257,517	48,936	9,908	<u>316,361</u>
<b>Segment results</b>	45,595	4,545	3,879	54,019
<b>Reconciliation:</b>				
Corporate and other unallocated expenses, net				(12,791)
Interest income				1,010
Finance costs				<u>(151)</u>
Profit before tax				<u>42,087</u>
<b>Other segment information</b>				
Share of profit of an associate	—	—	(1,178)	(1,178)
Depreciation and amortisation	988	296	—	1,284
Impairment/(reversal of impairment) of trade receivables	(328)	1,455	1	1,128
Capital expenditure*	1,099	—	—	1,099
<b>As at 31 December 2024 (Audited)</b>				
<b>Segment assets</b>	579,830	80,347	33,858	694,035
<b>Reconciliation:</b>				
Corporate and other unallocated assets				<u>51,874</u>
Total assets				<u>745,909</u>
<b>Segment liabilities</b>	324,061	30,190	622	354,873
<b>Reconciliation:</b>				
Corporate and other unallocated liabilities				<u>29,892</u>
Total liabilities				<u>384,765</u>

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



## Geographical information

### (a) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Mainland China	302,187	288,530
Hong Kong & Singapore	9,471	27,831
	<u>311,658</u>	<u>316,361</u>

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

### (b) Non-current assets

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Mainland China	27,826	28,236
Hong Kong & Singapore	131	80
	<u>27,957</u>	<u>28,316</u>

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:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Customer A	42,468	68,303
Customer B	—*	39,209
Customer C	54,572	34,744
Customer D	46,468	—*
Customer E	42,605	—*
Customer F	33,061	—*
	<u>33,061</u>	<u>—</u>

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

\* Contributing less than 10% to the total revenue of the Group in the current/prior period.

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

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
<b>Major service lines</b>		
Experiential marketing services	246,234	257,517
Digital and communication services	65,193	48,936
IP development	231	9,908
	<u>311,658</u>	<u>316,361</u>
<b>(i) Disaggregated revenue information</b>		
<b>Geographical locations</b>		
<i>Experiential marketing services</i>		
Mainland China	236,874	230,729
Hong Kong & Singapore	9,360	26,788
	<u>246,234</u>	<u>257,517</u>
<i>Digital and communication services</i>		
Mainland China	65,082	47,893
Hong Kong & Singapore	111	1,043
	<u>65,193</u>	<u>48,936</u>
<i>IP development</i>		
Mainland China	231	9,908
Total revenue from contracts with customers	<u>311,658</u>	<u>316,361</u>
<b>Timing of revenue recognition</b>		
At a point in time	306,568	311,213
Over time*	5,090	5,148
Total revenue from contracts with customers	<u>311,658</u>	<u>316,361</u>

\* Included projects on retainer basis.

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Experiential marketing services	7,122	1,429
Digital and communication services	1,285	1,285
	<u>8,407</u>	<u>2,714</u>

An analysis of other income and gains is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other income and gains</b>		
Bank interest income	<b>1,696</b>	1,010
Government grants and subsidies*	<b>3,184</b>	4,107
Others	<b>480</b>	210
	<b><u>5,360</u></b>	<b><u>5,327</u></b>

- \* 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. 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:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cost of services rendered	<b>206,593</b>	212,970
Depreciation of property, plant and equipment**	<b>1,033</b>	1,149
Depreciation of right-of-use assets**	<b>1,310</b>	1,362
Amortisation of intangible assets**	<b>125</b>	135
Impairment of trade receivables, net*	<b>605</b>	1,128
Foreign exchange differences, net	<b>46</b>	2

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

- \*\* Included in "General and administrative expenses" in the interim condensed 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% (2024: 25%) during the period.

For those subsidiaries incorporated in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

For the subsidiary incorporated in Singapore, Singapore profits tax has been provided at the rate of 17% (2024: 17%) on the estimated assessable profits arising in Singapore during the period, if any.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current — PRC		
Charge for the period	<b>19,294</b>	11,288
Deferred	<b>4</b>	646
	<hr/>	<hr/>
Total tax charge for the period	<b><u>19,298</u></b>	<b><u>11,934</u></b>

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

The calculation of the basic earnings per share for the six months ended 30 June 2025 is based on the profit attributable to ordinary equity holders of the parent of RMB32,028,000 (six months ended 30 June 2024: RMB26,858,000), and the weighted average number of the Company’s ordinary shares of 742,979,050 (six months ended 30 June 2024: 725,104,265) outstanding, 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 period 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 outstanding during the period, 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

	<b>Number of shares</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>742,979,050</b>	725,104,265
Effect of dilution – weighted average number of ordinary shares:		
Share awards	<b>569,342</b>	18,718,272
	<u><b>743,548,392</b></u>	<u>743,822,537</u>
Number of shares used in the diluted earnings per share calculation	<u><b>743,548,392</b></u>	<u>743,822,537</u>

## 8. DIVIDENDS

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interim — HK2.3 cents (2024: HK2.0 cents) per ordinary share	<b>15,879</b>	13,868
	<u><b>15,879</b></u>	<u>13,868</u>

## 9. TRADE RECEIVABLES

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Billed		
Within 1 month	<b>63,329</b>	98,802
1 to 3 months	<b>3,938</b>	434
Over 3 months	<b>1,259</b>	794
	<u><b>68,526</b></u>	<u>100,030</u>
Unbilled	<b>142,747</b>	164,705
	<u><b>211,273</b></u>	<u>264,935</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:

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
Within 1 month	<b>150,650</b>	234,741
1 to 3 months	<b>1,868</b>	37,821
Over 3 months	<b>54,061</b>	22,139
	<b><u>206,579</u></b>	<b><u>294,701</u></b>

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



## OTHER INFORMATION

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Saturday, 6 September 2025 to Thursday, 11 September 2025, both days inclusive, during which period no transfer of Shares will be registered. As such, in order to be qualified for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 -16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration by 4:30 p.m. on Friday, 5 September 2025.

The interim dividend will be paid on or about Friday, 19 September 2025 to Shareholders whose names appear on the register of members of the Company on Thursday, 11 September 2025; and the Record Date for the interim dividend will be 11 September 2025.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during 2025 Interim. As at 30 June 2025, the Company did not have any treasury shares (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")).

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE ("CG CODE")

The Company has adopted the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules. Save as disclosed below, the Directors consider that the Company has fully complied with the applicable provisions in the CG Code\* during 2025 Interim.

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 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.

\* *The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 2025.*

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuer” (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company.

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 2025 Interim. 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 Appendix C3 to the Listing Rules. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during 2025 Interim 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 comprises three independent non-executive Directors, namely Ms. Cheung Siu Wan, Mr. Yu Longjun and Dr. Cheung Wah Keung. Ms. Cheung Siu Wan is the chairlady of the Audit Committee.

The Audit Committee has reviewed the Group’s unaudited interim results for 2025 Interim, and confirms 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.

## **PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT**

This unaudited interim results announcement of the Group for 2025 Interim 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 2025 interim report containing all applicable information required under the Listing Rules will be published on the above websites in September 2025.

## **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. We would also like to express our appreciation to the guidance from the regulators and continued support from the Shareholders and our clients.

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

Hong Kong, 25 August 2025

*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).*