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**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 2025**

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 2025 (“**FY2025**”), together with the comparative audited figures for the year ended 31 December 2024 (“**FY2024**”).

**FINAL DIVIDEND**

To provide higher returns to 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 Board recommends the payment of a final dividend of HK3.20 cents per ordinary share of the Company (“**Share(s)**”) and a final special dividend of HK3.30 cents per Share for FY2025 which amounted to a total of approximately HK\$48.4 million subject to the approval of the shareholders of the Company (“**Shareholders**”) at the forthcoming annual general meeting (the “**2026 AGM**”). This proposed pay-out, together with the interim dividend of HK2.30 cents per Share paid on 11 September 2025, would give a total dividend of HK8.80 cents per Share for FY2025 (FY2024: HK9.00 cents per Share). Subject to the Shareholders’ approval at the 2026 AGM to be held on Thursday, 21 May 2026, it is expected that the final dividend and the final special dividend shall be paid to the Shareholders on or before Thursday, 18 June 2026. The record date for entitlement to the final dividend and final special dividend is Wednesday, 10 June 2026.

**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 premium brands. According to China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for premium and luxury brands in Greater China with a market share of 13.9% in 2025.

In 2025, the global macroeconomic recovery was slower than expected, with geopolitical risks and financial market volatility continuing to pose challenges for enterprises worldwide. China's economic growth remained stable overall, yet the recovery of consumer confidence and high-end consumption exhibited structural divergence. According to Bain & Company's 2025 China Personal Luxury Market Report published in January 2026, the mainland Chinese personal luxury goods market contracted by 3% to 5%. This represents a significant improvement compared to the double-digit decline in 2024, with signs of stabilization emerging in the third quarter. Contrasting with the sustained downturn throughout 2024, the 2025 market followed a "decline first half, stabilization second half" pattern. In the second half of the year, with stock markets stabilizing and consumer sentiment improving, positive signals gradually emerged in the high-end consumption sector.

Amid current complex macroeconomic conditions, luxury brands are slowly transforming their marketing strategies—shifting from broad reach to targeted positioning, and from "symbolism" toward deeper value communication through art, experiences, and emotional connections. Brands are placing greater emphasis on cultivating relationships with high-net-worth clients while continuing to engage aspirational consumers to build future core clientele. These shifts present new opportunities for the integrated marketing industry, and our Group has established a strong foundation within this space. Although certain clients have adjusted their budgets in response to changing market conditions, they are simultaneously placing greater importance on efficiency and seeking more comprehensive, effective marketing solutions. Leveraging years of experience, deep client relationships, and proven expertise in serving high-end clients, our Group has successfully navigated these challenges, continuously demonstrating resilience and adaptability while positioning itself as a trusted partner for clients pursuing results-driven strategies.

In response to cyclical adjustments in the luxury sector, the Group has not only deepened its focus on core luxury markets but has also keenly captured structural opportunities in emerging segments such as beauty, sportswear and China's local premium brands. This expansion does not come at the expense of traditional strengths but rather builds upon the Group's solid foundation to create a more balanced client portfolio and enhance business resilience.

Within the traditional luxury space, the Group continued to demonstrate strong resilience. In 2025, the Group once again delivered numerous benchmark projects with significant industry influence across Greater China. These included BMW's "2025 BMW Ultimate Driving Challenge Show", CARTIER's series of festive lighting ceremonies, CHOW TAI FOOK's High Jewelry event in Beijing, DIOR's House of Dior opening ceremony in Beijing, LOUIS VUITTON's "Visionary Journeys" exhibition in Shanghai, LOUIS VUITTON's Cruise 2026 Macau Show, MIU MIU's Literary Club in Shanghai, VACHERON CONSTANTIN's 270th Anniversary "A Journey Through Time" exhibition at Zhangyuan, and VAN CLEEF & ARPELS' "Spring is Blooming in West Nanjing Road". These benchmark activities set new standards for experiential marketing across the luxury and premium sectors.

Notably, the “Visionary Journeys” exhibition unveiled by client Louis Vuitton at HKRI Taikoo Hui in Shanghai in June 2025 presented within the giant “The Louis” architectural landmark, rapidly became a phenomenal consumer event. Statistics indicate the exhibition cumulatively received over 360,000 visitors, while driving an average daily footfall of 80,000 to 100,000 visitors to the surrounding commercial complexes. This case powerfully demonstrates that even during market adjustments, creatively rich and immersive experiential marketing activities can effectively ignite consumer passion, injecting valuable confidence and vitality into China’s high-end consumer market. LVMH Group management subsequently noted in earnings calls that “The Louis” has become one of the brand’s best-performing stores for luggage sales, revealing the business logic of “transcending mere transactional interactions to build deeper emotional connections with consumers.”

While consolidating traditional advantages, the Group keenly captured the growth momentum in beauty, sportswear, and Chinese premium brands, swiftly extending capabilities into these new tracks. In the beauty track, the Group precisely seized the opportunity of the category’s counter-cyclical growth. According to Bain, the beauty and personal care category was the only luxury segment to achieve positive growth in 2025, with growth recovering to 4% to 7%. The Group created immersive experiential activities for several internationally renowned beauty brands, including LANCÔME’s 90th Anniversary Happiness Express Journey celebration, LANCÔME Skin Science Club and LA PRAIRIE’s Skin Caviar Launch Event. These initiatives set new benchmarks for experiential marketing in the premium beauty sector.

In the sportswear sector, the Group expanded its partnerships with leading global brands, executing campaigns that resonated with young consumers and reinforced the Group’s presence in this dynamic market. Notable projects included: i) ADIDAS Originals Girls’ Celebration; ii) the 2025 Curry Brand World Tour for UNDER ARMOUR in Chongqing; and iii) PUMA x ROSÉ Pop-Up Space in Shanghai. These collaborations diversified the Group’s client portfolio and contributed to the Group’s revenue stream, establishing the Group as a key partner for international sportswear brands in the China market.

In the Chinese premium brand area, the Group actively embraced the rise of local brands: deeply involved in BOSIDENG’s brand revitalization and premiumization strategy, the Group assisted in the global launch of its new high-end series “AREAL” with the AREAL Fall/Winter 2025 Collection global launch and gala dinner at Shanghai North Bund Bay, presenting the beauty of Eastern craftsmanship on the world stage; collaborated with CHOW TAI FOOK at the Mandarin Oriental, Qianmen, Beijing, for the “Tian Yuan Di Fang” (Round Sky & Square Earth) high jewelry cultural exhibition, featuring the “Timeless Harmony” high jewelry collection, using the courtyard as a motif and Eastern philosophy as its soul to interpret the fusion of jewelry and Chinese aesthetics; and for URBAN REVIVO, the Group created the Tmall Super Brand Day fashion gala at Shanghai’s 1862 Fashion and Art Center, with the “Reflected City” themed runway show and a groundbreaking “singer + runway show” crossover performance, redefining the multifaceted possibilities of fashion through a “music + show” model.

These benchmark projects across both traditional luxury and new tracks not only showcase the Group’s exceptional expertise in delivering world-class marketing events but also validate its unique capability to successfully migrate professional competencies across different categories. The expansion into new tracks has further optimized the Group’s client structure, injecting new momentum for future sustainable growth while solidifying its core luxury foundation.

The Group’s revenue for FY2025 was approximately RMB707.4 million, representing a decrease of 16.6% as compared to RMB847.8 million for FY2024. The net profit of the Group for FY2025 was approximately RMB81.1 million, representing a decrease of 7.2% compared to RMB87.4 million for FY2024, and the net profit margin for the Group was about 11.5% in FY2025, representing an increase of 1.2 percentage points as compared to 10.3% in FY2024. The profit attributable to equity shareholders of the Group was RMB76.0 million (FY2024: RMB79.2 million). The basic earnings per Share were RMB10.22 cents (FY2024: RMB10.88 cents).

## **MARKET OPPORTUNITIES**

China remains one of the most strategically important markets in the global luxury industry. According to Bain & Company’s 2025 China Personal Luxury Report, while the mainland Chinese personal luxury goods market recorded a contraction in 2025, signs of stabilization emerged from the third quarter, with the full-year decline significantly narrowing compared to 2024. Unlike the widespread pessimism of 2024, the 2025 market exhibited the positive characteristics of a “recalibration”: consumer behavior became more rational, shifting from pursuing brand prestige to seeking products with “high value perception” combining quality, uniqueness, and practicality; experiential consumption continued to gain traction, with emotional and sensory experiences like travel and wellness becoming increasingly favored, reflecting a shift in consumption logic from “owning more” to “living better.” Bain projects that China’s personal luxury market will resume moderate growth in 2026, benefiting from an expanding middle class, restored consumer confidence, and policy measures stimulating domestic consumption. Despite ongoing volatility and uncertainty, China will maintain its cornerstone position for global luxury market growth.

The Spring 2025 update of the Global Luxury Market Research Report jointly released by Bain & Company and Altagamma shows that the long term, high-end customers remain the core of the industry, the top 2% of global clients contribute approximately 40% of luxury sales, with the wealthiest 0.3% contributing 25%, a proportion that continues to rise. Very Important Clients (“VICs”) spending behavior is relatively independent of macroeconomic fluctuations; their expenditure correlates with wealth status rather than short-term economic swings, demonstrating strong resilience. Conversely, aspirational consumers’ luxury spending is closely tied to the economic cycle. This structural characteristic implies that during market adjustments, brands and service providers focusing on VICs can secure a more stable business foundation.

Beyond the luxury sector, China’s premium market is experiencing rapid growth, driven by consumption upgrades and increasing consumer demand for products balancing quality, design, and cultural relevance. Positioned between mass-market goods and luxury, this segment is becoming a key opportunity area as middle-class consumers seek to enhance their lifestyle without fully entering the luxury sphere.

In the sportswear track, the sporting goods industry has surpassed a trillion-yuan scale. Sports consumption is evolving from “popularization” to “specialization, personalization, and emotionalization.” Consumers are not only purchasing products but also seeking resonance with brand values and alignment with their lifestyles. The running shoe category has become a core growth driver, with sportswear deeply penetrating daily commuting and social scenarios. Outdoor sports, as an extension track, are also vibrant, with growth rates significantly exceeding the overall industry average.

In the local premium brand track, domestic brands are increasingly integrating cultural elements and modern aesthetics into their products, strongly resonating with younger consumers who value products reflecting local identity and personal values. The scale of the “Guochao” economy continues to expand. In the beauty and personal care sector, domestic brands’ market share has exceeded international brands for two consecutive years. In the sportswear sector, local brands are also showing strong momentum.

As Chinese consumers continuously pursue higher-quality lifestyles and their consumption preferences evolve, the premium market is poised for further expansion. This growth complements the luxury sector, offering broader opportunities for both domestic and international brands to capture market share.

## **OUTLOOK AND STRATEGY**

Looking ahead to 2026, the external environment remains complex and uncertain, with geopolitical risks and evolving trade patterns likely to persist. Despite this, China’s luxury market is expected to gradually improve, driven by the restoration of consumer confidence and the release of effects from domestic consumption stimulus policies. Bain & Company projects moderate growth for China’s personal luxury market in 2026, benefiting from an expanding middle class, improving consumer confidence, and policies spurring domestic consumption. Management maintains confidence in the long-term growth potential of China’s luxury market while adopting a cautiously optimistic stance, and will focus on the following strategic priorities to seize opportunities and address challenges:

**1. Consolidate Leadership in Luxury Marketing, Driving Brand Value through “Effectiveness & Efficiency.”**

The Group will continue to deepen its presence in the luxury fashion sector, fully leveraging its professional advantages in integrated marketing to help clients achieve a better balance between brand awareness and sales conversion. Facing the trend of brands placing greater emphasis on marketing ROI, the Group will further upgrade its synergistic “offline experience + online communication” model: offline, the Group creates cultural events and ignites topic buzz through high-impact benchmark activities; online, the Group amplifies event momentum through precise targeting, achieving a complete closed loop from brand exposure to mindshare capture. While nurturing the VIC high-end circle, the Group will also continuously engage aspirational consumers through phenomenal marketing events, cultivating future core clientele for brands and helping them consolidate market position through economic cycles.

**2. Expand into High-Potential Tracks, Building a More Diversified Client Portfolio.**

Based on its successful forays into new tracks in 2025, the Group will accelerate expansion into three high-potential areas: For beauty brands, seizing the opportunity of the category’s counter-cyclical growth, the Group will create integrated marketing solutions combining emotional connection and sales conversion. For sportswear brands, leveraging accumulated expertise and resources in sports marketing, the Group will provide full-cycle services from brand events to community operations. For Chinese premium brands, the Group will assist local brands in making the critical leap from mass-market recognition to premium status, capturing mindshare amidst the deepening “Guochao” trend. Simultaneously, the Group will actively explore cooperation opportunities in new categories such as spirits, optimizing its revenue structure through multi-track expansion to enhance business resilience against cycles.

**3. Deepen Technology Application, Driving Profitability Upgrades through Efficiency.**

The Group will continue to drive the deep integration of AI technology across its marketing services, extending technological tools from assisting creativity to full-chain processes including project execution, content production, and effectiveness monitoring. By leveraging technology to enhance creative iteration speed and content output quality, the Group will optimize cost structures while maintaining high delivery standards. This will enable the Group to offer clients more effective service experiences with higher operational efficiency, thereby improving its own profitability and shareholder returns.

**4. Steadily Advance Internationalization, Unlocking New Regional Growth Spaces.**

Leveraging its Singapore office, the Group will progressively establish a service capability system for brand clients across the Asia-Pacific region. The Southeast Asian market shares inherent cultural affinities with China, and the region's economic rise is generating strong demand for premium marketing services. The Group will use Singapore as a springboard to extend its mature methodologies, accumulated in Greater China, into the regional market. Through sustained cultivation, the Group aims to build new growth poles, opening up broader geographical space for its long-term development.

**5. Invest in Core Talent, Strengthening the Foundation of a Creativity-Driven Enterprise.**

As a creativity-driven industry, talent is the Group's most valuable asset. The Group will continuously improve its talent acquisition and development mechanisms, attracting and retaining top-tier creative professionals and management specialists through competitive incentive systems, clear career development paths, and an inclusive, innovative culture. Simultaneously, building upon AI tool empowerment, the Group will promote deep integration between creative and technical teams, enabling its talent to unleash greater value on more efficient platforms. Only through sustained investment in human creativity, the Group can maintain leadership amidst escalating demands in brand marketing, delivering irreplaceable creative outcomes for clients and generating sustainable long-term returns for shareholders.

## 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			
	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Chinese Mainland	644,221	91.1	766,627	90.4
Hong Kong and Singapore	63,174	8.9	81,123	9.6
<b>Total</b>	<b>707,395</b>	<b>100.0</b>	<b>847,750</b>	<b>100.0</b>

### Business Segment Review

During FY2025, the revenue of the Group's experiential marketing services segment, digital and communication services segment and the IP development segment were RMB548.1 million (FY2024: RMB653.0 million), RMB157.1 million (FY2024: RMB178.0 million) and RMB2.2 million (FY2024: RMB16.7 million) respectively.

The following table sets out the revenue of the Group by service line for FY2024 and FY2025.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Experiential marketing services	548,071	653,047
Digital and communication services	157,112	177,971
IP development	2,212	16,732
<b>Total</b>	<b>707,395</b>	<b>847,750</b>

## Experiential Marketing

According to the research report by China Insights Industry Consultancy Limited, the Group remains the largest experiential marketing service provider for premium fashion brands in Greater China, with its market share expanding to 13.9% in 2025 from 13.8% in the prior year. Gaining share in a down market is the clearest signal of a widening competitive moat. While industry peers faced budget pressures and client caution, the Group continued to execute at scale for the world's most demanding luxury group, which reflects the strength of its client relationships and the irreplaceability of its execution capabilities.

Throughout 2025, the Group successfully executed numerous high-impact campaigns across Greater China. These included: BMW's "2025 BMW Ultimate Driving Challenge Show", CARTIER's series of festive lighting ceremonies, CHOW TAI FOOK's High Jewelry event in Beijing, DIOR's "House of Dior" opening ceremony in Beijing, LANCÔME's 90th Anniversary celebration, LOUIS VUITTON's "Visionary Journeys" exhibition in Shanghai, LOUIS VUITTON's Cruise 2026 Macau Show, MIU MIU's Literary Club in Shanghai, VACHERON CONSTANTIN's 270th Anniversary "A Journey Through Time" exhibition at Zhangyuan, and VAN CLEEF & ARPELS' "Spring is Blooming in West Nanjing Road" event. These campaigns not only demonstrated the Group's world-class execution capabilities but also reinforced its reputation as a trusted partner for leading luxury brands.

For the full year of 2025, the Group's experiential marketing business recorded revenue of RMB548.1 million, representing a decrease of 16.1% from RMB653.0 million in 2024. The segment accounted for 77.5% of the Group's total revenue, underscoring its continued role as the Group's core business pillar. This decline reflects the broader market environment: the luxury market contracted by 3% to 5% in 2025, with brand marketing budgets coming under disproportionate pressure due to their discretionary nature. Luxury brands, facing their own revenue challenges, took a cautious stance toward marketing spend throughout much of the year, a pattern widely observed across the industry.

Despite this top-line pressure, gross profit margin for the experiential marketing segment stood at 28.7% for the full year, compared to 29.5% in 2024. Margin contraction of only 80 basis points despite a 16.1% revenue decline is a notable indicator of the Group's underlying resilience. In services businesses, usually fixed cost deleveraging typically erodes margins when revenue contracts. This did not occur in the Group due to two factors. First, the Group's service mix shifted toward higher-value work including more integrated campaigns combining experiential and digital elements, and more VIC-focused activations. Secondly, our Group's pricing strategy has remained stable. The Group's clients value its ability to execute at scale for the world's most demanding luxury brands, a capability that remains scarce and continues to command a premium.

The LOUIS VUITTON “Visionary Journeys” exhibition at “The Louis” in Shanghai exemplifies the integrated model that is now defining the Group’s competitive advantage. The exhibition was unveiled in June 2025, this landmark project rapidly became a phenomenon. Statistics indicate the exhibition cumulatively received over 360,000 visitors and the campaign generated nearly 2 billion views across social media platforms. In addition, it drove an average daily footfall of 80,000 to 100,000 visitors to the surrounding commercial complexes, with weekend peaks reaching 170,000. LVMH Group management subsequently noted in earnings that “The Louis” has become one of the brand’s best-performing stores for luggage sales.

For the client, this represents media value beyond what any traditional agency could deliver. For the Group, it is proof that the “offline experience + online amplification” model, first articulated years ago—has matured into a defensible and scalable competitive advantage. The campaign demonstrated the Group’s ability to create not just an event, but a content engine that drives both immediate commercial results and long-term brand equity. While this strategic focus on integrated solutions may have temporarily impacted the standalone revenue trajectory of the experiential marketing segment, it has significantly enhanced client value and loyalty—laying a stronger foundation for long-term growth.

The luxury sector’s competitiveness hinges not only on product exclusivity and craftsmanship but also on brands’ ability to forge deep emotional connections with consumers. Experiential marketing plays an essential role in this regard, creating unique engagement opportunities that strengthen consumer relationships and achieve differentiation in an increasingly crowded market. 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, in turn fostering 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 solutions. With its strengthened market leadership, enhanced digital capabilities, and proven ability to navigate cyclical adjustments, the Group is well-positioned to capture opportunities as market conditions continue to normalize. The experiential marketing business is not only the Group’s largest segment, but also its strategic anchor.

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.

## Digital and Communication

The Group's digital and communications business is structured to maximize synergy with its core experiential marketing offering. Physical events serve as content engines, generating high-quality assets that are amplified across digital channels to achieve reach far beyond the event's physical footprint. This "offline experience + online amplification" model enables clients to achieve both brand impact and measurable returns from a single integrated investment.

During FY2025, the Group's digital and communications business recorded revenue of RMB157.1 million, representing a decrease of 11.7% compared to RMB178.0 million in FY2024. The segment accounted for 22.2% of the Group's total revenue.

The decline was primarily attributable to reduced project volumes from key clients in certain industries, alongside a more cautious approach to digital campaign spending amid broader macroeconomic uncertainty. In addition, the timing of large-scale integrated campaigns shifted, with several major projects deferred to the following fiscal year.

Despite the overall decline, growth in key areas such as beauty and sportswear helped support performance. As the Group secured experiential mandates in these sectors, it was increasingly awarded the accompanying digital work—validating the integrated model and reducing client fragmentation.

Physical events executed by the Group generated proprietary content that fed digital channels throughout the year. Campaigns tied to Group-executed events consistently demonstrated stronger engagement, as content derived from real experiences resonated more authentically than studio-produced material.

During FY2025, the Group provided digital services to a diverse portfolio of international brands, including ALEXANDERWANG, BOUCHERON, BYREDO, BOBBI BROWN, BUCCELLATI, CHRISTIAN LOUBOUTIN, DIESEL, ESTEE LAUDER, EVISU, HAMILTON, LA PRAIRIE, LOEWE, MLB, NIKON, NEW BALANCE, NIKE, OLAY, REMY MARTIN, SEPHORA, SILHOUETTE, SK-II, TORY BURCH, TUDOR, VACHERON CONSTANTIN, and more. The portfolio continued to evolve, with beauty and sportswear clients accounting for a growing share of digital revenue.

The Group continued to invest in AI tools for content creation and campaign optimization, enhancing creative efficiency and targeting precision. As younger generations drive luxury consumption, these capabilities position the Group to help clients connect with critical consumer segments.

Looking ahead, the Group will continue strengthening integration between digital and experiential offerings, focusing on beauty and sportswear categories where the integrated model offers clear differentiation and where client coverage has established momentum.

## **IP Development**

The Group's IP development business focuses on cultivating cultural and sports intellectual properties, including initiatives such as "Shanghai Summer", "Shanghai Design Week", "First in Shanghai" and sports properties including the China Tour de France and La Liga Club operations. These assets provide the Group with proprietary marketing touchpoints and cultural credentials that complement its core experiential and digital services.

During FY2025, the IP development business recorded a revenue of RMB2.2 million, a decrease of 86.8% compared to RMB16.7 million in FY2024. The segment accounted for 0.3% of the Group's total revenue.

The year-on-year variance reflects the project-based nature of IP development, unlike experiential and digital marketing which generate recurring revenue from active client mandates. IP revenue is inherently tied to specific event cycles and sponsorship activations. FY2025 represented a period with fewer major activations, while the Group exercised disciplined capital allocation, prioritizing resources toward core service lines where client demand was more immediate. Regarding cultural IP, the operating performance was solid this year.

While IP development is not expected to be a near-term revenue driver, the Group views these assets as complementary to its core offerings. The ability to offer clients access to cultural and sports properties that can be activated when and if they are ready, enhances the Group's positioning as a holistic partner, even if the revenue contribution remains modest. These assets provide differentiation in client conversations and preserve long-term optionality.

Looking ahead, the Group will manage its IP portfolio with a focus on capital discipline, activating projects selectively based on client readiness and sponsorship demand.

## **FINANCIAL REVIEW**

### **Cost of sales**

The cost of sales of the Group decreased from RMB593.5 million for FY2024 to RMB499.8 million for FY2025, 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 decreased by 18.4% from RMB254.3 million in FY2024 to RMB207.6 million for FY2025, which was mainly caused by the decrease in revenue. The overall gross profit margin of the Group was 29.3% for FY2025, which remains similar comparing to 30.0% for FY2024.

### **Other income and gains**

The Group's other income and gains were approximately RMB23.1 million for FY2025 (FY2024: RMB13.6 million). Such increase was primarily due to fair value gain on investment at fair value through profit or loss of approximately RMB7.4 million.

### **Selling and distribution expenses**

The Group's selling and distribution expenses were approximately RMB78.1 million for FY2025 (FY2024: RMB84.5 million), such decrease was primarily due to the decrease of employee salary and benefit, accounted for approximately RMB6.0 million.

### **General and administrative expenses**

The Group's general and administrative expenses decreased from RMB61.6 million for FY2024 to RMB44.3 million for FY2025. Such decrease was primarily due to the decrease in share award expense from RMB16.6 million for FY2024 to RMB0.3 million in FY2025, which was arising from the grant of share awards by the Company to executive directors, senior management and employees in March 2023, December 2023 and March 2024.

### **Other expenses, net**

The Group's other expenses recorded a decrease from RMB5.6 million for FY2024 to RMB3.4 million for FY2025, such decrease was primarily due to the decrease of expected credit loss on trade receivables of approximately RMB2.2 million.

### **Finance costs**

The Group's finance costs were approximately RMB0.4 million for FY2025 (FY2024: RMB0.4 million).

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

The Group recorded a net profit of RMB81.1 million for FY2025 (FY2024: RMB87.4 million), representing a decrease of 7.2% as compared to FY2024. Overall net profit margin increased from 10.3% for FY2024 to 11.5% for FY2025.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Cash and cash equivalents**

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB298.0 million (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 19 April 2021, the Board has resolved to change the use of net proceeds such that unutilised Net Proceeds of the Global Offering (the “**Unutilised Net Proceeds**”) in the amount of HK\$224.5 million, originally allocated for the capital commitment for the establishment of the partnership, are to be reallocated for the capital commitment required for strategic investment in the pan-cultural sector due to the lapse of the limited partnership agreement. Please refer to the announcement of the Company dated 19 April 2021 for further details.

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

Designated use of the Net Proceeds	Original allocation of Net Proceeds <i>HK\$ million</i>	Revised allocation of Net Proceeds <i>(Note)</i> <i>HK\$ million</i>	Unutilised Net Proceeds as at 1 January 2025 <i>HK\$ million</i>	Net Proceeds utilised during FY2025 <i>HK\$ million</i>	Unutilised Net Proceeds as at 31 December 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	2.0	—	2.0
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
<b>Total</b>	<b>345.0</b>	<b>345.0</b>	<b>163.5</b>	<b>—</b>	<b>163.5</b>

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

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 2027.

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

As at 31 December 2025, the Group did not have any interest-bearing borrowing (as at 31 December 2024: nil). There was no material charge on the Group’s assets as at 31 December 2025.

### **Gearing ratio**

Since the Group did not have any bank borrowings, the gearing ratio as at 31 December 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 31 December 2025, the total number of employees of the Group was approximately 208 (as at 31 December 2024: 221). For FY2025, the employee benefit expenses of the Group (including directors' emoluments) were approximately RMB98.6 million (FY2024: RMB118.7 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 decreased from RMB264.9 million as at 31 December 2024 to RMB263.7 million as at 31 December 2025; and the trade payables of the Group decreased from RMB294.7 million as at 31 December 2024 to RMB246.2 million as at 31 December 2025, primarily due to certain large-scale projects occurred in different timing in the fourth quarter of 2025.

### **Contingent liabilities**

The Group had no material contingent liabilities as at 31 December 2025.

### **Acquisition and disposal of subsidiaries, associates and joint ventures**

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2025.

### **Capital commitment**

As at 31 December 2025, the Group had a capital commitment of RMB5.1 million (as at 31 December 2024: 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 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 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	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	4	<b>707,395</b>	847,750
Cost of sales		<u>(499,816)</u>	<u>(593,479)</u>
Gross profit		<b>207,579</b>	254,271
Other income and gains	4	<b>23,107</b>	13,629
Selling and distribution expenses		<b>(78,051)</b>	(84,544)
General and administrative expenses		<b>(44,261)</b>	(61,596)
Other expenses, net		<b>(3,425)</b>	(5,621)
Finance costs		<b>(371)</b>	(418)
Share of profits and losses of:			
Joint venture		<b>1,731</b>	1,278
Associate		<b>1,744</b>	3,132
<b>PROFIT BEFORE TAX</b>	5	<b>108,053</b>	120,131
Income tax expense	6	<u>(26,960)</u>	<u>(32,753)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>81,093</u></b>	<b><u>87,378</u></b>
Attributable to:			
Owners of the parent		<b>76,001</b>	79,243
Non-controlling interests		<b>5,092</b>	8,135
		<b><u>81,093</u></b>	<b><u>87,378</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic (RMB cents)		<b>10.22</b>	10.88
Diluted (RMB cents)		<b>10.21</b>	10.65

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>81,093</b>	87,378
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive 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	   <b>(7,764)</b>	   <b>(10,099)</b>
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: Exchange differences on translation of foreign operations	  <b>(4,926)</b>	  <b>1,693</b>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b>(12,690)</b>	<b>(8,406)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>68,403</b>	<b>78,972</b>
Attributable to:		
Owners of the parent	<b>63,311</b>	70,837
Non-controlling interests	<b>5,092</b>	8,135
	<b>68,403</b>	<b>78,972</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		3,084	4,474
Right-of-use assets		7,382	6,980
Goodwill		10,233	10,233
Intangible assets		463	700
Investment in a joint venture		6,010	4,279
Investment in an associate		9,983	8,239
Investments at fair value through other comprehensive income		13,891	22,433
Investment at fair value through profit or loss		20,015	13,375
Deposits		701	391
Deferred tax assets		3,761	1,875
		<hr/>	<hr/>
Total non-current assets		75,523	72,979
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Trade receivables	9	263,741	264,935
Prepayments, deposits and other receivables		21,442	28,141
Pledged bank deposits		665	665
Cash and cash equivalents		298,041	379,189
		<hr/>	<hr/>
Total current assets		583,889	672,930
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	246,231	294,701
Other payables and accruals		33,107	63,730
Lease liabilities		2,675	1,910
Tax payable		8,729	15,219
		<hr/>	<hr/>
Total current liabilities		290,742	375,560
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		293,147	297,370
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		368,670	370,349
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		5,560	5,890
Deferred tax liabilities		3,155	3,315
		<hr/>	<hr/>
Total non-current liabilities		8,715	9,205
		<hr/>	<hr/>
Net assets		359,955	361,144
		<hr/> <hr/>	<hr/> <hr/>

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	<b>659</b>	659
Reserves	<b>342,072</b>	340,702
	<hr/>	<hr/>
	<b>342,731</b>	341,361
Non-controlling interests	<b>17,224</b>	19,783
	<hr/>	<hr/>
Total equity	<b>359,955</b>	361,144
	<hr/> <hr/>	<hr/> <hr/>

## NOTES

Year ended 31 December 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 FY2025, 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 HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as 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 certain financial instruments 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 amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

### 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 before tax. The adjusted profit 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 2025/At 31 December 2025**

	<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</b>				
Sales to external customers	548,071	157,112	2,212	<u>707,395</u>
<b>Segment results</b>				
Reconciliation:	76,607	25,111	4,298	106,016
Corporate and other unallocated expenses, net				(7,129)
Bank interest income				2,105
Fair value gain of financial asset at fair value through profit or loss				7,432
Finance costs				<u>(371)</u>
Profit before tax				<u>108,053</u>
<b>Segment assets</b>				
Reconciliation:	482,485	78,647	30,771	591,903
Corporate and other unallocated assets				<u>67,509</u>
Total assets				<u>659,412</u>
<b>Segment liabilities</b>				
Reconciliation:	239,283	36,246	40	275,569
Corporate and other unallocated liabilities				<u>23,888</u>
Total liabilities				<u>299,457</u>
<b>Other segment information</b>				
Share of profit of a joint venture	—	—	(1,731)	(1,731)
Share of profit of an associate	—	—	(1,744)	(1,744)
Depreciation and amortisation	1,670	609	—	2,279
Impairment of trade receivables, net	2,756	294	1	3,051
Capital expenditure*	545	109	—	654

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

**Year ended 31 December 2024/At 31 December 2024**

	Experiential marketing services <i>RMB '000</i>	Digital and communication services <i>RMB '000</i>	IP development <i>RMB '000</i>	Total <i>RMB '000</i>
<b>Segment revenue</b>				
Sales to external customers	653,047	177,971	16,732	847,750
<b>Segment results</b>	103,398	31,062	8,726	143,186
<u>Reconciliation:</u>				
Corporate and other unallocated expenses, net				(24,560)
Bank interest income				1,923
Finance costs				(418)
Profit before tax				120,131
<b>Segment assets</b>	579,830	80,347	33,858	694,035
<u>Reconciliation:</u>				
Corporate and other unallocated assets				51,874
Total assets				745,909
<b>Segment liabilities</b>	324,061	30,190	622	354,873
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				29,892
Total liabilities				384,765
<b>Other segment information</b>				
Share of profit of a joint venture	—	—	(1,278)	(1,278)
Share of profit of an associate	—	—	(3,132)	(3,132)
Depreciation and amortisation	1,891	590	—	2,481
Impairment/(reversal of impairment) of trade receivables, net	5,539	(203)	(51)	5,285
Capital expenditure*	768	1,193	—	1,961

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

## Geographical information

### (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	644,221	766,627
Hong Kong and Singapore	63,174	81,123
	<u>707,395</u>	<u>847,750</u>

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

### (b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	30,413	28,236
Hong Kong and Singapore	61	80
	<u>30,474</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

Revenue derived from sales to external customers by the experiential marketing services and digital and communication services segment contributing over 10% to the total revenue of the Group for the years ended 31 December 2025 and 2024 is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	152,291	134,524
Customer B	120,841	187,313
Customer C	76,704	—*
Customer D	—*	94,873
	<u>—</u>	<u>—</u>

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.

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

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Revenue from contracts with customers</u>		
Experiential marketing services	548,071	653,047
Digital and communication services	157,112	177,971
IP development	2,212	16,732
	<u>707,395</u>	<u>847,750</u>
 (i) <b>Disaggregated revenue information</b>		
<b>Geographical locations</b>		
<i>Experiential marketing services</i>		
Chinese Mainland	485,007	574,310
Hong Kong and Singapore	63,064	78,737
	<u>548,071</u>	<u>653,047</u>
 <i>Digital and communication services</i>		
Chinese Mainland	157,002	175,585
Hong Kong and Singapore	110	2,386
	<u>157,112</u>	<u>177,971</u>
 <i>IP development</i>		
Chinese Mainland	2,212	16,732
	<u>2,212</u>	<u>16,732</u>
Total revenue from contracts with customers	<u>707,395</u>	<u>847,750</u>
 <b>Timing of revenue recognition</b>		
At a point in time	699,902	838,796
Over time*	7,493	8,954
	<u>707,395</u>	<u>847,750</u>
Total revenue from contracts with customers	<u>707,395</u>	<u>847,750</u>

\* Included projects on retainer basis

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Experiential marketing services	<b>23,379</b>	7,122
Digital and communication services	<b>706</b>	1,285
	<u><b>24,085</b></u>	<u>8,407</u>

An analysis of other income and gains is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Other income and gains</u>		
Bank interest income	<b>2,105</b>	1,923
Government subsidies*	<b>11,408</b>	9,787
Interest income from an associate	—	24
Fair value gain of financial asset at fair value through profit or loss	<b>7,432</b>	—
Others	<b>2,162</b>	1,895
	<u><b>23,107</b></u>	<u>13,629</u>

- \* 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/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of services rendered	499,816	593,479
Depreciation of property, plant and equipment**	2,042	2,219
Depreciation of right-of-use assets**	2,674	2,623
Amortisation of intangible assets**	237	262
Lease payments not included in the measurement of lease liabilities**	3,481	3,457
Fair value loss/(gain) of financial asset at fair value through profit or loss	(7,432) <sup>#</sup>	169*
Impairment of trade receivables, net*	3,051	5,285
Foreign exchange differences, net	(272)	40
	<u>499,816</u>	<u>593,479</u>

\* 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.

# Included in "Other income and gains" 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% (2024: 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% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current — PRC		
Charge for the year	27,947	32,940
Underprovision/(overprovision) in prior year	165	(475)
Current — Hong Kong/Singapore		
Charge for the year	688	1,661
Underprovision/(overprovision) in prior year	206	(2)
Deferred	(2,046)	(1,371)
	<u>26,960</u>	<u>32,753</u>
Total tax charge for the year	<u>26,960</u>	<u>32,753</u>

## 7. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim — HK2.30 cents (2024: HK2.00 cents) per ordinary share	15,879	13,868
Proposed final — HK3.20 cents (2024: HK3.70 cents) per ordinary share	22,093	25,656
Proposed final special — HK3.30 cents (2024: HK3.30 cents) per ordinary share	22,784	22,882
	<u>60,756</u>	<u>62,406</u>

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

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 743,867,770 (2024: 728,046,993) 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	
	2025	2024
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	743,867,770	728,046,993
Effect of dilution – weighted average number of ordinary shares:		
Share awards	282,331	15,925,400
	<u>744,150,101</u>	<u>743,972,393</u>

## 9. TRADE RECEIVABLES

	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i>
Billed receivables	173,105	107,531
Unbilled receivables	100,712	164,905
	<u>273,817</u>	<u>272,436</u>
Impairment	(10,076)	(7,501)
	<u>263,741</u>	<u>264,935</u>

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

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

	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i>
Within 1 month	115,424	98,802
1 to 3 months	35,931	434
Over 3 months	11,957	794
	<u>163,312</u>	<u>100,030</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>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 month	<b>199,019</b>	234,741
1 to 3 months	<b>32,854</b>	37,821
Over 3 months	<b>14,358</b>	22,139
	<hr/> <b>246,231</b> <hr/>	<hr/> 294,701 <hr/>

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 FY2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 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**

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 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 FY2025 except from the deviation from the Code Provision C.2.1 of 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.

\* 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.

### **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 FY2025. 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 FY2025 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 FY2025, 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 FY2025 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 in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no 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 2025 that are required to be disclosed.

## **Annual general meeting**

The 2026 AGM will be held on Thursday, 21 May 2026 and its notice and all other relevant documents will be published and/or despatched (if required) to the Shareholders in April 2026.

## **Closure of register of members**

### ***(a) For determining the entitlement of the shareholders to attend and vote at the 2026 AGM***

The register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, 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 2026 AGM. In order to be eligible to attend and vote at the 2026 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 Friday, 15 May 2026. The record date for entitlement to attending and voting in the 2026 AGM is Thursday, 21 May 2026.

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

The record date for entitlement to the final dividend and final special dividend is Wednesday, 10 June 2026. The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026 (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 Thursday, 4 June 2026.

**Publication of 2025 annual results and annual report**

This annual results announcement of the Group for FY2025 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 annual report containing all applicable information required by the Listing Rules will be published on the above websites in April 2026.

**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, 25 March 2026

*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).*