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 2026

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 2026 ("**2026 Interim**") together with comparative figures for the six months ended 30 June 2025 ("**2025 Interim**") and certain comparative figures as at 31 December 2025. 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 Board of Directors has resolved to declare the payment of dividend of HK1.8 cents per ordinary share of the Company (the "**Share(s)**") for 2026 Interim (2025 Interim: HK2.3 cents), which amounted to nearly HK$13,405,000.

The interim dividend will be paid on or about Tuesday, 29 September 2026 to Shareholders whose names appear on the register of members of the Company on Monday, 21 September 2026 (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 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 the first half of 2026, the global macroeconomic environment remained complex and volatile, with geopolitical risks and trade frictions persisting. According to the Spring 2026 update of the Bain-Altagamma Luxury Goods Worldwide Market Study published by Bain & Company in June 2026, the global personal luxury goods market is gradually entering a phase of mild stabilisation following the adjustments in 2025. However, the pace of recovery remains notably divergent across regions, brands and categories, with the Chinese mainland market still in a cautious recovery phase. As a marketing service provider, the Group's revenue is directly linked to the marketing budgets of brand clients, and the recovery of such budgets typically lags behind the recovery of end-consumer spending, and remains subject to project approval, scheduling and execution timelines. In 2026 Interim, brand clients continued to prioritise return on investment, integrated communications and precision targeting, driving further convergence of experiential and digital marketing.

During the 2026 Interim, despite ongoing macro market headwinds, the Group demonstrated operational resilience, recording revenue of approximately RMB286.5 million, representing a year-over-year decline of 8.1% (2025 Interim: RMB311.7 million). Notably, this decline narrowed significantly from the 16.6% revenue drop in FY2025, signalling that the Group's business adjustment measures are gradually taking effect. At the same time, the regional revenue mix continued to diversify, with the contribution from Hong Kong and Singapore rising from 3.0% to 10.2% of total revenue, reflecting growth in the Group's international footprint.

The Group recorded a net profit of approximately RMB25.2 million for the 2026 Interim (2025 Interim: RMB35.1 million), with gross profit margin at 32.0% (2025 Interim: 33.7%). The pressure on profitability was mainly attributable to changes in project mix, lowered in other income and a relatively rigid cost base. Looking ahead to the full year, the Group will continue to optimise its operational efficiency and cost structure to support sustainable profitability.

The Group maintained a solid cash position. In the second half of the year, management will focus on project margin discipline, resource allocation efficiency and prudent expansion into high-potential sectors such as sportswear and beauty and skincare, while continuing to serve its core premium brand clients.

OUTLOOK

Looking ahead to the second half of 2026, the external environment remains complex. The premium consumption market in China is expected to gradually recover, but the timeline for the recovery of marketing budgets of premium brand clients remains moderate. Brands may need further confirmation of sustained improvement in end-consumer demand before resuming more proactive marketing investments.

Management remains confident in the long-term growth potential of the market and continues to focus on the following strategic directions:

1. Consolidating market leadership — Continue to consolidate the Group's leading position in the Greater China premium fashion brand experiential marketing services market. In 2026 Interim, the Group continued to serve multiple core premium brand clients, with project execution capabilities and client relationships remaining stable;

2. Expanding into high-potential sectors — Accelerate expansion in beauty and skincare, sportswear and mid-to-high-end Chinese brands to optimise the client portfolio. In 2026 Interim, projects continued to be executed in the sportswear and beauty sectors, including large-scale events for international sportswear brands and promotional projects for premium beauty brands;

3. Deepening technology application — Integrate AI tools more broadly into daily marketing service workflows, expanding from creative assistance to project execution, content production and performance monitoring to enhance internal efficiency and service responsiveness;

4. Steadily advancing internationalisation — Using Hong Kong and Singapore as anchors to gradually establish service capabilities covering Asia-Pacific brand clients. In 2026 Interim, the revenue contribution from Hong Kong and Singapore increased to 10.2%, providing preliminary validation of cross-regional business capabilities; and

5. Investing in core talent — Continue to improve talent acquisition and development mechanisms to enhance productivity and organisational efficiency.

The Group will continue to pursue a prudent strategy, addressing short-term market challenges while capturing long-term growth opportunities, to create greater value for 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			
	2026		2025	
	RMB'000		*RMB'000*	
	(Unaudited)		(Unaudited)	
Mainland China	**257,145**	**89.8%**	302,187	97.0%
Hong Kong & Singapore	**29,364**	**10.2%**	9,471	3.0%
Total	**286,509**	**100.0%**	311,658	100.0%

Business Segments Review

During 2026 Interim, the revenue of the Group's experiential marketing services segment, digital and communication services segment and IP development segment were RMB220.2 million (2025 Interim: RMB246.3 million), RMB65.3 million (2025 Interim: RMB65.2 million) and RMB1.0 million (2025 Interim: RMB0.2 million) respectively.

The following table sets out the revenue of the Group by service line for 2026 Interim and 2025 Interim:

	For the six months ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Experiential marketing	**220.2**	246.3
Digital and communication	**65.3**	65.2
IP development	**1.0**	0.2
Total	**286.5**	311.7

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 a market share of 13.9% in 2025.

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.

In 2026 Interim, the Group successfully executed a number of highly creative and impactful campaigns, including DIOR Suzhou Villa experience event, LOUIS VUITTON Mythica High Jewellery Exhibition, LORO PIANA Hangzhou Villa experience event, MIU MIU "Tales and Tellers" event, MCQUEEN the immersive exhibition "McQueen: Beneath the Surface", PRADA Chinese New Year campaign, ROLEX exhibition opening event and gala dinner, CHOW TAI FOOK Chinese New Year pop-up event, VACHERON CONSTANTIN the Explore-All Ways Possible Exhibition, VAN CLEEF & ARPELS Hong Kong large-scale event, and more. These campaigns demonstrate the Group's continued strong client relationships and creative execution capabilities.

In 2026 Interim, the experiential marketing business recorded revenue of approximately RMB220.2 million, representing a decrease of 10.6% from approximately RMB246.3 million in the 2025 Interim, accounting for 76.9% of the Group's total revenue (2025 Interim: 79.0%). Segment gross profit margin was 31.4% for 2026 Interim (2025 Interim: 32.2%), representing a slight decrease of 0.8 percentage points as compared to 2025 Interim.

The revenue moderation was mainly attributable to the adoption of more cautious marketing strategies by certain clients in the first half of 2026. Despite such market headwinds, the segment gross profit margin registered only a mild decline of 0.8 percentage points, reflecting the Company's sustained operational efficiency and stable profit margins of executed projects.

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.

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.

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.

Building on its core premium brand client base, the Group continued to explore potential services and clientele from the sportswear, beauty and skincare sectors. In 2026 Interim, the Group provided online marketing services for numerous brands, including ADIDAS, BOBBI BROWN, BOUCHERON, HAMILTON, LA PRAIRIE, LANCÔME, MAX MARA, MYTHERESA, NEW BALANCE, NIKE, SCHIAPARELLI, SEPHORA, SK-II, TUDOR, VIVO, WANGFENG, ZARA, and more. The growing list of brands across diverse sectors served by the Group demonstrates the applicability of the Group's service capabilities and supports the ongoing optimisation of its client portfolio, even as certain expansion initiatives remain at a continuing stage of advancement.

In 2026 Interim, the digital and communications business recorded revenue of approximately RMB65.3 million, representing a slight increase of 0.2% from approximately RMB65.2 million in the 2025 Interim, accounting for 22.8% of the Group's total revenue (2025 Interim: 20.9%). Segment gross profit margin for 2026 Interim was 33.9% (2025 Interim: 39.1%), representing a decrease of 5.2 percentage points as compared to 2025 Interim.

The decrease in gross profit margin is primarily due to client and project mix adjustments, which resulted in a lower gross profit margin for the segment during the 2026 Interim. Despite the margin variance, the segment maintained a healthy gross profit margin of 33.9%, reflecting the Group's disciplined approach to project selection and execution.

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

IP Development

The Group's IP portfolio encompasses sports IPs and cultural fashion IPs, with long-term exclusive operating rights that build a high-barrier business model. These IPs not only unlock commercial opportunities but also enhance the Group's market awareness and industry influence. The Group views IP assets as a strategic complement to its core experiential marketing and digital marketing businesses, creating synergies across the integrated marketing value chain. The Group remains positive about the long-term strategic value of its IP portfolio and will continue to explore opportunities to enhance IP operational performance while maintaining capital discipline.

In 2026 Interim, the IP development business recorded revenue of approximately RMB1.0 million, as compared with approximately RMB0.2 million in the 2025 Interim. This segment is characterised by a project-driven nature, with revenue highly correlated with specific event cycles and sponsorship activation levels.

FINANCIAL REVIEW

Cost of sales

The cost of sales of the Group decreased from RMB206.6 million for 2025 Interim to RMB194.7 million for 2026 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 decreased by 12.7% from RMB105.1 million for 2025 Interim to RMB91.8 million for 2026 Interim. Its overall gross profit margin decreased from 33.7% in 2025 Interim to 32.0% in 2026 Interim.

Other income and gains

The Group's other income and gains decreased to RMB2.8 million for 2026 Interim (2025 Interim: RMB5.4 million), which was primarily attributable to the decrease in government grants and subsidies.

Selling and distribution expenses

The Group's selling and distribution expenses increased from RMB35.5 million for 2025 Interim to RMB36.8 million for 2026 Interim. The increase in selling and distribution expenses was mainly due to the increase in staff cost.

General and administrative expenses

The Group's general and administrative expenses increased from RMB19.6 million for 2025 Interim to RMB20.6 million for 2026 Interim. Such increase was primarily due to the increased in staff cost.

Other expenses, net

The Group recorded net other gain of RMB0.7 million for 2026 Interim compared with net other expenses of RMB1.0 million for Interim 2025. This improvement was primarily attributable to a foreign exchange net gain of RMB0.6 million and the reversal of impairment provision for trade receivables of RMB0.2 million.

Finance costs

The Group's finance costs remained stable at approximately RMB0.1 million for 2026 Interim (2025 Interim: RMB0.2 million).

Net profit and net profit margin

As a result of the foregoing, the Group recorded a net profit of RMB25.2 million for 2026 Interim (2025 Interim: RMB35.1 million). Overall net profit margin was 8.8% for 2026 Interim (2025 Interim: 11.3%).

LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB298.2 million (as at 31 December 2025: RMB298.0 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 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 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** *HK$ million*	**Revised allocation of Net Proceeds** *(Note)* *HK$ million*	**Unutilised Net Proceeds as at 1 January 2026** *HK$ million*	**Net Proceeds utilised during 2026 Interim** *HK$ million*	**Unutilised Net Proceeds as at 30 June 2026** *HK$ million*
Develop and expand the existing business of integrated marketing solutions and IP development	192.8	81.1	—	—	—
Cash reserve for strategic investment funds for suitable cooperation or investment opportunities	118.0	5.2	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
Total	345.0	345.0	163.5	—	163.5

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

During 2026 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 2027.

Borrowing and charges on the Group's assets

As at 30 June 2026, the Group did not have any interest-bearing borrowing (as at 31 December 2025: nil) or charge on its assets.

Gearing ratio

Since the Group did not have any bank borrowings, the gearing ratio as at 30 June 2026, calculated on the basis of bank and other borrowings over total equity, was nil (as at 31 December 2025: 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 2026, the total number of employees of the Group was approximately 215 (as at 30 June 2025: 224). For 2026 Interim, the employee benefit expenses of the Group (including Directors' emoluments) were approximately RMB46.9 million (2025 Interim: RMB44.4 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 RMB263.7 million as at 31 December 2025 to approximately RMB210.8 million as at 30 June 2026; and the trade payables of the Group decreased from approximately RMB246.2 million as at 31 December 2025 to approximately RMB225.4 million as at 30 June 2026.

Contingent liabilities

The Group has no material contingent liabilities as at 30 June 2026.

Acquisition and disposal of subsidiaries and associated companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during 2026 Interim.

Capital commitment

As at 30 June 2026, the Group had commitment of approximately RMB5.1 million (as at 31 December 2025: 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 2026.

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 2026 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 2026

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
REVENUE	*4*	**286,509**	311,658
Cost of sales		**(194,724)**	(206,593)
Gross profit		**91,785**	105,065
Other income and gains	*4*	**2,800**	5,360
Selling and distribution expenses		**(36,798)**	(35,503)
General and administrative expenses		**(20,573)**	(19,625)
Other expenses, net		**746**	(954)
Finance costs		**(140)**	(175)
Share of profits and losses of:			
Joint venture		**–**	760
Associate		**(500)**	(494)
PROFIT BEFORE TAX	*5*	**37,320**	54,434
Income tax expense	*6*	**(12,145)**	(19,298)
PROFIT FOR THE PERIOD		**25,175**	35,136
Attributable to:			
Owners of the parent		**22,879**	32,028
Non-controlling interests		**2,296**	3,108
		25,175	35,136
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*7*		
Basic (RMB cents)		**3.07**	4.31
Diluted (RMB cents)		**3.07**	4.31

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**25,175**	35,136
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,934)**	(2,348)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(1,934)**	(2,348)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**23,241**	32,788
Attributable to:		
Owners of the parent	**20,945**	29,680
Non-controlling interests	**2,296**	3,108
	23,241	32,788

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited)** ***RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,280**	3,084
Right-of-use assets		**6,029**	7,382
Goodwill		**10,233**	10,233
Intangible assets		**363**	463
Investment in a joint venture		**6,010**	6,010
Investment in an associate		**9,483**	9,983
Investments at fair value through other comprehensive income		**13,891**	13,891
Investment at fair value through profit and loss		**20,015**	20,015
Deposits		**701**	701
Deferred tax assets		**4,231**	3,761
Total non-current assets		**73,236**	75,523
CURRENT ASSETS			
Trade receivables	*9*	**210,790**	263,741
Prepayments, deposits and other receivables		**26,550**	21,442
Pledged bank deposits		**665**	665
Cash and cash equivalents		**298,203**	298,041
Total current assets		**536,208**	583,889
CURRENT LIABILITIES			
Trade payables	*10*	**225,380**	246,231
Other payables and accruals		**28,881**	33,107
Lease liabilities		**2,720**	2,675
Tax payable		**7,066**	8,729
Total current liabilities		**264,047**	290,742
NET CURRENT ASSETS		**272,161**	293,147
TOTAL ASSETS LESS CURRENT LIABILITIES		**345,397**	368,670
NON-CURRENT LIABILITIES			
Lease liabilities		**4,165**	5,560
Deferred tax liabilities		**3,156**	3,155
Total non-current liabilities		**7,321**	8,715
Net assets		**338,076**	359,955

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**659**	659
Reserves	**321,257**	342,072
	321,916	342,731
Non-controlling interests	**16,160**	17,224
Total equity	**338,076**	359,955

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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 2026, 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 2026 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 2025.

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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to *HKFRS Accounting Standards – Volume 11*	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

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

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to *HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. 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 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.

Six months ended 30 June 2026 (Unaudited)

	Experiential marketing services *RMB'000*	Digital and communication services *RMB'000*	IP development *RMB'000*	Total *RMB'000*
Segment revenue ***(note 4)***				
Sales to external customers	**220,183**	**65,310**	**1,016**	**286,509**
Segment results	**27,110**	**11,333**	**(10)**	**38,433**
Reconciliation:				
Corporate and other unallocated expenses, net				**(2,200)**
Bank interest income				**1,227**
Finance costs				**(140)**
Profit before tax				**37,320**
Other segment information				
Share of loss of an associate	**–**	**–**	**500**	**500**
Depreciation and amortisation	**778**	**256**	**–**	**1,034**
Reversal of impairment of trade receivables	**(99)**	**(108)**	**–**	**(207)**
Capital expenditure*	**108**	**65**	**–**	**173**
As at 30 June 2026 (Unaudited)				
Segment assets	**446,735**	**67,623**	**30,550**	**544,908**
Reconciliation:				
Corporate and other unallocated assets				**64,536**
Total assets				**609,444**
Segment liabilities	**225,322**	**25,492**	**40**	**250,854**
Reconciliation:				
Corporate and other unallocated liabilities				**20,514**
Total liabilities				**271,368**

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

Six months ended 30 June 2025 (Unaudited)

	Experiential marketing services *RMB'000*	Digital and communication services *RMB'000*	IP development *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*				
Sales to external customers	246,234	65,193	231	311,658
Segment results	41,983	14,588	454	57,025
Reconciliation:				
Corporate and other unallocated expenses, net				(4,112)
Bank interest income				1,696
Finance costs				(175)
Profit before tax				54,434
Other segment information				
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
As at 31 December 2025 (Audited)				
Segment assets	482,485	78,647	30,771	591,903
Reconciliation:				
Corporate and other unallocated assets				67,509
Total assets				659,412
Segment liabilities	239,283	36,246	40	275,569
Reconciliation:				
Corporate and other unallocated liabilities				23,888
Total liabilities				299,457

* 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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Mainland China	**257,145**	302,187
Hong Kong & Singapore	**29,364**	9,471
	286,509	311,658

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

(b) Non-current assets

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Mainland China	**29,030**	30,413
Hong Kong & Singapore	**40**	61
	29,070	30,474

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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Customer A	**62,864**	42,437
Customer B	**—***	54,572
Customer C	**29,547**	46,468
Customer D	**—***	42,605
Customer E	**—***	33,061

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 period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Major service lines		
Experiential marketing services	**220,183**	246,234
Digital and communication services	**65,310**	65,193
IP development	**1,016**	231
	286,509	311,658

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Geographical locations		
Experiential marketing services		
Mainland China	**190,819**	236,874
Hong Kong & Singapore	**29,364**	9,360
	220,183	246,234
Digital and communication services		
Mainland China	**65,310**	65,082
Hong Kong & Singapore	**–**	111
	65,310	65,193
IP development		
Mainland China	**1,016**	231
Total revenue from contracts with customers	**286,509**	311,658
Timing of revenue recognition		
At a point in time	**278,498**	306,568
Over time*	**8,011**	5,090
Total revenue from contracts with customers	**286,509**	311,658

* 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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Experiential marketing services	**8,008**	7,122
Digital and communication services	**310**	1,285
	8,318	8,407

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**1,227**	1,696
Government grants and subsidies*	**1,573**	3,184
Others	**–**	480
	2,800	5,360

* 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):

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of services rendered	**194,724**	206,593
Depreciation of property, plant and equipment**	**934**	1,033
Depreciation of right-of-use assets**	**1,352**	1,310
Amortisation of intangible assets**	**100**	125
Impairment/(reversal of impairment) of trade receivables, net*	**(207)**	605
Foreign exchange differences, net	**(575)**	46

* 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% (2025: 25%) during the period.

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% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

For the subsidiary incorporated in Singapore, Singapore profits tax has been provided at the rate of 17% (2025: 17%) on the estimated assessable profits arising in Singapore during the period, if any.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current — PRC		
Charge for the period	**12,614**	19,294
Deferred	**(469)**	4
Total tax charge for the period	**12,145**	19,298

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 2026 is based on the profit attributable to ordinary equity holders of the parent of RMB22,879,000 (six months ended 30 June 2025: RMB32,028,000), and the weighted average number of the Company's ordinary shares of 744,742,000 (six months ended 30 June 2025: 742,979,050) 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

	Number of shares	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**744,742,000**	742,979,050
Effect of dilution – weighted average number of ordinary shares:		
Share awards	**–**	569,342
Number of shares used in the diluted earnings per share calculation	**744,742,000**	743,548,392

8. DIVIDENDS

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interim — HK1.8 cents (2025: HK2.3 cents) per ordinary share	**11,547**	15,879

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:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Billed		
Within 1 month	**36,124**	115,424
1 to 3 months	**22,156**	35,931
Over 3 months	**33,867**	11,957
	92,147	163,312
Unbilled	**118,643**	100,429
	210,790	263,741

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:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 1 month	**151,003**	199,019
1 to 3 months	**11,049**	32,854
Over 3 months	**63,328**	14,358
	225,380	246,231

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 Wednesday, 16 September 2026 to Monday, 21 September 2026, 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 Tuesday, 15 September 2026.

The interim dividend will be paid on or about Tuesday, 29 September 2026 to Shareholders whose names appear on the register of members of the Company on Monday, 21 September 2026; and the Record Date for the interim dividend will be on Monday, 21 September 2026.

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 2026 Interim. As at 30 June 2026, 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 2026 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.

During the period from 1 January to 25 March 2026, the Company did not comply with the requirement under code provision B.3.1 of the CG Code to have at least one director of a different gender on the nomination committee due to the time required to complete the relevant internal procedures for the appointment. Following the appointment of Ms. Cheung Siu Wan as a member of the nomination committee on 25 March 2026, the Company has complied with the relevant code provision.

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 2026 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 2026 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 2026 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.

EVENTS AFTER THE REPORTING PERIOD

There are no events causing material impact on the Group from the end of 2026 Interim to the date of this announcement.

PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

This unaudited interim results announcement of the Group for 2026 Interim is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.activation-gp.com. The 2026 interim report containing all applicable information required under the Listing Rules will be published on the above websites in September 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. 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, 24 August 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 and the Stock Exchange's website at www.hkexnews.hk.