

艾德韋宣集團控股有限公司

ACTIVATION GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability) Stock Code : 9919

2025 INTERIM REPORT

ACTIVATION GROUP

CONTENTS

2	Corporate Information
4	Highlights of the Interim
9	Awards and Recognitions
11	Management Discussion and Analysis
22	Other Information and Corporate Governance
27	Interim Condensed Consolidated Statement of Profit or Loss
28	Interim Condensed Consolidated Statement of Comprehensive Income
29	Interim Condensed Consolidated Statement of Financial Position
31	Interim Condensed Consolidated Statement of Changes in Equity
33	Interim Condensed Consolidated Statement of Cash Flows
35	Notes to Interim Condensed Consolidated Financial Information
53	Definitions

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Lau Kam Yiu
(Joint-Chairman & Chief Executive Officer)
Mr. Ng Bo Sing
(Joint-Chairman & Chief Financial Officer)
Mr. Chan Wai Bun *(Co-Chief Operating Officer)*
Ms. Low Wei Mun *(Co-Chief Operating Officer)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Cheung Siu Wan
Mr. Yu Longjun
Dr. Cheung Wah Keung

COMPANY SECRETARY

Mr. Law Kwok Chun

AUTHORISED REPRESENTATIVES

Mr. Ng Bo Sing
Mr. Law Kwok Chun

AUDIT COMMITTEE

Ms. Cheung Siu Wan *(Chairlady)*
Mr. Yu Longjun
Dr. Cheung Wah Keung

REMUNERATION COMMITTEE

Ms. Cheung Siu Wan *(Chairlady)*
Mr. Lau Kam Yiu
Mr. Yu Longjun

NOMINATION COMMITTEE

Mr. Lau Kam Yiu *(Chairman)*
Mr. Yu Longjun
Dr. Cheung Wah Keung

CORPORATE GOVERNANCE COMMITTEE

Mr. Ng Bo Sing *(Chairman)*
Ms. Cheung Siu Wan
Dr. Cheung Wah Keung

IP DEVELOPMENT COMMITTEE

Mr. Lau Kam Yiu *(Chairman)*
Mr. Ng Bo Sing
Mr. Yu Longjun

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Ng Bo Sing *(Chairman)*
Mr. Yu Longjun
Dr. Cheung Wah Keung

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F., No. 399A Liu Zhou Road
Xu Hui District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F., Gold Union Commercial Building
No. 70-72 Connaught Road West
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services
Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of China
Shanghai Jianguo West Road Branch
No. 596 Jianguo West Road
Xuhui District
Shanghai
PRC

Hong Kong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

INVESTOR AND MEDIA RELATIONS CONSULTANT

DLK Advisory Limited
Room 2012-14, Hong Kong Plaza,
188 Connaught Road West, Hong Kong
Email: ir_activation@dlkadvisory.com

LEGAL ADVISERS

As to Hong Kong law
Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central, Hong Kong

As to PRC law
Jingtian & Gongcheng
45/F, K. Wah Centre
1010 Huaihai Road(M)
Xuhui District
Shanghai
PRC

As to Cayman Islands law
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

SHARE LISTING

Main Board of The Stock Exchange of
Hong Kong Limited

STOCK CODE

9919

LISTING DATE

16 January 2020

COMPANY WEBSITE

www.activation-gp.com

HIGHLIGHTS OF THE INTERIM

EXPERIENTIAL MARKETING



LOUIS VUITTON 路易威登

LOUIS VUITTON "Visionary Journeys" Exhibition

BMW 寶馬
2025 BMW Ultimate Driving Challenge Show



CHOW TAI FOOK 周大福
CHOW TAI FOOK "Timeless Harmony"
High Jewelry Collection Exhibition

HIGHLIGHTS OF THE INTERIM

EXPERIENTIAL MARKETING



COMME MOI 似我

COMME MOI Spring/Summer
2025 Collection Show



MICHAEL KORS 邁克高仕

MICHAEL KORS Jordi Pop-Up Event /



MIU MIU 繆繆

MIU MIU The Encounter



HIGHLIGHTS OF THE INTERIM

EXPERIENTIAL MARKETING



NIKE 耐克

NIKE "Victory Lap" Fashion Show



OPPO

OPPO Find N5 & Watch X2
Global Launch Event



VAN CLEEF & ARPELS
梵克雅寶

VAN CLEEF & ARPELS
"Spring is Blooming" in West Nanjing Road



HIGHLIGHTS OF THE INTERIM

DIGITAL & COMMUNICATION



LA PRAIRIE 萊珀妮

LA PRAIRIE Skin Caviar Launch Event

ALEXANDER WANG 亞曆山大王

Social Media Operations



EVISU

Social Media Operations

SK-II
Social Media Operations



HIGHLIGHTS OF THE INTERIM

IP DEVELOPMENT



SHANGHAI DESIGN WEEK
上海設計周

SHANGHAI SUMMER: It's Go Time!



AWARDS AND RECOGNITIONS

COMPANY AWARDS

- The 16th Tiger Roar Awards
Business Events & Sports -
Silver Award

2024 BMW M FESTIVAL

- The 16th Tiger Roar Awards
PR & Communications -
Silver Award

LACOSTE "PLAY BIG" EVENT

- The 16th Tiger Roar Awards
Automotive and Transportation -
Silver Award

ROLLS-ROYCE BRAND GALA

- The 16th Tiger Roar Awards
Automotive and Transportation -
Bronze Award

2024 BMW M FESTIVAL



AWARDS AND RECOGNITIONS

COMPANY AWARDS

- The 16th Tiger Roar Awards
Integrated Marketing
Communications - Bronze Award
LACOSTE "PLAY BIG" EVENT
- The 16th Tiger Roar Awards
Outdoor Marketing - Bronze Award
LACOSTE "PLAY BIG" EVENT
- The 16th Tiger Roar Awards
Experiential Marketing -
Excellence Award
ROLLS-ROYCE BRAND GALA
- 2025 Event Marketing Awards
Best Live Event - Gold Award
2024 BMW M FESTIVAL



MANAGEMENT DISCUSSION AND ANALYSIS

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

INTERIM DIVIDEND

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

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

CLOSURE OF REGISTER OF MEMBERS

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

The interim dividend will be paid on or about Friday, 19 September 2025 to those holders of Shares on the register of members on Thursday, 11 September 2025; and the Record Date for the interim dividend will be 11 September 2025.

OVERVIEW

The Group is a leading marketing group for pan-fashion (泛時尚) brands in Greater China that mainly focuses on the provision of (i) experiential marketing, (ii) digital and communication, and (iii) intellectual property (“**IP**”) development in Greater China. The Group has accumulated over 550 world-renowned brand clients including (i) renowned mid-range and high-end fashion brands; (ii) renowned mid-range and high-end automobile brands; and (iii) Chinese local premium brands. According to China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for mid-range and high-end fashion brands in Greater China with a market share of 13.8% in 2024.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

MACROECONOMIC AND MARKET ENVIRONMENT

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Geographical Review

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

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

Business Segments Review

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Experiential Marketing

According to the research report by China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for premium fashion brands in Greater China with a market share of 13.8% in 2024.

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

of experiential marketing, the added value and client loyalty generated by integrated marketing services have significantly increased, laying a solid foundation for the Group's long-term growth.

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

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

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

Digital and Communication

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

IP Development

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Cost of sales

The cost of sales of the Group decreased from RMB213.0 million for 2024 Interim to RMB206.6 million for 2025 Interim, which was in line with the decrease in revenue. The cost of sales mainly includes production cost, third party service cost, media cost and venue rental cost which may fluctuate depending on the types and mix of projects carried out by the Group in the relevant period.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by 1.6% from RMB103.4 million for 2024 Interim to RMB105.1 million for 2025 Interim. Its overall gross profit margin increased from 32.7% in 2024 Interim to 33.7% in 2025 Interim.

Other income and gains

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

Selling and distribution expenses

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

General and administrative expenses

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

Other expenses, net

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

Finance costs

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

Net profit and net profit margin

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

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents

As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB288.7 million (as at 31 December 2024: RMB379.2 million), which were mainly denominated in Renminbi and Hong Kong dollars.

Net proceeds from the Global Offering

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

On 20 August 2020 and 19 April 2021, the Board has resolved to change the use of net proceeds such that unutilised Net Proceeds of the Global Offering in the amount of HK\$224.5 million were reallocated for the capital commitment required for strategic investment in the pan-cultural sector. Please refer to the announcements of the Company dated 20 August 2020 and 19 April 2021 (the "**Announcements**") for further details.

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

Designated use of the Net Proceeds	Original allocation of Net Proceeds HK\$ million	Revised allocation of Net Proceeds (Note) HK\$ million	Unutilised Net Proceeds as at 1 January 2025 HK\$ million	Net Proceeds utilised during 2025 Interim HK\$ million	Unutilised Net Proceeds as at 30 June 2025 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Borrowing and charges on the Group's assets

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

Gearing ratio

Since the Group did not have any bank borrowings, the gearing ratio as at 30 June 2025, calculated on the basis of bank and other borrowings over total equity, was nil (as at 31 December 2024: nil).

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

Employees and remuneration policies

As at 30 June 2025, the total number of employees of the Group was approximately 224 (as at 30 June 2024: 233). For 2025 Interim, the employee benefit expenses of the Group (including Directors' emoluments) were approximately RMB44.4 million (2024 Interim: RMB54.1 million).

The Group offers a comprehensive remuneration package to its employees, which is generally structured with reference to market terms and individual merits, and reviewed by the management on a regular basis. The Group also invests in continuing education and training programs for its management staff and other employees with a view to constantly upgrade their skills and knowledge. The Group values employees as its most valuable assets and believes effective employee engagement is an integral part of business success. In this context, effective communication with employees at all levels is highly valued with the ultimate goal to enhance the efficiency in providing quality service to the clients. The Company has also adopted a share option scheme and a share award plan with the purposes of, among others, giving incentives or rewards to eligible participants for their contribution to the growth and development of the Group.

Trade receivables and trade payables

The trade receivables of the Group decreased from approximately RMB264.9 million as at 31 December 2024 to approximately RMB211.3 million as at 30 June 2025; and the trade payables of the Group decreased from approximately RMB294.7 million as at 31 December 2024 to approximately RMB206.6 million as at 30 June 2025.

Contingent liabilities

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

MANAGEMENT DISCUSSION AND ANALYSIS

Acquisition and disposal of subsidiaries and associated companies

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

Capital commitment

As at 30 June 2025, the Group had commitment of approximately RMB5.1 million (as at 31 December 2024: RMB5.1 million) relating to the future capital contributions.

Significant investments

The Group has no significant investments, including investment in companies with a value of 5% or more of the Company's total assets as at 30 June 2025.

Future plan for material investments or capital assets

The Group does not have plans for material investments and capital assets for the year ending 31 December 2025 as at the date of this report.

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.

OTHER INFORMATION AND CORPORATE GOVERNANCE

COMPLIANCE WITH CORPORATE GOVERNANCE CODE (“CG CODE”)

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

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

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

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

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

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during 2025 Interim. The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in Appendix C3 to the Listing Rules. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during 2025 Interim after making reasonable enquiry.

CHANGES IN DIRECTORS’ INFORMATION

During 2025 Interim, there is no change in the Directors’ information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION AND CORPORATE GOVERNANCE

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares	Total	Approximate percentage of shareholding (Note 1)
Mr. Ng	Beneficial owner Interest of a controlled corporation (Note 2)	10,404,580 117,669,156	128,073,736	17.20%
Mr. Lau	Beneficial owner Interest of a controlled corporation (Note 3)	17,913,288 154,413,522	172,326,810	23.14%
Ms. Low	Beneficial owner Interest of a controlled corporation (Note 4)	20,300,521 41,854,717	62,155,238	8.35%
Mr. Chan	Beneficial owner Interest of a controlled corporation (Note 5)	28,614,264 32,196,651	60,810,915	8.17%

Notes:

1. The percentages of shareholding in this table were computed based on the number of issued Shares as at 30 June 2025, being 744,742,000 Shares.
2. These 117,669,156 Shares are held by Activation Investment, which is ultimately controlled by Mr. Ng through NBS Holdings. Under the SFO, Mr. Ng is deemed to be interested in the Shares held by Activation Investment.
3. These 154,413,522 Shares are held by Aurora Activation, which is ultimately controlled by Mr. Lau through Dashing Fortune. Under the SFO, Mr. Lau is deemed to be interested in the Shares held by Aurora Activation.
4. These 41,854,717 Shares are held by Activation One, which is ultimately controlled by Ms. Low through Step Mind Enterprises Limited. Under the SFO, Ms. Low is deemed to be interested in the Shares held by Activation One.
5. These 32,196,651 Shares are held by Brightly Sky, which is wholly owned by ACT Partners. ACT Partners is in turn wholly owned by Mr. Chan. Under the SFO, Mr. Chan is deemed to be interested in the Shares held by Brightly Sky.

OTHER INFORMATION AND CORPORATE GOVERNANCE

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 30 June 2025, to the best knowledge and belief of the Directors, the following persons have interests or short positions in Shares or underlying Shares which will be required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long Position in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (Note 1)
Activation Investment	Beneficial owner (Note 2)	117,669,156	15.80%
NBS Holdings	Interest of a controlled corporation (Note 2)	117,669,156	15.80%
Chung Wing Ting	Interest of spouse (Note 3)	128,073,736	17.20%
Aurora Activation	Beneficial owner (Note 4)	154,413,522	20.73%
Dashing Fortune	Interest of a controlled corporation (Note 4)	154,413,522	20.73%
Li Meixuan	Interest of spouse (Note 5)	172,326,810	23.14%
Aide Zhongxin	Beneficial owner	42,204,906	5.67%
Activation One	Beneficial owner (Note 6)	41,854,717	5.62%
Step Mind Enterprises Limited	Interest of a controlled corporation (Note 6)	41,854,717	5.62%
RAYS Capital Partners Limited ("RAYS Capital")	Investment manager (Note 7)	67,140,298	9.02%
Asian Equity Special Opportunities Portfolio Master Fund	Beneficial owner (Note 7)	52,140,298	7.00%
Pandanus Associates Inc.	Interest of a controlled corporation (Note 8)	38,128,000	5.12%
Pandanus Partners L.P.	Interest of a controlled corporation (Note 8)	38,128,000	5.12%
FIL Limited	Interest of a controlled corporation (Note 8)	38,128,000	5.12%

Notes:

- The percentages of shareholding in this table were computed based on the number of issued Shares as at 30 June 2025, being 744,742,000 Shares.
- These 117,669,156 Shares are held by Activation Investment, which is ultimately controlled by Mr. Ng through NBS Holdings. Under the SFO, Mr. Ng and NBS Holdings are deemed to be interested in the Shares held by Activation Investment.

OTHER INFORMATION AND CORPORATE GOVERNANCE

3. Ms. Chung Wing Ting is the spouse of Mr. Ng. Under the SFO, Ms. Chung Wing Ting is deemed to be interested in the same number of Shares which Mr. Ng is interested in.
4. These 154,413,522 Shares are held by Aurora Activation, which is ultimately controlled by Mr. Lau through Dashing Fortune. Under the SFO, Mr. Lau and Dashing Fortune are deemed to be interested in the Shares held by Aurora Activation.
5. Ms. Li Meixuan is the spouse of Mr. Lau. Under the SFO, Ms. Li Meixuan is deemed to be interested in the same number of Shares which Mr. Lau is interested in.
6. These 41,854,717 Shares are held by Activation One, which is ultimately controlled by Ms. Low through Step Mind Enterprises Limited. Under the SFO, Ms. Low and Step Mind Enterprises Limited are deemed to be interested in the Shares held by Activation One.
7. Based on the Form 2 — Corporate Substantial Shareholder Notice filed by RAYS Capital, it is interested in 67,140,298 Shares in the capacity as an investment manager, out of which 52,140,298 Shares are held by Asia Equity Special Opportunities Portfolio Master Fund, being a controlled corporation of RAYS Capital.
8. Based on the respective Form 2 — Corporate Substantial Shareholder Notice filed by Pandanus Associates Inc., Pandanus Partners L.P. and FIL Limited, these 38,128,000 Shares are held by certain subsidiaries of FIL Limited. As FIL Limited is controlled by Pandanus Partners L.P., which is in turn controlled by Pandanus Associates Inc., each of them is deemed to be interested in the 38,128,000 Shares held by subsidiaries of FIL Limited.

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

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

SHARE SCHEMES

2023 Share Option Scheme

The Company has adopted a share option scheme (the **"2023 Share Option Scheme"**) pursuant to the resolutions passed by the Shareholders at the annual general meeting of the Company held on 16 May 2023. The 2023 Share Option Scheme shall be valid and effective for a period of ten years from its adoption date. The remaining life of the 2023 Share Option Scheme is approximately eight years.

Since the adoption of the 2023 Share Option Scheme and up to 30 June 2025, no share option was granted, exercised, outstanding, cancelled or lapsed under the 2023 Share Option Scheme.

As at 1 January 2025 and 30 June 2025, the number of Shares that may be issued in respect of options and awards granted under the 2023 Share Option Scheme and other Share Scheme(s) pursuant to the scheme mandate granted by the Shareholders on 15 May 2023 (the **"Scheme Mandate"**) was 74,474,200 Shares.

Share Award Plans

The Company has adopted a share award plan on 30 March 2020, which was subsequently amended pursuant to the resolutions passed by the Shareholders at the annual general meeting of the Company held on 16 May 2023 (the **"2020 Share Award Plan"**).

During 2025 Interim, no awarded Shares had been granted pursuant to the 2020 Share Award Plan, and a total of 1,472,156 awarded Shares granted to one Employee Participants under the 2020 Share Award Plan have been vested.

OTHER INFORMATION AND CORPORATE GOVERNANCE

The movements of the awarded Shares ("**Awarded Shares**") under the 2020 Share Award Plan during 2025 Interim were as follows:

Name/category of grantees	Date of grant	Average fair value per Share (note 1) HK\$	Vesting Period	Closing price of the Shares (note 2) HK\$	Number of Awarded Shares					Performance targets
					Unvested as at 1 January 2025	Granted during 2025 Interim	Vested during 2025 Interim (note 3)	Cancelled/ Lapsed during 2025 Interim	Unvested as at 30 June 2025	
Other Employee Participants	12 March 2024	1.25	12 months from date of grant	1.25	1,472,156	—	1,472,156	—	—	(note 4)
					<u>1,472,156</u>	<u>—</u>	<u>1,472,156</u>	<u>—</u>	<u>—</u>	

Notes:

1. The fair value of the Awarded Shares was determined with reference to the market value of the Shares at the grant date and the Group recognised an equity-settled share-based payment expense of approximately RMB0.3 million for 2025 Interim.
2. It refers to the closing price of the Shares immediately before the date on which the Awarded Shares were granted.
3. The weighted average closing price of the Shares immediately before the dates on which the Awarded Shares were vested was HK\$0.83.
4. The Awarded Shares were granted to the grantees based on their respective positions, job tenures and/or achievements of performance targets. The Group has in place a performance evaluation mechanism to comprehensively evaluate the performance and contribution of the relevant grantees to the Group. Based on their performance evaluation results, the grantees will receive different levels of ratings which may affect the number of the Awarded Shares to be vested in such grantee.
5. All of the awards under the 2020 Share Award Plan granted during 2025 Interim were satisfied by existing Shares purchased through on-market transactions and held by the trustee in accordance with the 2020 Share Award Plan and the terms of the trust deed. No new Shares have been issued in respect of the awards granted under the 2020 Share Award Plan during 2025 Interim.
6. No Awarded Shares were cancelled during 2025 Interim.

The grantees of the Awarded Shares under the 2020 Share Award Plan as referred to in the table above are not required to pay for the grant or exercise of any Awarded Shares.

Pursuant to the resolutions passed by the Shareholders at the annual general meeting of the Company held on 15 May 2025, the Company has adopted a new share award plan (the "**2025 Share Award Plan**"). Upon the adoption of the 2025 Share Award Plan, the 2020 Share Award Plan has been terminated in accordance with its terms. Since its adoption on 15 May 2025, no awarded share has been granted, vested, cancelled or lapsed under the 2025 Share Award Plan.

As at 30 June 2025, there were no shares held by the trustee for the purpose of the 2020 Share Award Plan or the 2025 Share Award Plan.

As at 1 January 2025 and 30 June 2025, the number of Shares that may be issued in respect of options and awards available for grant granted under the Share Scheme(s) pursuant to the Scheme Mandate was 74,474,200 Shares.

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 results for 2025 Interim, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters with the management of the Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
EQUITY			
Equity attributable to owners of the parent			
Issued capital	11	659	659
Reserves		324,116	340,702
		324,775	341,361
Non-controlling interests		16,465	19,783
Total equity		341,240	361,144

Lau Kam Yiu
Director

Ng Bo Sing
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent												
	Issued capital	Share premium	Other reserve	Fair value reserve of financial asset at fair value through other comprehensive income	Capital reserve	Statutory reserve	Capital redemption reserve	Exchange fluctuation reserve	Shares held under share award scheme	Share-based payment reserve	Retained profits	Total	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 11)	(Note 11)											
At 1 January 2025 (audited)	659	111,971	(58,474)	(18,879)	14,023	37,936	21,748	(8,846)	(5,509)	1,388	245,344	341,361	19,783
Profit for the period	—	—	—	—	—	—	—	—	—	—	32,028	32,028	3,108
Other comprehensive loss for the period:													
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	(2,348)	—	—	—	(2,348)	—
Total comprehensive income/(loss) for the period	—	—	—	—	—	—	—	(2,348)	—	—	32,028	29,680	3,108
Vesting of shares held under the Share Award Scheme	—	—	—	—	—	—	—	—	1,630	(1,713)	83	—	—
Share award arrangement	—	—	—	—	—	—	—	—	—	325	—	325	—
Resale of shares held under the Share Award Scheme	—	(3,001)	—	—	—	—	—	—	3,879	—	—	878	—
Dividend paid to the Company's shareholders	—	—	—	—	—	—	—	—	—	—	(47,469)	(47,469)	—
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(6,426)
At 30 June 2025 (unaudited)	659	108,970	(58,474)	(18,879)	14,023	37,936	21,748	(11,194)	—	—	229,986	324,775	16,465

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent												
	Issued capital	Share premium	Other reserve	Fair value reserve of financial asset at fair value through other comprehensive income	Capital reserve	Statutory reserve	Capital redemption reserve	Exchange fluctuation reserve	Shares held under share award scheme	Share-based payment reserve	Retained profits	Total	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 11)	(Note 11)											
At 1 January 2024 (audited)	659	111,971	(58,474)	(8,780)	14,023	38,050	21,748	(10,539)	(28,894)	9,754	250,251	339,769	20,206
Profit for the period	—	—	—	—	—	—	—	—	—	—	26,858	26,858	3,295
Other comprehensive loss for the period:													
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	(7,457)	—	—	—	(7,457)	—
Total comprehensive income/(loss) for the period	—	—	—	—	—	—	—	(7,457)	—	—	26,858	19,401	3,295
Share award arrangement	—	—	—	—	—	—	—	—	—	9,586	—	9,586	—
Vesting of shares held under the Share Award Scheme	—	—	—	—	—	—	—	—	10,421	(10,640)	219	—	—
Dividend paid to the Company's shareholders	—	—	—	—	—	—	—	—	—	—	(64,152)	(64,152)	—
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(5,810)
At 30 June 2024 (unaudited)	659	111,971	(58,474)	(8,780)	14,023	38,050	21,748	(17,996)	(18,473)	8,700	213,176	304,604	17,691

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		54,434	42,087
Adjustments for:			
Finance costs		175	151
Share of loss/(profit) of an associate		494	(1,178)
Share of profit of a joint venture		(760)	—
Interest income	4	(1,696)	(1,010)
Depreciation of property, plant and equipment	5	1,033	1,149
Depreciation of right-of-use assets	5	1,310	1,362
Amortisation of intangible assets	5	125	135
Impairment of trade receivables, net	5	605	1,128
Share award expense		325	9,586
		56,045	53,410
Decrease in trade receivables		53,057	191,793
Increase in prepayments, deposits and other receivables		(105)	(8,933)
Decrease in trade payables		(88,122)	(138,610)
Decrease in other payables and accruals		(30,308)	(7,812)
		(9,433)	89,848
Cash generated from/(used in) operations		(26,548)	(29,425)
Taxes paid			
		(35,981)	60,423
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,696	1,010
Purchases of items of property, plant and equipment		(534)	(998)
Repayment from loan to an associate		527	—
Purchases of intangible assets		—	(101)
		1,689	(89)
Net cash flows from/(used in) investing activities			

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the Company's shareholders	(46,804)	(63,757)
Dividends paid to non-controlling shareholders of subsidiaries	(6,426)	(5,810)
Principal portion of lease payments	(1,328)	(1,583)
Interest portion of lease payments	(175)	(151)
Proceeds from resale of shares under the Share Award Scheme	878	—
Net cash flows used in financing activities	(53,855)	(71,301)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(88,147)	(10,967)
Cash and cash equivalents at beginning of period	379,189	307,079
Effect of foreign exchange rate changes, net	(2,351)	(7,487)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	288,691	288,625
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the statement of financial position	288,691	288,625

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2025, the Company's subsidiaries were involved in the following principal activities:

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

2.1 BASIS OF PREPARATION

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 21

Lack of Exchangeability

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION

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

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

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

Segment assets exclude deferred tax assets, right-of-use assets, pledged bank deposits, investments at fair value through other comprehensive income, investment at fair value through profit or loss and corporate and other unallocated assets as these assets are managed on a group basis.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

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
<i>Reconciliation:</i>				
Corporate and other unallocated expenses, net				(4,112)
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 30 June 2025 (Unaudited)				
Segment assets	455,954	47,256	28,945	532,155
<i>Reconciliation:</i>				
Corporate and other unallocated assets				70,578
Total assets				602,733
Segment liabilities	224,647	11,785	242	236,674
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				24,819
Total liabilities				261,493

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2024 (Unaudited)

	Experiential marketing services <i>RMB'000</i>	Digital and communication services <i>RMB'000</i>	IP development <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (note 4)				
Sales to external customers	257,517	48,936	9,908	316,361
Segment results	45,595	4,545	3,879	54,019
<i>Reconciliation:</i>				
Corporate and other unallocated expenses, net				(12,791)
Interest income				1,010
Finance costs				(151)
Profit before tax				42,087
Other segment information				
Share of profit of an associate	—	—	(1,178)	(1,178)
Depreciation and amortisation	988	296	—	1,284
Impairment/(reversal of impairment) of trade receivables	(328)	1,455	1	1,128
Capital expenditure*	1,099	—	—	1,099
As at 31 December 2024 (Audited)				
Segment assets	579,830	80,347	33,858	694,035
<i>Reconciliation:</i>				
Corporate and other unallocated assets				51,874
Total assets				745,909
Segment liabilities	324,061	30,190	622	354,873
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				29,892
Total liabilities				384,765

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

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

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

(b) Non-current assets

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

Information about major customers

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

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Customer A	42,468	68,303
Customer B	—*	39,209
Customer C	54,572	34,744
Customer D	46,468	—*
Customer E	42,605	—*
Customer F	33,061	—*
	230,174	152,265

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

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

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<i>Revenue from contracts with customers</i>		
Major service lines		
Experiential marketing services	246,234	257,517
Digital and communication services	65,193	48,936
IP development	231	9,908
	311,658	316,361

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

(i) Disaggregated revenue information

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

* Included projects on retainer basis.

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

An analysis of other income and gains is as follows:

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

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

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. INCOME TAX

Taxes on profits assessable in Mainland China have been calculated at the applicable PRC corporate income tax ("CIT") rate of 25% (2024: 25%) during the period.

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

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

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

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

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

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

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a cost of approximately RMB534,000 (six months ended 30 June 2024: RMB998,000). Assets with a net book value of approximately Nil were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB5,000), resulting in a net loss on disposal of approximately Nil (six months ended 30 June 2024: RMB5,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Billed		
Within 1 month	63,329	98,802
1 to 3 months	3,938	434
Over 3 months	1,259	794
	<hr/>	<hr/>
	68,526	100,030
Unbilled	142,747	164,905
	<hr/>	<hr/>
	211,273	264,935
	<hr/> <hr/>	<hr/> <hr/>

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. ISSUED CAPITAL

Shares

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.001 each	8,800	8,800
Issued and fully paid:		
744,742,000 ordinary shares of HK\$0.001 each (31 December 2024: 744,742,000 ordinary shares of HK\$0.001 each)	659	659

A summary of movements in the Company's authorised, issued share capital and share premium is as follows:

	Number of shares	Issued capital RMB'000	Share premium RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	744,742,000	659	111,971
Resale of shares under the share award scheme	—	—	(3,001)
At 30 June 2025	744,742,000	659	108,970

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. COMMITMENT

The Group had the following contractual commitment at the end of the reporting period:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contracted, but not provided for: Capital contribution payables	<u>5,100</u>	<u>5,100</u>

13. DIVIDEND

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

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

14. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with a related party during the period:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Related company: Short-term lease expense	<u>1,125</u>	<u>1,125</u>

Rentals were charged in accordance with the tenancy agreements entered into between the relevant parties. A director of the Company during the current period and prior period has a beneficial equity interest in the related company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. RELATED PARTY TRANSACTIONS *(Continued)*

- (b) Compensation of key management personnel of the Group

Remuneration for key management personnel of the Group, including directors' remuneration, is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Short-term employee benefits	6,407	5,072
Post-employment benefits	628	413
Total compensation paid to key management personnel	<u>7,035</u>	<u>5,485</u>

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts	
	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Financial assets		
Equity investments designated at fair value through other comprehensive income	22,433	22,433
Equity investment at fair value through profit or loss	13,375	13,375
	<u>35,808</u>	<u>35,808</u>
	Fair values	
	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Financial assets		
Equity investments designated at fair value through other comprehensive income	22,433	22,433
Equity investment at fair value through profit or loss	13,375	13,375
	<u>35,808</u>	<u>35,808</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

At the end of the reporting period, the carrying amounts of the Group's other financial assets and financial liabilities reasonably approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, reasonably approximate to their carrying amounts largely because these instruments have short term maturities, are repayable on demand or the effect of discounting is not material.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of listed equity investment at fair value through other comprehensive income and unlisted equity investment through profit or loss are based on quoted market price. The fair value of the unlisted equity investment at fair value through other comprehensive income have been estimated using the discounted cash flow valuation model. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024.

	Valuation Technique	Significant input unobservable	Range	Sensitivity of fair value to the input
As at 30 June 2025				
Unlisted equity investment	Equity value allocation method	Average EV to sales multiple of peers	2.9	5% increase/decrease in multiple would result in increase/ decrease in fair value by RMB688,000
		Discount for lack of marketability	25%	5% increase/decrease in discount rate would result in increase/ decrease in fair value by RMB579,000
As at 31 December 2024				
Unlisted equity investment	Equity value allocation method	Average EV to sales multiple of peers	2.9	5% increase/decrease in multiple would result in increase/ decrease in fair value by RMB688,000
		Discount for lack of marketability	25%	5% increase/decrease in discount rate would result in increase/ decrease in fair value by RMB579,000

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
As at 30 June 2025				
Equity investments at fair value through other comprehensive income	4,040	—	18,393	22,433
Equity investment at fair value through profit or loss	—	13,375	—	13,375
	4,040	13,375	18,393	35,808

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Audited) RMB'000	Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	Total (Audited) RMB'000
As at 31 December 2024				
Equity investments at fair value through other comprehensive income	4,040	—	18,393	22,433
Equity investment at fair value through profit or loss	—	13,375	—	13,375
	4,040	13,375	18,393	35,808

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: *(Continued)*

The movements in fair value measurements within Level 3 during the period/year are as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Equity investment at fair value through other comprehensive income		
At 1 January	18,393	26,006
Total loss recognised in other comprehensive income	—	(8,237)
Exchange realignment	—	624
	<hr/>	<hr/>
At 30 June/31 December	18,393	18,393
	<hr/> <hr/>	<hr/> <hr/>

The Group did not have any financial liabilities measured at fair value as at the period/year end.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (year ended 31 December 2024: Nil).

DEFINITIONS

"2024 Interim"	six months ended 30 June 2024
"2025 Interim"	six months ended 30 June 2025
"ACT Partners"	ACT Partners Global Ltd., a company incorporated in the BVI with limited liability on 10 December 2018, which is wholly owned by Mr. Chan
"Activation Investment"	Activation Investment Limited (艾特投資有限公司), a limited liability company incorporated in Hong Kong under the Companies Ordinance on 5 September 2013 which is ultimately wholly owned by Mr. Ng
"Activation One"	Activation One Limited (艾特聯合有限公司), a limited company incorporated in Hong Kong under the Companies Ordinance on 4 September 2013, which is ultimately controlled by Ms. Low through Step Mind Enterprises Limited
"Aide Zhongxin"	Aide Zhongxin (Shanghai) Management Consultancy Partnership Enterprise (Limited Partnership)* (艾德眾信(上海)管理顧問合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 14 March 2014
"Aurora Activation"	Aurora Activation Holdings Limited (極光動力控股有限公司), a limited company incorporated in Hong Kong under the Companies Ordinance on 23 September 2013 which is ultimately wholly owned by Mr. Lau
"Board" or "Board of Directors"	the board of Directors of the Company
"Brightly Sky"	Brightly Sky Company Limited (卓明遠達有限公司), a limited company incorporated in Hong Kong under the Companies Ordinance on 17 September 2013 which is wholly owned by ACT Partners
"BVI"	British Virgin Islands
"Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Activation Group Holdings Limited (艾德韋宣集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 27 February 2019 under the Companies Act
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and in the context of this interim report, means the controlling shareholders of the Company, being Mr. Ng, NBS Holdings, Activation Investment, Mr. Lau, Dashing Fortune and Aurora Activation
"Dashing Fortune"	Dashing Fortune International Limited (利高國際有限公司), a company incorporated in the BVI with limited liability on 15 April 2013 and wholly owned by Mr. Lau
"Director(s)"	the director(s) of the Company
"Greater China"	geographic area that shares commercial and cultural ties, including Hong Kong, Macau and China

DEFINITIONS

"Group"	the Company and its subsidiaries, or where the context refers to any time prior to the Company becoming the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK\$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"IP"	intellectual property
"IP development"	also known as IP activation, the business which involves introducing, developing and growing an IP for clients
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange and which is independent from and operated in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Mr. Chan"	Mr. Chan Wai Bun (陳偉彬), an executive Director and co-chief operating officer of the Company
"Mr. Lau"	Mr. Lau Kam Yiu (劉錦耀), an executive Director, the joint-chairman of the Board, the chief executive officer of the Company and a Controlling Shareholder
"Mr. Ng"	Mr. Ng Bo Sing (伍寶星), an executive Director, the joint-chairman of the Board, the chief financial officer of the Company and a Controlling Shareholder
"Ms. Low"	Ms. Low Wei Mun (劉慧文), an executive Director and co-chief operating officer of the Company
"NBS Holdings"	NBS Holdings Limited, a company incorporated in the BVI with limited liability on 25 January 2007 and wholly owned by Mr. Ng
"PRC" or "China"	the People's Republic of China which, for the purposes of this interim report excludes Hong Kong, Macau and Taiwan
"Scheme Mandate"	the limit on the total number of Shares which may be allotted and issued in respect of all options and awards granted or to be granted under all Share Schemes of the Company (as refreshed by the Shareholders from time to time), which was approved by the Shareholders at the annual general meeting of the Company held on 16 May 2023
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of HK\$0.001 each in the share capital of the Company
"Share Schemes"	share option schemes and share award schemes adopted by the Company from time to time, including the 2023 Share Option Scheme, the 2020 Share Award Plan and/or the 2025 Share Award Plan
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules