

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 ANNUAL REPORT

ACTIVATION GROUP

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HIGHLIGHTS OF THE YEAR



LOUIS VUITTON 路易威登

LOUIS VUITTON Visionary Journeys Exhibition

BMW 寶馬
2025 BMW M Festival



2025 BMW M 热血嘉年华



VAN CLEEF & ARPELS
梵克雅寶

Van Cleef & Arpels
「The Art of Movement」
Exhibition

HIGHLIGHTS OF THE YEAR



LOUIS VUITTON 路易威登

Louis Vuitton Cruise 2026 Macau Show

CARTIER 卡地亞
Cartier Christmas Events Shanghai & Nanjing



OPPO

OPPO Find X9 Series Launch Event

HIGHLIGHTS OF THE YEAR



ADIDAS 阿迪達斯
adidas Originals Gala Dinner

PUMA 彪馬
PUMA x ROSÉ POP UP Shanghai



UNDER ARMOUR 安德瑪
2025 Curry Brand Asia Tour
Chongqing Station

HIGHLIGHTS OF THE YEAR



GIORGIO ARMANI
2025 Giorgio Armani
Prive Bangkok Showroom

LANCÔME 蘭蔻
Lancôme's 90th Anniversary
"Happiness" Pop-Up & Christmas Event



LA PRAIRIE 萊珀妮
La Prairie Skin Caviar Launch Event

HIGHLIGHTS OF THE YEAR



CHOW TAI FOOK 周大福
CHOW TAI FOOK
High Jewelry Collection Event

BOSIDENG 波司登
Bosideng Areal 2025 Autumn/ Winter Collection
Global Launch & Gala Dinner



SHANGHAI SUMMER 上海之夏
Shanghai Summer International
Consumption Season

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



AWARDS AND RECOGNITIONS

COMPANY AWARDS

- Effie Public Relations Awards - Brand Strategy Silver Awards
LACOSTE "PLAY BIG" EVENT
- Effie Auto Awards - Experience Marketing-Reality Silver Awards
2024 BMW M FESTIVAL
- 2025 Effie Auto Awards Most Effective Independent Agency Office - NO.2
- 2025 JDM Best Investor Relations Listed Company
- Zhitong Finance 2025 Most Investment Potential Company



CHAIRMAN'S STATEMENT

Dear Shareholders,

The Board is pleased to present the consolidated results of the Group for FY2025, together with the comparative audited figures for FY2024. These annual results have been reviewed by the Company's audit committee.

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 premium and luxury brands in Greater China with a market share of 13.9% in 2025.

FINAL DIVIDEND

To provide higher returns to Shareholders and share the results of the Group's growth, after giving careful consideration to its profitability, cash flow generation capabilities and future development needs, the Board recommends the payment of a final dividend of HK3.20 cents per Share and a final special dividend of HK3.30 cents per Share for FY2025, which amounted to a total of approximately HK\$48.4 million subject to the approval of the Shareholders at the forthcoming annual general meeting (the "**2026 AGM**"). This proposed pay-out, together with the interim dividend of HK2.30 cents per Share paid on 11 September 2025, would give a total dividend of HK8.80 cents per Share for FY2025 (FY2024: HK9.00 cents per Share). Subject to the Shareholders' approval at the 2026 AGM to be held on Thursday, 21 May 2026, it is expected that the final dividend and the final special dividend shall be paid to the Shareholders on or before Thursday, 18 June 2026. The record date for entitlement to the final dividend and final special dividend is Wednesday, 10 June 2026.

OVERVIEW

The Group is a leading marketing group for pan-fashion (泛時尚) brands in Greater China that mainly focuses on the provision of (i) experiential marketing, (ii) digital and communication, and (iii) intellectual property ("IP") development in Greater China. The Group has accumulated over 550 world-renowned brand clients including (i) renowned mid-range and high-end fashion brands; (ii) renowned mid-range and high-end automobile brands; and (iii) Chinese local premium brands. According to China Insights Industry Consultancy Limited, the Group continues to be the largest experiential marketing service provider for premium and luxury brands in Greater China with a market share of 13.9% in 2025.

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

CHAIRMAN'S STATEMENT

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

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

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

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

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

CHAIRMAN'S STATEMENT

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

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

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

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

MARKET OPPORTUNITIES

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

CHAIRMAN'S STATEMENT

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

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

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

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

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

OUTLOOK AND STRATEGY

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

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

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

CHAIRMAN'S STATEMENT

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

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

ACKNOWLEDGEMENT

I would like to take this opportunity to once again express my sincere gratitude to my fellow Directors as well as our management team, staff, business partners and Shareholders for their unwavering support for the Company.

Lau Kam Yiu

Joint-Chairman and Chief Executive Officer

Hong Kong

25 March 2026

BOARD AND COMMITTEES

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

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
Ms. Cheung Siu Wan
(appointed on 25 March 2026)

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Below are the brief profiles of the Directors and senior management of the Group and the date of this report.

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Mr. Lau Kam Yiu
Mr. Ng Bo Sing
Mr. Chan Wai Bun
Ms. Low Wei Mun

Independent non-executive Directors

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

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Kam Yiu (劉錦耀), aged 50, the joint-chairman of the Board and the chief executive officer of the Group who is responsible for the overall strategic development, and leading the business development of the Group. He is an executive Director since 2019. He joined the Group in 2014 as the managing director of Activation Group. Mr. Lau is one of the Controlling Shareholders and a director of certain subsidiaries of the Group. Mr. Lau obtained a bachelor's degree of business administration from the Chinese University of Hong Kong in 1998. He also obtained a master's degree of technology management in information technology from the Hong Kong University of Science and Technology in 2002. He completed the Global CEO Program for China jointly from China Europe International Business School, IESE Business School and Harvard Business School in 2015. Mr. Lau was recognised as a talent in "The 1000 Talents Plan of Shanghai" (上海千人計劃) in 2018. Mr. Lau was also recognised as "Top 10 Leader of Changning District" by the Shanghai Changning District Committee of Shanghai Changning District local government (上海長寧區十大領軍人才) in 2017.

Mr. Lau has more than 27 years of experience in the marketing industry.

Mr. Ng Bo Sing (伍寶星), aged 45, is the joint-chairman of the Board and the chief financial officer of the Group. He is an executive Director since 2019. He joined the Group in 2013 as the director of Activation Group. Mr. Ng is one of the Controlling Shareholders and a director of certain subsidiaries of the Group. Mr. Ng obtained a bachelor's degree of engineering from the University of New South Wales in 2006 and a master's degree of science in finance from the University of Michigan (long distance learning course) in 2008. He further completed a chief financial officer programme from China Europe International Business School in 2016.

Mr. Ng has over 16 years of experience in management.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan Wai Bun (陳偉彬), aged 54, is an executive Director since 2019, the co-chief operating officer, and a vice president of the Group who is responsible for the overall operation of experiential marketing business of the Group. He joined the Group in 2014 as the general manager of Activation Events. Mr. Chan obtained a bachelor's degree of social sciences from Lingnan College (currently known as Lingnan University) in 1994. He further obtained a bachelor's degree in laws from Tsinghua University (long distance learning course) in 2010.

He has more than 29 years of experience in the marketing industry. Prior to joining the Group, Mr. Chan was the senior account director of Saatchi & Saatchi Great Wall Advertising Co., Ltd. Guangzhou Branch, which principally engages in provision of advertising and marketing services, from 2001 to 2007; and the associate account director of Asatsu-DK Hong Kong Limited, which principally engages in provision of advertising and marketing services, from 1996 to 2000.

Ms. Low Wei Mun (劉慧文), aged 62, is an executive Director since 2019, the co-chief operating officer, a vice president of the Group, and a general manager of Activation Events who is responsible for the overall operation of experiential marketing business of the Group. She has more than 24 years of experience in the marketing industry. She joined the Group in 2014 as the general manager of Activation Events. Ms. Low accumulated experiences in marketing through working in marketing companies in Hong Kong and Beijing from 1999 to 2009. She also gained experiences in client management in a media and a retail company from 1993 to 1999.

Independent non-executive Directors

Ms. Cheung Siu Wan (張少雲), aged 59, is an independent non-executive Director since 2019. Ms. Cheung obtained a bachelor's degree of arts in business studies from the City Polytechnic of Hong Kong (currently known as the City University of Hong Kong) in 1988. She completed the postgraduate certificate in education course in the University of Hong Kong in 1995. She further obtained a master's degree of science in accounting from The Hong Kong University of Science and Technology in 1996 and a master's degree of arts in practical philosophy from Lingnan University in 2017. Ms. Cheung was admitted as a fellow of the Association of Chartered Certified Accountants in 2014 and a fellow of the Hong Kong Institute of Certified Public Accountants in 2006. She is currently a non-practising member of Hong Kong Institute of Certified Public Accountants.

Ms. Cheung has over 29 years of experience in taxation advisory. She was the independent non-executive director of Strong Petrochemical Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 852) from January 2012 to October 2024. She was the independent director of Activation Group from 2017 to 2019. Ms. Cheung has been a member of Working Party on Seminars of Accounting Training Board under The Vocational Training Council since 2013, and a member of Customer Liaison Group for small and medium enterprises of the Trade and Industry Department of the Government of HKSAR from 2017 to 2022.

Mr. Yu Longjun (余龍軍), aged 40, is an independent non-executive Director since 2019. Mr. Yu obtained a bachelor's degree of applied chemistry from Fudan University in 2007. He further obtained master's degree of business administration from Cheung Kong Graduate School of Business in 2015. He was admitted as a non-practising member of Shanghai Institute of Certified Public Accountants in 2011 and a Chartered Financial Analyst of CFA Institute in 2018.

He has more than 17 years of experience in accounting and investment management.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yu has been an independent director of Sanbian Sci-Tech Co., Ltd* (三變科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002112), which principally engages in manufacturing of all immersed power and distribution transformer, from 2018 to 2024. He was also the independent director of Activation Group from 2017 to 2019.

Dr. Cheung Wah Keung (張華強), aged 65, is an independent non-executive Director since 2019. He is currently the chairman of each of Shinhint Group and Tai Sing Industrial Company Limited. He has more than 31 years of experience in trading and manufacturing of consumer electronic products. Dr. Cheung is currently an independent non-executive director of PanAsialum Holdings Company Limited (stock code: 2078), Casablanca Group Limited (stock code: 2223) and Sinomax Group Limited (stock code: 1418), respectively. He was also the independent non-executive chairman of PanAsialum Holdings Company Limited (stock code: 2078) during the period from 2 August 2019 to 30 June 2022 and an independent non-executive director of Sky Light Holdings Limited (stock code: 3882) during the period from 12 June 2015 to 28 February 2023. The shares of above companies with stock code indicated are listed on the Stock Exchange.

Dr. Cheung holds a bachelor's degree in business administration, a master's degree in global political economy from The Chinese University of Hong Kong and a master's degree in corporate governance, and a doctorate degree in business administration from The Hong Kong Polytechnic University. He was awarded by the Federation of Hong Kong Industries as "Young Industrialist of Hong Kong" in 2005 and "Certificates of Merit in Directorship" by the Hong Kong Institutes of Directors in 2006. He has taken up a variety of roles, including the president of the Hong Kong Young Industrialists Council from 2015 to 2016, the chairman of the Advisory Board for Master of Corporate Governance of The Hong Kong Polytechnic University and a committee member of the Council of The Hang Seng University of Hong Kong.

SENIOR MANAGEMENT

Mr. Bao Yifeng (包一峰), aged 53, is the general manager of Activation PR and is responsible for the overall operation of public relations services business of the Group. Mr. Bao received his hospitality related education through studying a two-year course in Shanghai in 1991. He has more than 20 years of experience in the marketing industry. Mr. Bao joined the Group in 2014 as the general manager of Activation PR.

Ms. Zhou Qi (周琦), aged 51, is the manager for digital marketing and public relations of Activation, responsible for the overall operations of the Group's digital promotion and public relations services. Ms. Zhou obtained a bachelor's degree in investment and economics from Shanghai University of Engineering Science in 1997. She further obtained a master's degree of business administration from Maastricht School of Management (long distance learning course) in 2004. She has more than 24 years of experience in business development. She joined the Group in 2014 as the business development director of Activation Group.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Choi Wai Tong Winton (蔡偉棠), aged 50, is the general manager of Activation Digital and is responsible for the overall operation of digital communication and Big Data analysis services business of the Group. Mr. Choi obtained a bachelor's degree of engineering in mechanical engineering from the Hong Kong University of Science and Technology in 1997. He further obtained a master's degree of technology management in information technology from the Hong Kong University of Science and Technology and a master's degree of Executive MBA from Quantic School of Business and Technology in 2002 and 2022 respectively. He has more than 27 years of experiences in project management. He joined the Group in 2014 as the general manager of Activation Digital. Mr Choi was also appointed by Cool Link (Holdings) Limited (stock code: 8491), a company listed on GEM of the Stock Exchange, as non-executive director and vice chairman of the board from January 2021 to March 2023.

Mr. Wang Xianda Leon (王賢達), aged 44, is the general manager of Activation Events, responsible for the overall operation of the Group's experiential marketing business in China. Mr. Wang obtained a bachelor's degree in business administration from National University of the United States in 2004. He further obtained a postgraduate degree in innovative marketing and organizational innovation from the University of Hong Kong in 2019. He has more than 21 years of experience in the event planning and production industry. He joined the Group in 2014 as the account director of Activation Events; and being a member of senior management of the Company with effect from 1 January 2025.

Ms. Wu Beili Lydia (吳蓓麗), aged 44, is the general manager of Activation Events and is responsible for the overall operation of the Group's experiential marketing business in China. Ms. Wu obtained a bachelor's degree in Business Administration from Shanghai University of Engineering Science in 2005. She further obtained a master's degree of Business Administration from Kedge Business School in cooperation with Shanghai JiaoTong University in 2016. She joined the Group in 2014 as the account director of Activation Events and has more than 21 years of experience in events management; and being a member of senior management of the Company with effect from 1 January 2025.

Mr. Zhang Bo Gavin (張博), aged 47, is the general manager of Activation Events Beijing, is responsible for the overall operation of the experiential marketing business of the Group in Beijing. He has more than 21 years of experience in the event production industry, focusing on luxury automotive brand clients. He has also actively expanded collaboration with clients in the internet and 3C industries and has successfully planned and executed gala events with over 60,000 participants. He joined the Group in 2015 as the general manager of Activation Events Beijing; and being a member of senior management of the Company with effect from 1 January 2025.

Mr. Hu Lun Ben (胡麟), aged 50, is the general manager of Activation Events Hong Kong, overseeing operations in Hong Kong office and managing a team in Shanghai office. He has over 21 years of experience in event marketing and branding industry. Before joining the Group, Mr. Hu has successfully ran his own event agency, generating over RMB100 million in annual revenue while supporting world-leading sports and lifestyle brands. In addition, Mr. Hu was a founding partner and general manager of VS-Media (NASDAQ: VSME), a pioneering Multi-Channel Network startup in Greater China specializing in online video content development and social media; a senior marketing manager at the British fashion brand Burberry; served as Director at Ogilvy PR Shanghai, and was the business director of the UK-based event agency Imagination. He joined the Group in 2023 as the general manager of Activation Events Hong Kong; and being a member of senior management of the Company with effect from 1 January 2025. Mr. Hu obtained a bachelor's degree in Arts (major Economics) from University of Queensland in 1998.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Geographical Review

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

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Chinese Mainland	644,221	91.1	766,627	90.4
Hong Kong and Singapore	63,174	8.9	81,123	9.6
Total	707,395	100.0	847,750	100.0

Business Segment Review

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

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

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

Experiential Marketing

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

The luxury sector's competitiveness hinges not only on product exclusivity and craftsmanship but also on brands' ability to forge deep emotional connections with consumers. Experiential marketing plays an essential role in this regard, creating unique engagement opportunities that strengthen consumer relationships and achieve differentiation in an increasingly crowded market. Initiatives such as private bespoke salons, limited-edition product launches, and artistic cross-collaborations allow brands to effectively communicate their distinctive values while creating unforgettable exclusive experiences for consumers. These highly focused experiential marketing campaigns not only showcase a brand's cultural heritage and innovative capabilities but also deepen emotional resonance with consumers, in turn fostering stronger brand loyalty and recognition.

Looking ahead, the Group will remain focused on innovative design, immersive experiences, and integrated marketing strategies to provide premium brands with world-class solutions. With its strengthened market leadership, enhanced digital capabilities, and proven ability to navigate cyclical adjustments, the Group is well-positioned to capture opportunities as market conditions continue to normalize. The experiential marketing business is not just the Group's largest segment; it is its strategic anchor. In 2025, that anchor held.

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

Digital and Communication

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

IP Development

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Cost of sales

The cost of sales of the Group decreased from RMB593.5 million for FY2024 to RMB499.8 million for FY2025, which was in line with the decrease in revenue. The cost of sales mainly includes production cost, third party service cost, media cost and venue rental cost which may fluctuate depending on the types and mix of projects carried out by the Group in the relevant period.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by 18.4% from RMB254.3 million in FY2024 to RMB207.6 million for FY2025, which was mainly caused by the decrease in revenue. The overall gross profit margin of the Group was 29.3% for FY2025, which remains similar comparing to 30.0% for FY2024.

Other income and gains

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

Selling and distribution expenses

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

General and administrative expenses

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

Other expenses, net

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

Finance costs

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

MANAGEMENT DISCUSSION AND ANALYSIS

Net profit and net profit margin

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

LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB298.0 million (31 December 2024: RMB379.2 million) which were mainly denominated in Renminbi and Hong Kong dollars.

Net proceeds from the Global Offering

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

On 19 April 2021, the Board has resolved to change the use of net proceeds such that unutilised Net Proceeds of the Global Offering (the "**Unutilised Net Proceeds**") in the amount of HK\$224.5 million, originally allocated for the capital commitment for the establishment of the partnership, are to be reallocated for the capital commitment required for strategic investment in the pan-cultural sector due to the lapse of the limited partnership agreement. Please refer to the announcement of the Company dated 19 April 2021 for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Designated use of the Net Proceeds	Original allocation of Net Proceeds <i>HK\$ million</i>	Revised allocation of Net Proceeds <i>(Note)</i> <i>HK\$ million</i>	Unutilised Net Proceeds as at 1 January 2025 <i>HK\$ million</i>	Net Proceeds utilised during FY2025 <i>HK\$ million</i>	Unutilised Net Proceeds as at 31 December 2025 <i>HK\$ million</i>
Develop and expand the existing business of integrated marketing solutions and IP development	192.8	81.1	—	—	—
Cash reserve for strategic investment funds for suitable cooperation or investment opportunities	118.0	5.2	2.0	—	2.0
General working capital and general corporate purpose	34.2	34.2	—	—	—
Cash reserve for strategic investment in the pan-cultural sector	—	224.5	161.5	—	161.5
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 of the Company dated 20 August 2020 and 19 April 2021 (the “**Announcements**”).

Save as disclosed in the Announcements, there has been no material change in the intended use of the Net Proceeds. Taking into account the current macroeconomic environment and to minimize risk exposure, the Company has decided to defer the expected timeline for full utilisation of the Unutilised Net Proceeds allocated for strategic investments to 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowing and charges on the Group's assets

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

Gearing ratio

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

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

Employees and remuneration policies

As at 31 December 2025, the total number of employees of the Group was approximately 208 (as at 31 December 2024: 221). For FY2025, the employee benefit expenses of the Group (including directors' emoluments) were approximately RMB98.6 million (FY2024: RMB118.7 million).

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

Trade receivables and trade payables

The trade receivables of the Group decreased from RMB264.9 million as at 31 December 2024 to RMB263.7 million as at 31 December 2025; and the trade payables of the Group decreased from RMB294.7 million as at 31 December 2024 to RMB246.2 million as at 31 December 2025 primarily due to certain large-scale projects occurred in different timing in the fourth quarter of 2025.

Contingent liabilities

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

Acquisition and disposal of subsidiaries, associates and joint ventures

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

Capital commitment

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

MANAGEMENT DISCUSSION AND ANALYSIS

Significant investments

The Group had no significant investments, including investments in companies with a value of 5% or more of the Group's total assets as at 31 December 2025.

Future plan for material investments or capital assets

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

Foreign exchange risk

Most of the Group's income and expenditures are denominated in Renminbi, being the functional currency of the major operating entities, and hence, the Group does not have any material foreign exchange exposures.

The Group will continue to adopt a proactive approach to closely monitor the foreign currency market, as well as exploring the domestic capital market for financing opportunities and consider other hedging arrangements if such need arises.

FIVE-YEAR FINANCIAL SUMMARY

The following table summarises the results, and assets and liabilities of the Group for the years ended 31 December 2021, 2022, 2023, 2024 and 2025:

	Year ended 31 December				
	2025	2024	2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RESULTS					
Revenue	707,395	847,750	967,231	694,807	904,057
Profit before tax	108,053	120,131	164,785	55,698	144,628
Income tax expense	(26,960)	(32,753)	(46,366)	(27,454)	(42,074)
Profit attributable to owners of the parent	76,001	79,243	107,992	23,632	92,488
As at 31 December					
	2025	2024	2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS AND LIABILITIES					
Total assets	659,412	745,909	795,401	711,246	716,244
Total liabilities	(299,457)	(384,765)	(435,426)	(357,656)	(286,830)
Net assets	359,955	361,144	359,975	353,590	429,414
Equity attributable to owners of the parent	342,731	341,361	339,769	336,309	406,315

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for FY2025.

The Board believes that strong corporate governance provides a solid foundation for sustainable growth and long-term success. The Board will continue to focus on enhancing sound corporate governance, and promoting the corporate values and culture at all levels in the Group.

The Board believes that good governance starts from the top. At the core of our governance structure is a diverse and effective Board, which is committed to maintaining the highest standard of corporate governance, implementing sound internal controls and effective risk management mechanism, enhancing transparency and instilling accountability, and being a standard-bearer for integrity and honesty.

In addition, corporate belief must be supported and practised by all levels of employees and each employee at any level strives to uphold the standards of integrity and honesty in every aspect of our business.

Our mission, vision and values are guiding principles by which we do business and will guide us to sustainable growth.

Mission

We are on the mission to deliver strategic, creative, and cost-effective experiential marketing solutions for our clients.

Vision

We provide innovative communications solutions to clients by using proprietary processes.

Values

We believe in:

- Leadership and commitment
- Creative and cost-effective solutions
- Putting clients first
- Integrity, honesty and trust

ACTIVATION'S CULTURE

The Company is committed to developing a positive and progressive culture that is built on its purpose (as set out below), mission and values; one that allows employees across the Group to thrive, meet their full potential, and that enables the Company to deliver long-term sustainable growth and success and to fulfil its role as a leading marketing group for pan-fashion (泛时尚) brands in Greater China.

The Group's purpose is to deliver the integrated services to meet and satisfy the needs of the commercial world, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

CORPORATE GOVERNANCE REPORT

We are committed to the mission of the development, innovation and technology of core business of the Group, the Group lives up to this purpose by instilling a culture that is forward looking and agile to achieve competitiveness. It also respects and promotes the values of creativity, opportunities to exchange ideas and cross-fertilisation of innovative advancements and solutions to enhance long-term sustainable growth and value as a principal objective of the Company. Alongside the Group's robust corporate governance framework and the risk management and internal control systems, the desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders, through active collaboration, effective engagement and regular training at all levels. Board oversight of culture encompasses a range of measures and tools over time, including workforce engagement, employee retention and training, stringent financial reporting, effective and accessible whistleblowing framework, legal and regulatory compliance (including compliance with the code of conduct and group policies), as well as staff safety, well-being and support. The Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group's culture, strategy and overall commercial objectives. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, mission and values of the Group are aligned.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules ("**CG Code**")*.

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

Save as disclosed herein, the Company has been in compliance with the code provisions set out in the CG Code.

THE BOARD

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation by the management. The Board monitors the Group's operational and financial performance, reviews the Group's compensation policies, and ensures that a positive and progressive culture, effective governance, and sound internal control and risk management systems are in place. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. The terms of reference are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

Delegation of Management Function

The major powers and functions of the Board include, but are not limited to, convening the general meetings, reporting its work at the general meetings, implementing the resolutions passed at the general meetings, considering and approving the operating plans and investment plans of the Company, formulating the Company's strategic development plans, formulating annual financial budgets and final accounts plans, formulating profit distribution plans and plans on making up losses, and exercising other powers and functions as conferred by the Memorandum and Articles of Association.

All Directors have full and timely access to all the information of the Company and advices from the company secretary and senior management of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Board is responsible for making decision with respect to the strategic plans, major investment decisions and other significant operational matters of the Company, while responsibilities with respect to the implementation of the decisions of the Board, day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to entering into any significant transactions.

Composition of the Board

The Board currently comprises seven Directors, including four executive Directors and three independent non-executive Directors. A list of members of the Board, their positions and dates of appointment, and each Director's biography have been set out in the section headed "Board of Directors and Senior Management". All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times. Save as disclosed in this annual report, there is no relationship (including financial, business, family or other material/ relevant relationship(s)) between the Directors.

Chairman and Chief Executive Officer

The joint-chairmen of the Board, Mr. Lau Kam Yiu and Mr. Ng Bo Sing, promote a culture of openness and actively encourages Directors to voice out their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the joint-chairmen, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with Shareholders and other stakeholders, as outlined later in this report.

Up to the date of this annual report, Mr. Lau Kam Yiu 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.

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

For FY2025, the Company has three independent non-executive Directors in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of independent non-executive Directors accounts for more than one third of the number of the Board members.

According to Rule 3.13 of Listing Rules, the independent non-executive Directors have provided confirmations to the Company regarding their independence during FY2025. Based on the confirmations of the independent non-executive Directors, the Company considers each of them to be independent during FY2025.

Appointment and Re-election of Directors

Code provision B.2.2 of Part 2 of the CG Code stipulates that all directors, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years whereas code provision B.2.3 of Part 2 of the CG Code states that if an independent non-executive director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Memorandum and Articles of Association.

Each of the executive Directors has entered into a service contract with the Company for a specific term of three years and shall be subject to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a specific term of three years and shall be subject to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment. Any director appointed as an addition to the existing Board shall hold office only until the following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Article 105(A) of the Articles of Association, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Accordingly, Mr. Ng Bo Sing, Ms. Cheung Siu Wan and Mr. Yu Longjun will retire by rotation at the 2026 AGM and, being eligible, offer themselves for re-election.

CORPORATE GOVERNANCE REPORT

Compliance with the Model Code for Securities Transactions by Directors

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

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during FY2025. The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of Part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during FY2025 after making reasonable enquiry.

Training and Continuous Professional Development of Directors

Each newly appointed director shall be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company’s operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company’s performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company have from time to time updated and provided written training materials relating to the roles, functions and duties of a director.

During FY2025, all Directors has attended a training session arranged by the Company which was provided by the professional advisers relating to the following topics:

Name of Directors	Director’s Duties/ ESG practices	Risk Management	Regulatory Compliance	Others
Mr. Lau Kam Yiu	✓	✓	✓	✓
Mr. Ng Bo Sing	✓	✓	✓	✓
Mr. Chan Wai Bun	✓	✓	✓	✓
Ms. Low Wei Mun	✓	✓	✓	✓
Ms. Cheung Siu Wan	✓	✓	✓	✓
Mr. Yu Longjun	✓	✓	✓	✓
Dr. Cheung Wah Keung	✓	✓	✓	✓

Liability Insurance of Directors and Senior Management

The Company has purchased insurances for all Directors and members of the senior management to minimise risks that may be incurred in their normal performance of responsibilities.

CORPORATE GOVERNANCE REPORT

Directors' Responsibility on Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for FY2025.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The senior management provides monthly unaudited management accounts and such accompanying explanation and information as necessary to the Board members to enable them to make an informed assessment for approving the financial statements.

Board Meetings and General Meeting

During FY2025, the Company held four Board meetings in total and one general meeting. The Company has fully complied with the requirements under code provision C.5.1 of Part 2 of the CG Code to convene Board meetings at least four times a year at approximately quarterly intervals.

The attendance of the above meetings by each Director is as follows:

Name of Directors	2025	Board
	Annual General Meeting attended/ No. of eligible meetings to attend	Meeting attended/ No. of eligible meetings to attend
Mr. Lau Kam Yiu	1/1	4/4
Mr. Ng Bo Sing	1/1	4/4
Mr. Chan Wai Bun	1/1	4/4
Ms. Low Wei Mun	1/1	4/4
Ms. Cheung Siu Wan	1/1	4/4
Mr. Yu Longjun	1/1	4/4
Dr. Cheung Wah Keung	1/1	4/4

Notices for all regular Board meetings and the agendas and accompanying Board papers will be given to all Directors at least three days before the meetings in order that they have sufficient time to review the papers. Minutes of meetings are kept by the company secretary with copies circulated to all Directors or Board committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

CORPORATE GOVERNANCE REPORT

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors/Board committee members. Draft and final versions of the minutes of each Board meeting and Board committee meeting are sent to the Directors/Board committee members for comments and records respectively within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors. All Directors shall obtain information related to the Board resolutions in a comprehensive and timely manner. Any Director can seek independent professional advice at the Company's expense after making reasonable request to the Board.

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Ms. Cheung Siu Wan, Mr. Yu Longjun and Dr. Cheung Wah Keung. Ms. Cheung Siu Wan, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairlady of the Audit Committee.

The primary duties of the Audit Committee are:

- to propose the appointment or dismissal of the external auditor of the Company, and approve the remuneration and terms of engagement of the external auditor;
- to discuss with the external auditor the nature and scope of the audit and relevant reporting obligations and to facilitate communications and monitor the relationship between the internal audit department and the external accounting firm;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to monitor integrity of the Company's financial statements, annual reports and accounts, half year reports and, if prepared for publication, quarterly reports, and to review significant reporting judgments contained therein;
- to review the Company's financial controls, risk management and internal control systems, discuss the risk management and internal control systems with the senior management;
- to review the Company's financial and accounting policies and practices;
- to develop and implement policy on engaging an external auditor to supply non-audit services and to report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and
- other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares are listed and the requirements of the Articles of Association, and as authorised by the Board.

CORPORATE GOVERNANCE REPORT

During FY2025, the Audit Committee held two meetings, at which the Group's annual results for FY2024 and, interim results for the six months ended 30 June 2025 and the relevant accounting principles and practices adopted by the Group were reviewed and discussed with the external auditors. The adequacy and effectiveness of the Group's risk management, internal control systems and its internal audit functions were reviewed and considered during the meetings.

Code provision D.3.3(e)(i) of Part 2 of the CG Code provides that the terms of reference of the Audit Committee shall have the terms that the members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet at least twice a year with the auditor. The Company has included such terms in relevant terms of reference, and thus complied with code provision D.3.3(e)(i) of Part 2 of the CG Code during FY2025.

The attendance of the meetings by each member during FY2025 is as follows:

Name of Directors	Attended/ No. of meetings
Ms. Cheung Siu Wan	2/2
Mr. Yu Longjun	2/2
Dr. Cheung Wah Keung	2/2

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of two independent non-executive Directors, namely Ms. Cheung Siu Wan, Mr. Yu Longjun, and one executive Director, namely Mr. Lau Kam Yiu. Ms. Cheung Siu Wan serves as the chairlady of the Remuneration Committee.

The primary duties of the Remuneration Committee are:

- to make recommendations to the Board on the Company's remuneration policy and structure for the Directors and senior management and on the establishment of formal and transparent procedures for developing remuneration policy;
- to review the remuneration of individual executive Directors, senior management and non-executive Directors;
- to review the Company's policy on expense reimbursements for the Directors and senior management;
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares are listed and the requirements of the Articles of Association, and as authorised by the Board.

During FY2025, the Remuneration Committee held two meetings, at which the performance and remuneration of the executive Directors and senior management of the Company were reviewed; and the grant of existing award shares to one employee of the Company.

CORPORATE GOVERNANCE REPORT

The attendance of the meetings by each member during FY2025 is as follows:

Name of Directors	Attended/ No. of meetings
Ms. Cheung Siu Wan	2/2
Mr. Yu Longjun	2/2
Mr. Lau Kam Yiu	2/2

Pursuant to code provision E.1.5 of Part 2 of the CG Code, the following table sets forth the total remuneration of the Directors and members of senior management categorized by remuneration group for FY2025:

Group	Remuneration (HK\$)	No. of individuals
1	0 — HK\$1,000,000	7
2	HK\$1,000,001 — HK\$1,500,000	3
3	HK\$2,000,001 — HK\$2,500,000	3
4	HK\$2,500,001 — HK\$3,000,000	1

Notes:

Group 1 includes 3 Directors and 4 members of senior management of the Company.

Group 2 includes 3 members of senior management of the Company.

Group 3 includes 3 Directors.

Group 4 includes 1 Director.

Further details of the Directors' emoluments and the top five highest paid employees required to be disclosed under Appendix D2 to the Listing Rules are set out in notes 8 and 9 to the financial statements.

Nomination Committee

The Nomination Committee consists of two independent non-executive Directors, namely Mr. Yu Longjun and Dr. Cheung Wah Keung and one executive Director, namely Mr. Lau Kam Yiu. Mr. Lau Kam Yiu currently serves as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are:

- to formulate procedures and standards for the election of Directors and senior management, and make recommendations to the Board on the proposed procedures and standards;
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession plans for Directors, in particular the chairman and the chief executive officer;
- to assess the independence of independent non-executive Directors;
- to preliminarily examine the eligibility of candidates for directorship;
- to recommend to the Board concerning the membership of the Company's audit and remuneration committees, in consultation with the chairmen of those committees; and
- other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares are listed and the requirements of the Articles of Association, and as authorised by the Board.

CORPORATE GOVERNANCE REPORT

During FY2025, the Nomination Committee held one meeting, at which matters in relation to composition of the Board, the independence of the independent non-executive Directors and retirement by rotation of Directors were discussed. Director's time commitment and contribution to the Board during the year were reviewed and assessed, based on such, the Nomination Committee is of the view that the Directors were able to devote sufficient time and attention to the affairs of the Group and discharge their responsibilities effectively during the year 2025.

According to the Nomination Policy adopted by the Company on 19 December 2019 and amended on 25 August 2025, in evaluating and selecting any candidate for directorship, the Nomination Committee would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

The attendance of the meeting by each member during FY2025 is as follows:

Name of Directors	Attended/ No. of meetings
Mr. Lau Kam Yiu	1/1
Mr. Yu Longjun	1/1
Dr. Cheung Wah Keung	1/1

Diversity

The Board has adopted the Board Diversity Policy. In designing the Board's composition, the Nomination Committee has considered Board diversity from a number of aspects, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Company considers the Board has achieved gender diversity with two women on the Board. It also believes the Board has a well-balanced cultural background, educational background, industry experience and professional experience where members of the Board have diversified branch of learning and working experience in different countries and regions.

In addition, we will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in near future.

CORPORATE GOVERNANCE REPORT

As at 31 December 2025, male and female employees accounted for approximately 37.6% (FY2024: 39.8%) and 62.4% (FY2024: 60.2%), respectively, of all employees (excluding senior management) of the Group and senior management. The Company has reviewed the gender ratio of its workforce, taking into account the culture of the industry, diversity level of other market peers and business needs of the Company. As the employees in the luxury experiential marketing industry is predominantly female, the Company considers that it has achieved gender diversity in its workforce and has not set any measurable objectives in further improving gender diversity.

The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

Independent Views and Input to the Board

To ensure independent views and input are made available to the Board, the Board (or through its Board committees) ensures the following mechanisms are in place and reviews the implementation and effectiveness of such mechanisms annually:

- (i) all Directors should have the required character, integrity, perspectives, skills, expertise and experience to fulfill their roles and are encouraged to express their independent views through Board meetings;
- (ii) all Directors are required to declare conflicts of interest (if any) in their roles as Directors and Directors who have material interests shall not vote or be counted in the quorum for the relevant Board resolutions;
- (iii) the joint-chairmen of the Board meet with independent non-executive Directors annually without the presence of other Directors; and
- (iv) all independent non-executive Directors are required to confirm in writing on an annual basis their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules.

Corporate Governance Committee

The Corporate Governance Committee consists of one executive Director, Mr. Ng Bo Sing; and two independent non-executive Directors, namely Ms. Cheung Siu Wan and Dr. Cheung Wah Keung. Mr. Ng Bo Sing serves as the chairman of the Corporate Governance Committee.

The primary duties of the Corporate Governance Committee are:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

CORPORATE GOVERNANCE REPORT

- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report.

During FY2025, the Corporate Governance Committee held, at which matters in relation to the implementation checklists of the "Corporate Governance Code" was reviewed and discussed, and the 2024 Corporate Governance Report was reviewed.

The attendance of the meeting by each member during FY2025 is as follows:

Name of Directors	Attended/ No. of meetings
Mr. Ng Bo Sing	2/2
Ms. Cheung Siu Wan	2/2
Dr. Cheung Wah Keung	2/2

Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee consists of one executive Director, Mr. Ng Bo Sing; and two independent non-executive Directors, namely Mr. Yu Longjun and Dr. Cheung Wah Keung. Mr. Ng Bo Sing serves as the chairman of the Environmental, Social and Governance Committee.

The primary duties of the Environmental, Social and Governance Committee are:

- to develop and review the Company's Environmental, Social and Governance responsibilities, vision, objectives, strategies, framework, principles and policies, and strengthen the materiality assessment and reporting process to ensure and fulfill the continuous execution and implementation of any Environmental, Social and Governance policies approved by the Board; to review and monitor the Company's Environmental, Social and Governance policies and practices to ensure compliance with legal and regulatory requirements; and to review and monitor the Company's Environmental, Social and Governance risk management and internal control systems to ensure the effectiveness and adequacy of internal controls;
- to monitor the communication channels and methods between the Company and its stakeholders, and to ensure that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders and protect the reputation of the Company;
- to review major Environmental, Social and Governance trends and related risks and opportunities, evaluate the adequacy and effectiveness of the Company's Environmental, Social and Governance -related structures and business models, and adopt and update the Company's Environmental, Social and Governance policies as necessary to ensure that they are up-to-date and in compliance with applicable laws, regulations and regulatory requirements and international standards;

CORPORATE GOVERNANCE REPORT

- to review the Company's annual Environmental, Social and Governance report and make recommendations to the Board for approval, recommend specific actions or decisions for the Board's consideration in order to maintain the integrity of the Environmental, Social and Governance report and ensure that the Company's annual Environmental, Social and Governance report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (including amendments from time to time); and
- to supervise and review the work of the Company's Environmental, Social and Governance working group, assess and review the Company's Environmental, Social and Governance performance against targets, and report to the Board.

During FY2025, the Environmental, Social and Governance Committee held two meetings, at which matters in relation to 2024 Environmental, Social and Governance report was reviewed, and the working plan of 2025 Environmental, Social and Governance and supplier's quotation and service scope were discussed.

The attendance of the meeting by each member during FY2025 is as follows:

Name of Directors	Attended/ No. of meetings
Mr. Ng Bo Sing	2/2
Mr. Yu Longjun	2/2
Dr. Cheung Wah Keung	2/2

COMPANY SECRETARY

Mr. Law Kwok Chun ("**Mr. Law**") is currently the company secretary of the Company. He plays a leading role in helping the Company to develop and maintain a sound and effective corporate governance framework, in particular, a set of risk management and internal control systems to ensure regulatory compliance, good governance practices and culture are upheld by the Company.

Mr. Law joined the Group in 2014 and promoted to senior finance manager of the Company in 2019. Mr. Law obtained a bachelor degree of Business Administration in Accounting in the Hong Kong Metropolitan University; he is a fellow member of the Certified Public Accountants of Australia and is a registered Certified Public Accountant of Australia. Mr. Law has over 15 years of experience in accounting and financial reporting; and has experience and knowledge in the company secretarial and corporate governance fields. Mr. Law possesses the relevant experience as required under note 2 to Rule 3.28 of the Listing Rules. Mr. Law has complied with the requirements on taking no less than 15 hours of relevant professional training as set out in Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

AUDITOR

Financial statements contained in this report have been audited by Ernst & Young. Service fees which shall be paid by the Company to Ernst & Young for the year ended 31 December 2025 amounted to HK\$1.5 million. The following table sets out the service provided by Ernst & Young and the fees payable to them:

Service rendered	Fees payable (HK\$ million)
Audit service	1.3
Non-audit services	0.2
	<hr/>
Total	1.5
	<hr/> <hr/>

The non-audit services mainly comprised the tax compliance and certain agreed-upon-procedure works.

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" on pages 150 to 153.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's systems of risk management and internal control, and the review of their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board is satisfied that the Company has complied throughout the year with all applicable code provisions of the CG Code, other than that in respect of the separate roles of chairman and chief executive officer as explained in this report.

Risk Management

The Board inculcates appropriate risk culture across the Group's business operations. Its overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management system. The Group adopts a "top-down and bottom-up" approach involving regular input from each core business as well as discussions and reviews by the executive Directors and the Board. It has also established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying and assessing principal risks within its divisions on a quarterly basis and establishing mitigation plans to manage the risks identified.
2. The management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented.
3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management system.

CORPORATE GOVERNANCE REPORT

Risk Factors

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Economy Risks

The Group is exposed to the developments in the local and overseas economy as well as developments in the industries and geographical markets in which it operates. As a result, the Group's financial condition and results of operations may be influenced by the general state of the economy. Any significant decrease in the level of economic growth could adversely affect the Group's financial condition or results of operations.

In general, volatility in the US and worldwide credit and financial markets, fluctuations in commodity prices and rising energy costs, mounting inflationary pressures, increasing geopolitical risks and political turbulence have all contributed to the increased uncertainty of the economic prospects and dampen economic growth.

Cyber Security Risks

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorised access to or disrupting the operation of the networks, systems and database of the Group or its suppliers, vendors and other service providers, could have an adverse effect on the Group's business, operations and reputation. Cyber attacks may cause equipment failures, loss or leakage of data, including personal data of customers or employees and technical and trade information, as well as disruptions to the Group's or its customers' operations. Corporate cyber attacks have increased in frequency, scale and severity in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external parties operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. The measures deployed by the Group may not be able to prevent, eliminate or minimise the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and database of the Group or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on the Group could include expensive incentives to certain existing customers and business partners, increase expenditures on cyber security measures and the use of alternate resources. The Group may also suffer a loss of revenue owing to business interruption and claims from regulators and other third parties. The potential costs associated with these attacks could exceed the insurance coverage the Group maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage the Group's reputation, adversely impact customer and investor confidence, and materially and adversely affect the Group's financial condition and results of operations.

CORPORATE GOVERNANCE REPORT

Internal Control

Group structures covering all subsidiaries and associated companies are maintained and updated on a timely and regular basis.

The Group has maintained internal control guidance and procedures on the Group's operational cycles relating to revenue, subcontract, purchase and expenditure and human resources etc., to ensure proper accounting records are kept so that reliable financial reporting can be provided, the effectiveness and efficiency of operation can be achieved, and the compliance with applicable laws and regulations and safeguarding of assets can be maintained. These systems are designed to provide reasonable protection against errors, losses and fraud. The Company does not establish a standalone internal audit department; however, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group.

The Company has engaged R & T Corporate Services Limited to conduct a review on the effectiveness of the internal controls of the Group for the year ended 31 December 2025. The review covered certain operational procedures and included recommendations for improving and strengthening the internal control system. No significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified. The Board has conducted its annual review of the effectiveness of the risk management and internal control system of the Group and is satisfied that, for FY2025, the risk management and internal control system and procedures of the Group were reasonably effective and adequate, and that no material deficiencies had been identified.

Regular meetings were held between the executive Directors and senior management to review and monitor the business and financial performance against the targets, the progress of certification and contract receipts from the customers, the efficiency in the use of the Group's resources in comparison to the budgets, and the operational matters to ensure the Group has complied with the regulations that have material impact to the Group's business. The aim is to enhance the communication and accountability of the Directors and management so that significant strategic, financial, operational and compliance risks or potential deviations are timely identified and dealt with in proper manner, which significant issues are reported back to the Board for their attention.

In addition, the Company has established policies and systems that promote and support anti-corruption laws and regulations. We require our employees to follow our employee manual and code of business conduct and ethics, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanisms, negligence and corruption. We also carry out regular on-the-job compliance training to our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility. Our staff can anonymously report any suspected corrupt incident to the Company.

The Company has also established a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, about possible improprieties in any matter related to the Company.

The Group has established procedures in handling and dissemination of inside information in an accurate, secure and timely manner, so as to avoid possible unauthorised access and mishandling of inside information within the Group.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The dividend policy of the Company adopted by the Board on 26 March 2021 is set out as follows:

Payment of dividends by the Company is also subject to the Companies Act and the Articles of Association. The Board will review the dividend policy as appropriate from time to time. The declaration and payment of dividends shall be determined at the sole discretion of the Board. The Board shall also take into account the following factors when considering whether to propose dividends and determining the dividend amount:

1. the Group's actual and expected financial performance;
2. retained earnings and distributable reserves of the Company and each of the members of the Group;
3. the Group's working capital requirements, capital expenditure requirements and future expansion plans;
4. the Group's liquidity position;
5. contractual restrictions on the payment of dividends by the Company to the Shareholders or by the Company's subsidiaries to the Company;
6. taxation considerations;
7. general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
8. other factors that the Board deems relevant.

CONSTITUTIONAL DOCUMENTS

During FY2025, no change had been made to the Memorandum and Articles of Association of the Company.

INVESTOR RELATIONS

General Meetings and Shareholders' Rights

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meetings as such in the notices calling them. The extraordinary general meetings are convened irregularly.

In accordance with the Articles of Association, an extraordinary general meeting shall be convened either by the Board or on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

CORPORATE GOVERNANCE REPORT

There are no provisions in the Articles of Association or in the Companies Act of the Cayman Islands for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholder(s) who wish to move a resolution may request the Company to convene an extraordinary general meeting in accordance with the procedures set out in the preceding paragraph. For proposing a person for election as a Director, please refer to the “Procedures for Shareholders to Nominate a Person for Election as a Director” posted on the Company’s website.

Communication with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

To promote effective communication, up-to-date information and updates on the Company’s business operations and developments, financial information, corporate governance practices and other information are available in the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.activation-gp.com) for public access.

The general meetings of the Company provide a forum and an important channel for communication between the Board and the Shareholders. The chairmen of the Board as well as chairmen of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees and, where applicable, are available normally at the annual general meetings and other relevant shareholder meetings to answer questions. Shareholders are also encouraged to attend general meetings held by the Company and are invited to express their views and raise questions thereat.

Based on the above, the Board has reviewed the Shareholders’ Communication Policy for the year ended 31 December 2025 and is of the view that the Policy is effective and adequately implemented.

Shareholders should direct their inquiries about their shareholdings to Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong. Investors may also write to the Company at its principal place of business in Hong Kong or China for any enquiries.

The Company sets out the following contact details for Shareholders to communicate with the Company:

Mailing address: 11/F., Gold Union Commercial Building
No. 70-72 Connaught Road West
Hong Kong
Attention: Board of Directors/Company Secretary

The Company will not normally deal with verbal or anonymous enquiries.

REPORT OF THE DIRECTORS

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for FY2025.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 27 February 2019 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The principal business activities of the Group are the provision of integrated marketing solutions and intellectual property development. The Group focuses on the provision of (i) experiential marketing, (ii) digital and brand communication, and (iii) public relations services which mainly operated in Shanghai and Beijing with coverage in Greater China.

The activities and particulars of the Company's principal subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

RESULTS

The consolidated annual results of the Group for FY2025 are set out on pages 154 to 238 of this annual report.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2026 AGM

The register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive and during which no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2026 AGM. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 15 May 2026. The record date for entitlement to attending and voting in the 2026 AGM is Thursday, 21 May 2026.

REPORT OF THE DIRECTORS

Entitlement to the proposed Final Dividend and Final Special Dividend

The proposed Final Dividend and Final Special Dividend are subject to the approval of the Shareholders at the 2026 AGM. The record date for entitlement to the Final Dividend and Final Special Dividend is Wednesday, 10 June 2026. The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026, both days inclusive, during which no transfer of Shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the proposed Final Dividend and Final Special Dividend. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 4 June 2026.

RESERVES

Details of the movement in the reserves of the Group and of the Company during FY2025 are set out on pages 158 to 159 of this annual report.

DISTRIBUTABLE RESERVES

At 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act, amounted to RMB342,072,000 (at 31 December 2024: RMB340,702,000), of which HK\$48,408,230 has been proposed as the Final Dividend and Special Dividend for FY2025.

BUSINESS REVIEW

A review and discussion of the Group's business during FY2025 is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report" and Environmental, Social and Governance Report in this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, suppliers, clients and business partners are keys to its sustainable development. The Group is committed to establishing a close relationship with its employees, providing quality services to its clients and enhancing cooperation with its suppliers and business partners.

SHARE CAPITAL

Details of the movements in share capital of the Company during FY2025 are set out in note 27 to the consolidated financial statements.

As at 31 December 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

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

During FY2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and there was no material non-compliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. Further details of the Group's environmental policies and performance are disclosed in the section headed "Environmental, Social and Governance Report" in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Mr. Lau Kam Yiu
Mr. Ng Bo Sing
Mr. Chan Wai Bun
Ms. Low Wei Mun

Independent non-executive Directors

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

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Board of Directors and Senior Management" in this annual report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business, to which the Company or its subsidiaries was a party and in which a Director or his or her connected entity has or had a material beneficial interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during FY2025.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for a specific term of three years, which may be terminated by not less than three months' written notice in writing served by either of the Director or the Company at any time.

Each of the independent non-executive Directors has signed an appointment letter with the Company for a specific term of three years, the tenure may be terminated by not less than three months' written notice in writing served by either of the Director or the Company at any time. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee.

The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association. None of the Directors has entered into a service contract with members of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

CONTRACTS OF SIGNIFICANCE AND RELATED PARTY TRANSACTIONS

Saved as disclosed in the section headed "Related Party Transactions" in note 31 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during FY2025 or at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries was entered into during FY2025 or at the end of the year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the section headed "Related Party Transactions" in note 31 to the consolidated financial statements contained in this annual report, no transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during FY2025.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the Directors and senior management of the Group is determined by the Board with reference to the recommendation given by the Remuneration Committee, taking into account the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' remuneration and remuneration of the five highest paid individuals in the Group are set out in notes 8 and 9 to the consolidated financial statements of this annual report.

For FY2025, no remuneration was paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any remuneration for FY2025.

Save as disclosed above, no other payments have been made or are payable, for FY2025, by the Group to or on behalf of any of the Directors.

REPORT OF THE DIRECTORS

NON-COMPETE UNDERTAKING

To protect the group from any potential or actual conflict of interest and competition, each of Mr. Ng, NBS Holdings, Activation Investment, Mr. Lau, Dashing Fortune and Aurora Activation (the “**Covenantors**”), being the Controlling Shareholders, has all entered into a non-compete undertaking in favour of the Company (the “**Non-Compete Undertaking**”) on 19 December 2019, pursuant to which each of the Covenantors has irrevocably and unconditionally undertaken that each of them shall and shall procure their respective close associates not to, directly or indirectly, engage in any business which is or may be in competition with the business of any member of the Group from time to time.

Each of the Covenantors has confirmed in writing to the Company of his/its compliance with the Non-Compete Undertaking during FY2025.

The independent non-executive Directors have reviewed the Non-Compete Undertaking and confirmed that no Covenantor had breached the Non-Compete Undertaking during FY2025.

MANAGEMENT CONTRACTS

Save for Directors’ service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or at the end of the year or at any time during FY2025.

EQUITY-LINKED AGREEMENTS

Save for the 2023 Share Option Scheme as set out in the paragraph headed “Share schemes” below, the Company has not entered into any equity-linked agreement in FY2025.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during FY2025.

LOAN AND GUARANTEE

During FY2025, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective connected persons.

DIRECTORS’ INTERESTS IN SECURITIES AND UNDERLYING SHARES

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

REPORT OF THE DIRECTORS

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

Notes:

- The percentages of shareholding in this table were computed based on the number of issued Shares as at 31 December 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 is deemed to be interested in the Shares held by Activation Investment.
- 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.
- 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.
- 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

To the best knowledge and belief of the Directors, as at 31 December 2025, 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:

REPORT OF THE DIRECTORS

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 (鍾穎婷)	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 (李美璇)	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)	51,394,298	6.90%
Asian Equity Special Opportunities Portfolio Master Fund ("Asian Equity Fund")	Beneficial owner (Note 7)	36,394,298	4.88%
Pandanus Associates Inc	Interest of controlled corporation (Note 8)	67,146,000	9.02
Pandanus Partners L.P	Interest of controlled corporation (Note 8)	67,146,000	9.02
FIL Limited	Interest of controlled corporation (Note 8)	67,146,000	9.02
Fidelity China Special Situations PLC	Beneficial Owner	47,104,000	6.32

REPORT OF THE DIRECTORS

Notes:

1. The percentages of shareholding in this table were computed based on the number of issued Shares as at 31 December 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 and NBS Holdings are deemed to be interested in the Shares held by Activation Investment.
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 and Asian Equity Fund, RAYS Capital was interested in 51,394,298 Shares in the capacity as an investment manager, out of which 36,394,298 Shares were 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 67,146,000 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 67,146,000 Shares held by subsidiaries of FIL Limited.

SHARE SCHEMES

SCHEME MANDATE LIMIT

As at 1 January 2025 and 31 December 2025, the number of Shares that may be issued in respect of options and awards granted under the 2023 Share Option Scheme, the Share Award Plans (where applicable) 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.

The total number of Shares available for issue under the 2023 Share Option Scheme, the Share Award Plans and any other Share Schemes shall not exceed 74,474,200 Shares, being 10% of the total number of issued Shares (excluding treasury shares, if any) as at the date of this report.

Share Option Scheme

2023 Share Option Scheme

In light of the amendments to Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Company adopted a new 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 seven years.

REPORT OF THE DIRECTORS

Set forth below is a summary of the principal terms of the 2023 Share Option Scheme:

(a) *Participants*

The Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (i) any employee (whether full time or part time, including any executive director, but excluding any non-executive director) of the Company or any of its subsidiaries (and including persons who are granted options or awards as an inducement to enter into employment contracts with these companies) (the "**Employee Participant(s)**");
- (ii) any non-executive directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company (the "**Related Entity Participant(s)**").

((i) to (iii) above shall collectively be referred to as the "**Eligible Participant(s)**")

The eligibility of any of the Eligible Participants to an offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group with reference to, among other things, the role and position of each Eligible Participant and the circumstances and business needs of the Company at the time of the offer.

(b) *Purpose*

The purposes of the 2023 Share Option Scheme are (i) to enable the Company to grant options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Company.

(c) *Maximum entitlement of each participant*

Where any grant of options to a grantee under the 2023 Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options or awards granted and proposed to be granted to such person under the 2023 Share Option Scheme and any other Share Schemes in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue (being the maximum entitlement of each Eligible Participant under the 2023 Share Option Scheme), such grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting.

REPORT OF THE DIRECTORS

Where any grant of options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options and awards granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of options must be approved by the Shareholders in general meeting, with the grantee, his associates and all core connected persons of the Company be abstained abstain from voting in favour at such general meeting.

(d) *Exercise period*

An option may be exercised by the grantee at any time or times (a) during the period to be determined and notified by the Directors to the grantee (which may not be later than 10 years from the offer date of that option); or (b) in the absence of such determination, from the date of the offer to the earlier of (i) the date on which such option lapses under the provisions of the 2023 Share Option Scheme; and (ii) 10 years from the offer date of that option.

(e) *Vesting period*

The vesting period in respect of any option granted under the 2023 Share Option Scheme (the "**Vesting Period**") shall be determined by the Directors, or the Remuneration Committee (as the case may be), with reference to, among other things, the position and role of the Eligible Participant and the purpose of the relevant grant. For the avoidance of doubts, there is no fixed vesting period which is applicable to all the grants under the 2023 Share Option Scheme.

The Vesting Period in respect of any option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the offer, provided that, where the Eligible Participant is an Employee Participant, the Remuneration Committee (where an Employee Participant is a Director or a Senior Manager) or the Directors (where an Employee is not a Director nor a senior manager) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) consider that a shorter vesting period is appropriate to align with the purpose of the 2023 Share Option Scheme, including only where:

- (i) grants of options to Employee Participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (ii) grants of options with performance-based vesting conditions provided in the 2023 Share Option Scheme, in lieu of time-based vesting criteria; or
- (iii) grants that are made in batches during a year for administrative or compliance reasons, which may include options that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Vesting Period may be adjusted to take account of the time from which the options would have been granted if not for such administrative or compliance requirements.

REPORT OF THE DIRECTORS

(f) *Payment on acceptance of options under the 2023 Share Option Scheme*

To accept the grant of options under the 2023 Share Option Scheme, Eligible Participant shall pay a consideration of HK\$1.00 to the Company for the grant of options within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

(g) *Exercise price*

The exercise price in respect of any option will be a price determined by the Directors, but shall not be less than the highest of:—

- (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer; and
- (iii) (where applicable) the nominal value of a Share.

Further details of the 2023 Share Option Scheme were set out in the circular of the Company dated 21 April 2023.

Since the adoption of the 2023 Share Option Scheme and up to 31 December 2025, no share option was granted, exercised, outstanding, cancelled or lapsed under the 2023 Share Option Scheme.

Share Award Plans

The Company had two Share Award Plans during FY2025.

2025 Share Award Plan

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 ("**2025 Share Award Plan**"). Since its adoption on 15 May 2025, no awarded share has been granted, vested, cancelled or lapsed under the 2025 Share Award Plan.

REPORT OF THE DIRECTORS

2020 Share Award Plan

2020 share award plan of the Company (“2020 Share Award Plan”) was approved and adopted by the Board on 30 March 2020, but upon the adoption of the 2025 Share Award Plan, the 2020 Share Award Plan was terminated in accordance with its terms. During FY2025, a total of 1,472,156 awarded shares were vested but no awarded share has been granted, cancelled or lapsed under the 2020 Share Award Plan.

Herebelow is the movement of the awarded shares under the 2020 Share Award Plan during FY2025:

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				
					Unvested as at 1 January 2025	Granted during FY2025	Vested during FY2025 (note 3)	Cancelled/Lapsed during FY2025	Unvested as at 31 December 2025
Other Employee Participants	12 March 2024	1.25	12 months from date of grant	1.25	1,472,156	—	1,472,156	—	—
					<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. No purchase price was payable by the grantee in respect of the awarded Shares vested.
4. All of the awards under the 2020 Share Award Plan vested during FY2025 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 FY2025.
5. No Awarded Shares were cancelled during FY2025.

REPORT OF THE DIRECTORS

Summary of the Share Award Plans

	Details	2025 Share Award Plan	2020 Share Award Plan (terminated on 15 May 2025)
1.	Purposes	(a) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development of the Group	
2.	Eligible participants	(a) any Employee Participant (b) any non-executive directors (including independent non-executive directors) of the Company or any of its subsidiaries; and (c) any Related Entity Participant.	
3.	Maximum entitlement of each participant	Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no awards may be granted under the Share Award Plans if the grant of such award will result in: (i) the total number of Shares issued and to be issued in respect of all options or awards granted under the Share Schemes to any Eligible Participant in the 12-month period to exceed 7,447,420 Shares (being 1% of the issued share capital of the Company); and (iii) the total number of Shares issued and to be issued in respect of all options or awards granted under the Share Schemes to any Director or chief executive of the Company or any of their respective associates in the 12-month period to exceed 744,742 Shares (being 0.1% of the issued share capital of the Company).	
4.	Vesting period	not less than 12 months, subject to a shorter vesting period at the discretion of the Board in accordance with the rules of the Share Award Plan	
5.	Acceptance of offer	no consideration shall be payable by the grantees	
6.	Purchase price	no purchase price shall be payable by the grantees	
7.	Trustee	not applicable	Teeroy Limited (Note)
8.	Remaining life of the Plan	about 9 years	Not applicable as it was terminated on 15 May 2025.

Note: As at 31 December 2025, Teeroy Limited ceased to own any Shares for the purpose of the 2020 Share Award Plan.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During FY2025, none of the Company, or any of its subsidiaries, was a party to any arrangement which enables the Directors to have any right to subscribe for securities of the Company or other body corporate to or debentures to acquire benefits.

REPORT OF THE DIRECTORS

MAJOR CLIENTS AND SUPPLIERS

During FY2025, the aggregate sales attributable to the Group's five largest clients accounted for approximately 65.5% (2024: approximately 59.6%) of the Group's total sales and the sales to the Group's largest customer included therein accounted to approximately 21.5% (2024: approximately 22.1%).

None of the Directors or any of their close associates or any Shareholders (who to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest clients.

During FY2025, purchases from the five largest suppliers of the Group accounted for less than 30% of the total purchases of the Group.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

HUMAN RESOURCES

As at 31 December 2025, the Group had 208 employees (2024: 221), 16 of which are headquarter staff, 94 employees were responsible for experiential marketing, 77 employees were responsible for digital and communication marketing, 13 employees were responsible for IP development, and 8 employees were responsible for administrative support. The Group entered into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, which is determined with reference to their experience, qualifications and general market conditions. The remuneration policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to professional training.

RETIREMENT BENEFITS SCHEME

The employees of the PRC subsidiaries of the Group are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

CHARITABLE CONTRIBUTIONS

During FY2025, the Group made charitable contributions totalling RMB119,000.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for FY2025 are set out in note 31 to the consolidated financial statements contained herein.

None of the related party transactions constitutes a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and/or any disclosure requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and to the best of the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the director's and officer's liability insurance is currently in force. The Company has taken out the appropriate Directors' and officers' liability insurance policy for the Directors and officers of the Group as a means of security during FY2025.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during FY2025.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has applied the principles of and complied with the code provisions set out in the CG Code*. Further details on the corporate governance practices of the Company and the Company's compliance with the CG Code are disclosed in the section headed "Corporate Governance Report" in this annual report.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during FY2025 except from the deviation from code provision C.2.1 regarding the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As at the date of this annual report, Mr. Lau Kam Yiu, an executive Director, has served as the joint-chairman of the Board and the chief executive officer of the Group.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

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

REPORT OF THE DIRECTORS

AUDITOR

There has been no change in auditors during FY2025. The consolidated financial statements for FY2025 have been audited by Ernst & Young, Certified Public Accountants. Ernst & Young shall retire in accordance with the Articles of Association and a resolution for their reappointment as auditors of the Company will be proposed at the 2026 AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

During FY2025, the Company is in material compliance with the relevant laws and regulations that have a significant impact on the Group.

On behalf of the Board

Lau Kam Yiu
Joint-Chairman

Hong Kong
25 March 2026

Ng Bo Sing
Joint-Chairman

Hong Kong
25 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. About This Report

This is the seventh environmental, social and governance (“ESG”) report (“ESG Report”, or the “Report”) published to the public by Activation Group Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”, “Activation” or “we”), disclosing the sustainability performance of the Group for the financial year from 1 January 2025 to 31 December 2025 (the “Reporting Period” or the “Year”). This Report is available in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

1.1. Reporting Guidelines and Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and in accordance with the provisions of “mandatory disclosure” and “comply or explain” requirements set out therein. The Group has disclosed its environmental and social management practices and performance during the Reporting Period based on the principles of materiality, quantitative, balance and consistency. The information disclosed herein was sourced from the Group’s official documents, statistics or public information. Unless otherwise stated, the ESG data measurements and computational methodologies adopted in the Report are consistent with those of the previous year.

1.2. Reporting Scope

Unless otherwise stated, the Report discloses the businesses under the Group’s direct control, and the key performance indicators in the environmental area cover the data from the head office in Shanghai, and the offices in Beijing and Hong Kong.

1.3. Approval of the Report

The Report was approved by the board of directors (the “Board”) on 25 March 2026 upon confirmation by the management.

1.4. Feedback

The Group consistently improves the disclosure of information related to ESG and values the feedback from all parties. Your opinions on the contents of the Report and the Group’s sustainability performance will be used as a reference for our review and optimisation of relevant work. If you have any suggestions, please contact us through the following means.

Contact details: ir@activation-gp.com

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Sustainability Strategy

2.1. Governance Structure

The Group integrates the principles of sustainable development into its overall development strategy and continuously improves its ESG governance mechanisms. We have established an ESG governance structure covering the decision-making level to the execution level. Among which, the Board, as the highest leading body of ESG affairs, is responsible for supervising and reviewing the risks that the Group may encounter in relation to ESG matters and conducting regular assessments on the related risks to ensure appropriate and effective risk management and internal control mechanisms are in place. At the same time, the Board is also responsible for monitoring and reviewing ESG-related strategies, policies and management approaches, and regularly reviewing the progress of ESG-related works. The Board has authorized the ESG Committee to assist in performing the related duties and responsibilities with an obligation to promote the consistent implementation of ESG strategies across all functional departments, coordinate relevant resources and ensure the effective implementation of ESG-related measures.

Board

- To resolve and approve the Group's ESG management policies, strategies and annual tasks, including assessment, prioritization and management of material ESG issues;
- To monitor and regularly review the ESG performance and progress towards targets;
- To delegate the authority to the ESG Committee to implement the targets of ESG-related tasks.

ESG Committee

- To review and monitor the Group's policies and practices in terms of environment, social and governance;
- To identify, confirm, formulate and facilitate the implementation of ESG-related management policies through the assessment of the impact of ESG risks on the Group;
- To maintain the operation of the corporate social responsibility management system and enhance employees' awareness of corporate social responsibility;
- To identify ESG issues that are relevant and material to the Group's operation and affect shareholders and other stakeholders;
- To ensure that the Group complies with relevant laws and regulatory requirements, as well as monitor and respond to the latest ESG issues and to make relevant recommendations to the Board as appropriate to enhance the ESG performance of the Group.

Functional Departments

- To organise and execute various ESG-related tasks in accordance with the Group's ESG management policies, strategies and annual tasks;
- To collect and report on internal ESG policies, systems and ESG-related KPIs;
- To comply with various ESG-related policies and systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board periodically reviews ESG-related working projects and their progress of implementation. A total of 2 ESG meetings were held during the Year to review the preparation status and key disclosure matters of the ESG report while reviewing the climate-related disclosure requirements and future ESG work arrangements, including capacity buildup at the Board level, methods of managing climate risks, phased arrangements of GHG emissions disclosures and the overall timeline of ESG works.

The Report has been reviewed by the Board of the Group, which has confirmed the accuracy, truthfulness and completeness of its contents. In the future, the Group will continue to optimise its ESG governance and supervision mechanisms and constantly improve its standards on ESG management and information disclosure, so as to support the long-term steady and sustainable development of the Group.

2.2. Materiality Assessment

Through continuous communication with stakeholders, the Group comprehensively considers the opinions and expectations of all parties regarding the issues related to the Group's operations and sustainable development, in order to identify potential risks and opportunities associated with the Group's business development. The main stakeholders of the Group include parties such as customers, shareholders and investors, employees, business partners, community and non-governmental organisations (NGOs).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

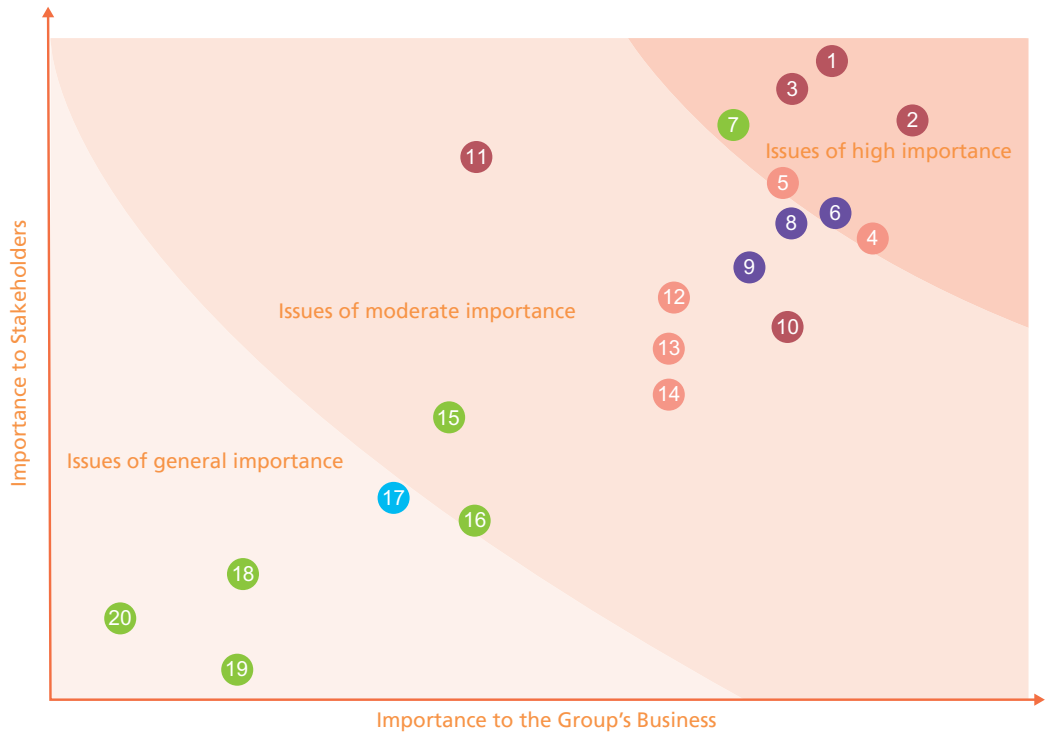
Type of Stakeholders	Main Communication Channel	Communication and Response
Customers	<ul style="list-style-type: none"> Customer satisfaction surveys and opinions Customer consultation groups Visit by customer relationship manager Daily operations/communication Telephone calls and emails 	<ul style="list-style-type: none"> Enhancing quality management Improving communication channels Optimising management mechanism
Shareholders/ Investors	<ul style="list-style-type: none"> Annual general meetings and other general meetings Interim and annual reports Corporate communications (e.g. letters/circulars and notices of meetings to shareholders) Results announcements Tours for shareholders Investors' meetings 	<ul style="list-style-type: none"> Disclosure of the Group's information in accordance with the law Holding of general meetings Enhancement of the transparency of information disclosure Compliant and legal operation
Employees	<ul style="list-style-type: none"> Channels for employees to express their opinions (forms, suggestion boxes, etc.) Performance appraisal Group discussions Conference interviews Seminars/workshops/lectures Publications (e.g. Staff Newsletters) Communication conferences Staff intranet (e.g. corporate emails, office automation ("OA") system) Public welfare activities 	<ul style="list-style-type: none"> Enhancement of health and safety management Provision of a development platform Establishment of an unbiased promotion system Caring for employees Organising team building activities
Business partners	<ul style="list-style-type: none"> Visits Talks Meetings with business partners 	<ul style="list-style-type: none"> Establishment of a communication platform

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Type of Stakeholders	Main Communication Channel	Communication and Response
Community/ NGOs	<ul style="list-style-type: none"> Public welfare activities Donation 	<ul style="list-style-type: none"> Organising voluntary services Promoting the development of community culture Caring for the disadvantaged
Peers	<ul style="list-style-type: none"> Strategic cooperation projects Group announcements Communication conferences 	<ul style="list-style-type: none"> Insisting on fair competition Achieving win-win cooperation Sharing the experience in sustainable development
Suppliers	<ul style="list-style-type: none"> Supplier management programme Supplier/contractor assessment system Meetings with suppliers Site visits 	<ul style="list-style-type: none"> Improvement of the management system Establishment of a communication platform

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group conducts its assessment on material issues in accordance with the “materiality” principle set out in the Hong Kong Stock Exchange’s ESG Reporting Code. The relevant issues were identified, analyzed and ranked on the basis of integrating stakeholder opinions to assess the potential impacts of each issue on sustainable development resulting from the Group’s operations, and determine the materiality accordingly. As reviewed and confirmed by the Board and the ESG Committee, the results of the previous materiality assessment remain valid, and the seven issues of high importance include product/service quality control, protection of customers’ privacy, customer service management, employees’ health and safety, employment rights and benefits, information security, and response to climate change.



● Responsible Operation ● Steady Operation ● Valuing Talents ● Giving Back to Society ● Green Operation

Issues of high importance Issues of moderate importance Issues of general importance

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> 1 Product/service quality control 2 Protection of customers’ privacy 3 Customer service management 4 Employees’ health and safety 5 Employment rights and benefits 6 Information security 7 Response to climate change | <ul style="list-style-type: none"> 8 Anti-corruption 9 Supply chain management 10 Sales management and product labelling 11 Intellectual property rights 12 Employee diversity, non-discrimination, and equal opportunity 13 Recruitment and Talent retention 14 Employee training and development 15 Greenhouse gases (GHG) management 16 Material consumption | <ul style="list-style-type: none"> 17 Community involvement and investment 18 Exhaust gas, waste, water treatment 19 Energy management 20 Water resource management |
|--|--|---|

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.3. ESG Pillars of the Group

Specific ESG-Related Measures	
Integrity Operation for Steady and Sustainable Growth	<ul style="list-style-type: none"> • Establish and continuously optimise information security management system, implement data management, access control and network security training to safeguard customer and business data security; • Strictly comply with advertising, publicity and relevant regulations, implement the requirements of responsible marketing; • Set up a dedicated team to monitor and prevent infringement of intellectual property rights; • Strengthen the construction of an integrity culture through anti-corruption system, whistleblowing mechanism and regular training; • Incorporate ESG requirements into the process of supply chain management, evaluate and supervise supplier compliance, environmental and social performances
Whole-hearted Service and Pursuing Excellence	<ul style="list-style-type: none"> • Establish and implement a service quality management system covering the full process of planning, design and execution; • Continuously collect feedback from customer satisfaction surveys and complaint handling mechanisms and foster improvements; • Strictly comply with the requirements of project safety and compliance to ensure the health and safety of customers, partners and the public
Talent Development for Intelligence Empowerment	<ul style="list-style-type: none"> • Provide competitive remunerations and benefits as well as comprehensive employment protection and legally safeguard employees' rights and benefits; • Establish a tiered and categorised training system encompassing expertise, compliance, information security, and climate-related issues; • Provide clear promotional channels and incentive measures to attract and retain talents; • Continuously enhance the measures of occupational health and safety management to create a safe and healthy workplace; • Strengthen sense of belonging and cohesion through staff caring and team building activities

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Specific ESG-Related Measures

Green Operation Enabling Low Carbon

- Establish the climate governance structure, conduct the identification of climate-related risks and opportunities and perform scenario analysis;
- Implement measures of energy-saving, emission-reducing and resource management to reduce the consumptions of energy, water resources and paper;
- Promote green procurement and green office practices, and encourage collective improvements of environmental performance within the supply chain;
- Disclose GHG emission data on a regular basis and set emission reduction targets

Contributing to Public Welfare and Benefitting the Community

- Conducting public welfare donations and voluntary activities centered on education, environment and other aspects;
- Encourage employees to participate in public welfare practices and enhance the awareness of internal social responsibility;
- Promote the joint development of companies and society in a sustainable and measurable manner

The Group's sustainable development initiatives have garnered recognition from external institutions and have been awarded the Hong Kong ESG Reporting Awards (HERA) 2025.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.4. Risk Management

The Group formulated internal management documents such as the Risk Management Measures and the Risk and Opportunity Control Procedures to standardise the processes of managing the associated risks and conduct risk identification, assessment and response accordingly in day-to-day operational management. The analysis of associated risks is performed in conjunction with a scoring approach to act as a support for hierarchical risk management and a reference of management decision-making. Under the above arrangements, the Group integrates the actual situations of each business and management segment to analyze the associated risks including ESG, and formulates the corresponding prevention and mitigation measures within feasible scope, which are incorporated into the overall risk management arrangements. At the same time, the Group has passed the ISO 9001:2015 and ISO 14001:2015 management system certifications and tracks the potential risks associated with operational activities closely during the implementation of the relevant management systems.



Risk Control Process

In terms of risk response, the Group generally prioritizes risk hedging. For the risks that are difficult to completely avoid, approaches of “risk reduction” or “risk acceptance” will be adopted subject to specific circumstances. In light of the changes in both internal and external environments, the relevant response arrangements will be reviewed and adjusted.

Risk hedging

- Eliminate risks or conditions under which they occur through planned changes, protecting the targets from the risks.
- Reduce the occurrence of loss through prior control and post-remedial measures.

Risk reduction

- Reduce the damages or losses resulted from potential risks by adopting measures.

Risk acceptance

- The loss caused by the risk assumed by the company. Generally applicable to those that cause lower losses and more repetitive risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. Integrity Operation

The Group places integrity operation as an important foundation for its business development and management activities. It attaches great importance to information security management and customer privacy protection during the operation process, constantly improves the intellectual property protection mechanism and standardises trademark application and management as well as software copyrights. We have established and operated a management system accredited under the ISO 9001:2015 quality management system, and successfully completed annual surveillance audit/renewal audit during the year. Leveraging on this foundation, we constantly optimise the internal management mechanisms to support improvements in both service quality and operational efficiency. Meanwhile, as a provider of marketing services, the Group implements the requirements of responsible marketing during its business operations and incorporates the relevant arrangements of anti-corruption and supplier management into daily operations, supporting the business's standardised operations.



3.1. Information Security and Privacy Protection

The Group adopts systematic management on data security and customer information protection in its operations and management in compliance with the applicable laws and regulations regarding data security and information protection¹. It formulates and implements the "Information Security Management System" to ensure the security and confidentiality of customer data. The Group has established an information security management system and imposed standardised management on computer equipment, information system platforms and electronic data in key processes such as transmission, exchange, storage and backup to prevent information security incidents and reduce the risk of data leakage.

¹ Please refer to the section headed "Laws and Regulations" for related laws and regulations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information Security Management	<ul style="list-style-type: none"> • System administrators should evaluate the security of the systems under their responsibility, and remedy any loopholes they have found to prevent information leakage • Leaders are responsible for the security of information involving commercial secrets • Before submitting information to the network (internal information platform) system, all departments should check and kill viruses to ensure that documents are uploaded without viruses
Computer Equipment Safety Management	<ul style="list-style-type: none"> • Employees are required to use the computer equipment provided by the Group and are not allowed to change or dismantle the equipment privately, and are not allowed to handle or repair the equipment privately in the event of any failure • Employees are responsible for the safety of the computers and related equipment they use
Electronic file security management	<ul style="list-style-type: none"> • Important documents and working data should be backed up regularly, and viruses and junk files should be checked and cleaned up on a regular basis • If an employee leaves the Company, the person in charge of the department should make a backup of the employee's data during the handover procedure
Software Security Management	<ul style="list-style-type: none"> • Servers/computers shall be installed with genuine licensed operating systems and software, and no user shall be allowed to install non-genuine licensed operating systems and software in the computers distributed by the Group • We should regularly upgrade the virus database and kill the viruses, and do not install any software that harms the Company's computer and network
Password Security Management	<ul style="list-style-type: none"> • Initial passwords of information system should be changed in a timely manner, and new passwords should be set with a higher security factor • Employees are required to change the passwords of the computer equipment and information system they use on a regular basis, and to inform the Information Technology (IT) department immediately of any leakage of passwords or abnormalities

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Prohibited Behaviours for Information Security

- Making use of the Group's information system platform and network resources to create, disseminate and reproduce any information that harms the enterprise and its employees
- Unauthorized addition, movement, reproduction and deletion of information (including system files and applications) stored, processed and transmitted on the information platforms such as OA, U8, website and enterprise mail system
- Intentionally interfering with or damaging the safe, stable and smooth operation of the Group's information platforms; engaging in other activities that harm the security of the Group's computers, network equipment and information platform
- Other acts harming the Group's information security or violating relevant national laws and regulations and information security regulations

Information Security System Development

Organisational and operational Aspect	Technological and Management Control Aspect	Personnel Management Aspect
<ul style="list-style-type: none"> • Stipulate the division of labour and responsibilities for information security and management • The Information Technology (IT) Department is responsible for the operation of information systems and information security management • Establish an internal response and reporting mechanism for information security incidents • Information security incidents are classified and reported according to the established procedures 	<ul style="list-style-type: none"> • Implement standardised management of information systems, information platforms and data assets • Manage key information systems and data operation on an ongoing basis • Prevent risks in the operations of information systems via managing arrangements 	<ul style="list-style-type: none"> • Stipulate employees' responsibilities of information safety in the Staff Handbook and labour contract • Incorporate the requirements for information security and privacy protection into the daily management of employees • Organise regular trainings on information security and stipulate compliance requirements for employees

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year, the Group conducted training on information security. Integrating daily workplace scenarios under a digitized operating environment, case studies and practical drills regarding risks such as cybersecurity threats and data leakage were conducted. The training included the identification of phishing attacks, password management and identity verification, equipment safety and anti-data leakage, social engineering prevention as well as the emergency response process of information security incidents. Assessments were conducted through case analysis and on-site Q&A with an average pass rate of over 90%, helping employees to understand their responsibilities of maintaining information security during their daily work and enhancing their capabilities on identifying risks and handling contingencies.



3.2. Protection of Intellectual Property Rights

The Group strictly complies with the laws and regulations² relating to the protection of trademarks and patents, sets up intellectual property management department, establishes associated management documents and workflows such as the Asset Management System and manages the creation, application, maintenance, licensing, transferring and disposal of intellectual properties to support standardised operations of the business.

- Improving intellectual property management:** To allocate dedicated staff for intellectual property management, continuously optimise the corporate intellectual property strategy and ensure the effective implementation of various tasks.
- Strengthening intellectual property training:** To launch specialized trainings for management and technical staff, enhance publicity on intellectual property protection and raise the awareness of intellectual property protection among all employees.



- Reasonable use of legal channels:** Where necessary, litigation is used to safeguard corporate intellectual property rights, resolve disputes and strengthen the credibility of corporate intellectual property protection.
- Strengthening intellectual property protection and contract management:** To protect trade secrets and proprietary technologies through patent, trademark and copyright applications, and protect brand rights by incorporating intellectual property clauses in operating business and service contracts.

During the Year, the Group had 49 valid registered trademarks and 36 software copyrights.

² Please refer to the section headed "Laws and Regulations" for related laws and regulations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.3. Responsible Marketing

The Group continuously supervises advertising and sales activities to ensure such behaviours comply with the applicable laws and regulations³ and industry standards. The Group formulated and implemented the Sales Service Specifications to set clear requirements for employees' sales and service behaviours, and identify and handle misconduct through irregular inspections to uphold compliant operations.

3.4. Anti-corruption Management

The Group upholds a zero-tolerance attitude towards acts of corruption and bribery, and strictly complies with the applicable laws and regulations⁴ on anti-corruption and anti-bribery at national and regional levels. To implement the associated principles, the Group established and implemented different systems and arrangements, such as the Standards on Code of Conduct, the Rules on Reimbursement of Expenses and the Anti-Commercial Bribery Agreement, and stipulate the relevant requirements of anti-corruption in the labour contracts. This sets out clear standards for employees to maintain integrity throughout their performance of duties and explicitly prohibits any forms of improper transfer or exchange of benefits. We continuously strengthen internal management and review to ensure a fair, impartial and integrity-driven operating environment.

Reporting and Internal Monitoring Mechanism

The Group adheres to the concepts of prevention-first, anti-corruption management and encourages employees, suppliers and other parties to promptly report any potential acts of corruption upon discovery. We have established and implemented the Anti-corruption Reporting System to provide clear reporting channels for employees. We set out procedures in the system to protect whistleblowers so as to ensure confidentiality and safety of the whistleblowing process and establish rewarding mechanisms for whistleblowing to encourage complaint whistleblowing. Also, the Group monitors each business operating procedures through the Internal Review and Control System to support the timely detection and handling of improper acts.

Anti-Corruption Training and Awareness Raising

To continuously enhance employees' awareness on integrity and compliance, the Group launched the Anti-corruption Training System, which requires all employees to receive general anti-corruption training at least once a year, and members of the Board and senior management to attend relevant training once every six months. During the Year, the Group conducted anti-corruption education centered on the applicable laws and regulations, requirements for business integrity and high-risk business scenarios. Through case analysis, the Group assisted employees to clarify the definitions and consequences of misconduct, such as commercial bribery and conflict of interests, guiding employees to detect potential risks in their daily work and perform the responsibilities of proactive reporting and promoting compliance requirements to gradually transform from systemic constraints into employees' conscious behaviour.

^{3,4} Please refer to the section headed "Laws and Regulations" for related laws and regulations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Creation and Continuous Promotion of a Culture of Integrity

To encourage the implementation of a culture of integrity in daily operations, the Group set up an anti-corruption column on the intranet, which incorporates training and promotional videos to constantly promote anti-corruption. The related content provides guidance on business integrity requirements and the boundaries of daily high-risk behaviours, encompassing aspects such as review and approval, exchange of interests, information disclosure and business dealings, reminding employees to adhere to behavioural standards in their actual work. The Group will continue to update and optimise relevant promotional content to further consolidate the culture of integrity.

3.5. Supply Chain Management

The Group integrates supply chain management into daily operational management and manages suppliers through procurement compliance, quality control and risk prevention and control. Throughout the year, the Group monitored the admission, performance and compliance status of suppliers in accordance with the established procurement and supplier management systems, conducted performance evaluations and tiered management based on business demands to identify and manage operational and compliance risks. At the same time, the Group requires the suppliers to adhere to business ethics and fulfill contractual obligations during cooperation, and imposes requirements of environmental and social responsibilities to maintain stable partnerships and enhance the stability and synergy of supply chain operations.

3.5.1. Supplier Evaluation and Monitoring

The Group formulated and implemented the Procurement Management System, the Procurement Process and the Supplier Assessment and Procurement Control Procedures to impose access and ongoing management on suppliers. Supplier assessments cover qualification status, corporate risks, raw material quality and environmental protection requirements. Suppliers that pass the assessments may be included in the Qualified Supplier List and managed in accordance with the Supplier Management System. The Group requires suppliers to sign the Anti-Commercial Bribery Agreement prior to cooperation, which sets out the obligations and requirements of both parties in terms of integrity operations, anti-corruption and fair competition to regulate business conduct during the supply chain cooperation process. Upon signing cooperation contracts with suppliers, the Group also incorporates requirements of employment compliance, intellectual property protection, information confidentiality and environmental protection into the contract terms to regulate suppliers' operation and performance behaviour during cooperation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In order to implement the evaluation and monitoring of suppliers, we have adopted the following measures:

<p>Supplier Management System:</p>	<p>Prior to the activity: the project team provides a design proposal, pursuant to which the purchasing department selects suitable suppliers and confirms the partners.</p> <p>During the activity: the project team is responsible for the specific construction progress, and the purchasing department is responsible for checking the construction quality.</p> <p>After the activity: the project team and the purchasing department put forward pricing proposals based on the actual construction conditions of the activity, and the relevant persons in charge finally confirm the pricing.</p>
<p>Supplier Evaluation Criteria:</p>	<p>Priority will be given to suppliers and products that have fulfilled their environmental and corporate social responsibilities, taking into account their qualifications, scale, construction quality and coordination degree.</p>
<p>Tendering Process:</p>	<p>Suitable suppliers are selected from common supplier database according to the activity status, and the activity design and requirement details are sent to the suppliers. The purchasing department will collect the required information within a specified period of time to finalize the suppliers.</p>
<p>Supervision and Management Methods:</p>	<p>During the activity: we regularly liaise with suppliers and review key information including but not limited to construction quality, size, quantity, take photos of the site and fill in evaluation forms for record keeping.</p> <p>After the activity: the purchasing department reviews the suppliers' quotations, analyses the construction situation and makes recommendations.</p>
<p>Mechanisms of rectifying and eliminating unqualified services:</p>	<p>Graded measures, corrective actions and follow-up verifications will be adopted for unqualified or seriously unqualified suppliers. If the circumstances are serious or the requirements are not met repeatedly, its qualified supplier status will be revoked to avoid recurrence of same risks.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.5.2. Sustainable Procurement

The Group incorporates environmental and social factors into procurement management, and conducts assessments and dynamic supervision of suppliers' environmental and social responsibility performance. In specific practices, the Group prioritizes materials with relatively low environmental and social impacts during the on-site setup and scene creation. It established a product traceability mechanism and implements energy conservation, emission-reduction management in logistics, warehousing and waste recycling to reduce the environmental impacts of raw material use and the entire procurement process. Furthermore, during the procurement process, we fully consider environmental factors in product design, procurement, production, packaging, logistics, sales, service, recycling and reuse. We work with upstream and downstream enterprises to implement environmental protection, energy conservation and emission reduction requirements, thereby promoting green supply chain management.

During the Year, the Group had a total of 24 major suppliers, of which 18 were located in Shanghai, China, 3 in Jiangsu, China, 2 in Hangzhou, China and 1 in Guangzhou, China. The procurement categories mainly included the associated products and services of lighting, audio and construction.

4. Dedicated Service

The Group integrates customer needs into service management arrangements during operations and establishes the corresponding policies and management mechanisms in talent management, business flows and project execution aided by refined management and response arrangements to support the stable delivery of project service quality. The Group establishes a unified arrangement for the collection, organising and analysis of customer opinions and complaints and transforms the relevant feedback into constant improvements of the service procedure to optimise the overall customer experience. Customer and project safety are also being included in the highlights of project management. The Group strictly adheres to the applicable national and industry safety standards and supervises and manages each project site to ensure all activities are safely and orderly conducted.

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4.1. Service Quality Management

To support effective implementation of service quality management across each business process, the Group established systems associated with the three aspects of talent team construction, business execution and project implementation. Through supportive management measures, quality requirements are embedded in the entire process of personnel training, service design and project implementation, systematically managing the formation, monitoring and improvement of service quality.

Aspects	Relevant Systems	Measures
Talent team building	The Human Resources Management System	Under the Human Resources Management System, the Group develops and implements training programmes, enhancing the quality awareness of all employees and improving the operation skills of employees at key quality positions, and instilling a service quality mindset at the outset of talent development to ensure stable operation of the Company's quality management system.
Business level	The Design and Development Control System	<p>We exercise control over the entire design process to ensure that products meet customer needs and expectations, as well as comply with relevant legal and regulatory requirements.</p> <p>After entering into a service agreement with a client, we analyze the client's information and tailor our approach based on their distinct characteristics. This process encompasses six stages: design and planning, input, output, review, verification, and confirmation. Quality records are maintained at each stage of the project to provide dual assurance of service quality.</p>

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Aspects	Relevant Systems	Measures
Project management	<p>The Monitoring, Measurement, Analysis and Evaluation Control System</p> <p>The Non-conforming Output Control System</p> <p>The Continuous Improvement Control System</p>	<p>We establish policy documents that respectively focus on quality monitoring, issue resolution, and process optimisation, aiming to:</p> <ul style="list-style-type: none"> accurately assess suitability and effectiveness of the quality system through data-driven management, enabling timely identification of potential issues; effectively control non-conforming materials, substandard services, and non-compliant processes to ensure swift resolution of problems; and guided by continuous improvement, consistently optimise business processes to enhance overall service quality and client satisfaction, thereby ensuring the efficiency and reliability of business operations overall.

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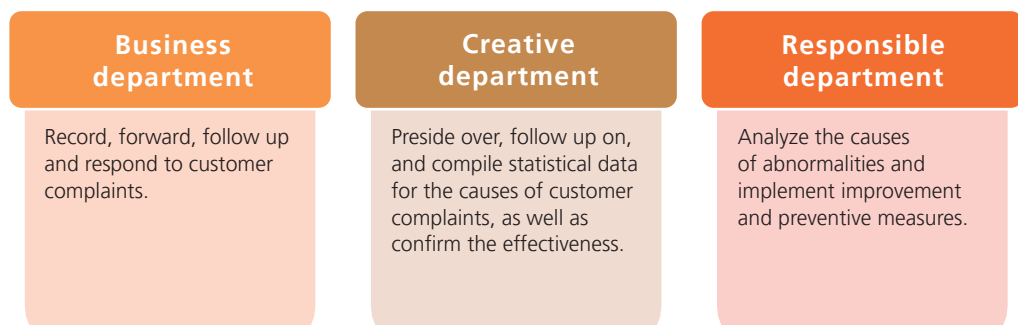
4.2. Customer Satisfaction

The Group attaches great importance to customers' feedback on service quality and collects customers' opinions through the formulation and implementation of the Measurement Procedures for Customer Satisfaction. Each year, the Group distributes the Customer Satisfaction Survey Form to our customers. Survey results are summarized and analyzed to identify customer needs, expectations and improvement directions, and relevant services will be adjusted accordingly. At the same time, we establish archives for customers who purchased our products or services for supporting the management of follow-up services and boosting service efficiency, thereby constantly enhancing customer satisfaction and maintaining stable customer relationships.



4.2.1. Handling of Customer Complaints

The Group standardises the handling of customer complaints and related requirements through the Sales Service Specifications and the Customer Complaints Management Regulations. We handle cases of customer complaints on an independent basis and adopt the relevant remedial measures based on actual situations and make the necessary follow-ups after completion of the handling, ensuring issues have been properly solved. During the Year, the Group did not receive any complaints regarding its products or services.



Responsibilities of each department in the Customer Complaints Management Regulations

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4.2.2. Customer Health and Safety

The health and safety of customers, partners and participants are critical management priorities throughout the planning and execution of the Group's activities. During the processes of project planning, preparation and implementation, we incorporate safety management requirements into the full process of project management arrangements, constantly managing safety risks at the activity site to ensure the orderly conduct of activities.

Event marketing planning stage	<ul style="list-style-type: none"> • We strictly adhere to national and industry-related safety standards, conducting comprehensive supervision and management of the construction process for exhibitions • We conscientiously fulfill and undertake the primary responsibility for safety as event planners according to the Regulations on the Safety Management of Large-scale Public Events
From site investigation to construction stage	<ul style="list-style-type: none"> • We implement safety measures in a full range, including proper goods storage and handling, provision of appropriate handling equipment and tools, compliance with the requirements of production environment, as well as provision of protective conditions and facilities for storage, in order to reduce the risk of accidents and protect the safety and interests of our customers and participants
Event stage	<ul style="list-style-type: none"> • Ensure proper filing and reporting for large-scale events • Ensure proper conduct of risk assessments, implementation of security measures and emergency response measures • Exercise strict oversight of on-site project conditions, promptly activating emergency response plans whenever unforeseen circumstances arise

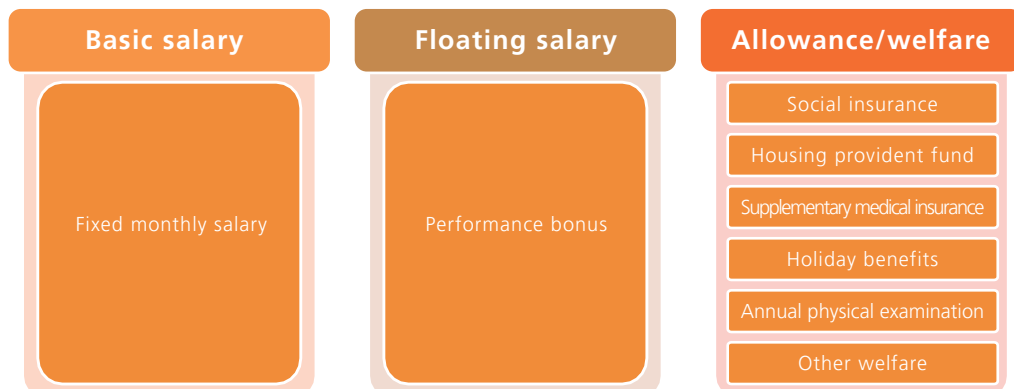
5. Talent Development

The Group adheres to a people-oriented development philosophy and constantly improves the mechanisms of employee management with a focus on fostering harmonious and stable labour relationships. The Group established a standardised human resources management system covering recruitment and configuration, talent training and development, performance management, compensation and benefits as well as employee relations, and promoted the corresponding managing practices in three areas: protection of employee rights and interests, career development and training, health and safety, in order to create a fair and stable workplace and provide talent support for the long-term stable development of the Group.

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5.1. Employee Rights and Welfare

The Group constantly improves its systems and promotes the effective implementation of employee rights and welfare. It established the Employee Welfare Management System to regulate the associated arrangements. On this basis, the Group paid social medical insurance, provident fund and supplementary medical insurance for full-time employees in accordance with the law to safeguard employees' basic welfare. At the same time, we established clear award mechanisms to stipulate the award standards and the methods of implementation to stimulate the enthusiasm of employees through a fair and transparent incentive arrangement. In addition to remuneration and benefits, employees are also entitled to a variety of leave packages, including annual leave, personal leave, marriage leave, maternity leave, bereavement leave and sabbatical leave to support work-life balance. The Group will continue to review and improve the relevant managing arrangements to ensure consistency between employee benefits and management practices.



5.2. Employee Management

The Group constantly improves a fair, transparent and efficient employee management system in supporting employees to fully leverage their capabilities and pursue career development through systematic and standardised management mechanisms. The Group has established and implemented internal management policies, including the Staff Handbook, the Attendance Management System, the Human Resources Control System and the Human Resources Control System which stipulate the standards of employee behaviour and the related management procedures.

For working hours, the Group imposes strict monitoring on overtime work. For employees who need to work overtime due to work, prior approval from the department head must be obtained and file with the human resources department. The relevant arrangements were in strict compliance with the national labour laws and regulations, providing employees with time off or paying overtime compensation to ensure employees' rest and health rights.

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5.2.1. Compliant Employment

The Group strictly adheres to the relevant laws and regulations⁵ to regulate employment management, and ensures relevant procedures are lawfully, fairly and transparently implemented through the implementation of internal systems such as the Recruitment and Dismissal Process System and the Human Resources Management System.

For the protection of labour rights and benefits, the Group clearly prohibits any forms of child labour and forced labour and strictly abides by the relevant laws and regulations of all operating regions regarding the protection of minors and labour employment. During recruitment and employment, the Group verifies the candidates' identity and age proof documents through standardised recruitment procedures to ensure that all employees have reached the legal age for employment, and establishes and maintains employee personnel records in accordance with the laws for daily management and compliance checks.

All employment relationships were established on the voluntary participation of employees and the lawful signing of labour contracts. The Group sets out clear requirements on working hours, attendance and leave arrangements through internal systems such as the Staff Handbook and the Attendance Management System. If potential involvement of child labour or forced labour has been discovered during operations, the Group will handle the situation in accordance to the "Measures to be Taken upon Discovery of Child Labour or Forced Labour", including ceasing their work immediately, providing the necessary accommodations and educational support to ensure the child worker returns to their families safely. The associated requirements for labour compliance are also applicable to suppliers and business partners.

⁵ Please refer to the section headed "Laws and Regulations" for related laws and regulations

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5.2.2. Employee Overview

As of 31 December 2025, the Group had a total of 208 employees, including 11 full-time senior management, 87 full-time middle management and 110 full-time junior employees, of which the employees having a bachelor's degree or above accounted for 83.17%. The distribution of different types of employees is set out below:



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5.2.3. Care for Employees

Employee well-being is closely related to the corporate sustainable development. We strive to create a workplace that emphasizes both care and support, providing employees with stable development spaces and support their growth with the company together. In daily management, the Group constantly pays attention to employees' working experience as well as their physical and mental well-being. We assist employees to achieve a balance between their work and personal life through multiple workplace support arrangements, including flexible working arrangements and diversified benefit initiatives. Also, the Group regularly organises team-building activities and festival celebrations to facilitate communication and collaboration between employees and enhance team cohesion and a sense of belonging.

Spring Festival Holiday Benefits

Under lawful implementation of national statutory holiday arrangements, the Group provides two additional paid benefit holidays, allowing employees to get sufficient rest during festival.

元旦放假时间:
2025年1月1日(周三)放假,共1天。

春节放假时间:
为感谢各位同事在2024年辛勤工作和出色表现,公司决定在国家规定假期的基础上增加2天福利假。
2025年1月25日(周六)至2025年2月4日(周二),共11天。
2月5日(周三)年后正式开工,2月8日(周六)上班。

JAN	M	T	W	T	F	S	S
			1 th	2	3	4	5
	6	7	8	9	10	11	12
	13	14	15	16	17	18	19
	20	21	22	23	24	25 th	26 th
	27 th	28 th	29 th	30 th	31 st	1 st	2 nd
FEB	3 rd	4 th	5 th	6 th	7 th	8 th	9

提前恭祝大家:
新春快乐!阖家幸福!万事如意!

Mid-Autumn Festival Event

As the Mid-Autumn Festival approaches, festive gifts and blessings were extended to group employees as a family letter to express appreciation and greetings to the employees.



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Women's Day Event

On 8 March, festive gifts and blessings were extended to all female employees, sending care and greetings to them.



Christmas Event

Offices were decorated with festival ornaments during Christmas and New Year to create a warm and relaxing working environment, extending festival greetings and blessings to employees.



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Employee Birthday Party

As an extension of the monthly employee birthday parties organised by the administrative department, we hold collective birthday parties for employees who were born on that month, organising everyone to interact, play games and share gifts and fostering interactions and communication between employees.



5.3. Training and Development

Through the implementation of the Performance Appraisal System, the Group evaluates employees' work performance with an unbiased and transparent mechanism. Assessment results are combined with salary adjustments, year-end incentives and career development. Throughout the year, the Group conducted annual performance appraisals and clearly discloses rating standards to ensure consistency and impartiality of performance management procedures and provide clear pathways for growth and development for employees.

For talent development, the Group establishes and improves training systems according to the capability requirements of different positions and ranks, and organised courses such as new employee onboarding training, professional skill enhancement, information security, compliance and integrity education, and courses related to climate change topics. Methods such as on-site interaction, case drills and effect evaluation were adopted to enhance the targeting and practicality of the training, and to strengthen the professional capabilities and risk awareness of employees.

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AI Empowerment and Digitalization	System/Compliance/Risk Management	Foundational Basic Skills
<ul style="list-style-type: none"> AI empowered design AI empowered efficiency AI empowered legal services AI empowered financial services 	<ul style="list-style-type: none"> Latest audit specifications and guidance of ISO 14001 and ISO 9001 Information security training Training workshop on climate-related disclosures Anti-corruption education and training 	<ul style="list-style-type: none"> Newcomer training
		Safety and Emergency <ul style="list-style-type: none"> First aid training Fire safety training
		ESG/Sustainable development <ul style="list-style-type: none"> Training and seminars on climate-related disclosures

During the Year, the Group's annual employee training is as follows:

Indicator	Category	Average Training Hours	Percentage of Employees Trained ⁶
By gender	Female employees	4.00	85.71%
	Male employees	4.00	85.37%
By rank	Full-time junior employees	4.00	84.55%
	Full-time middle management	4.00	85.06%
	Full-time senior management	4.00	100.00%

⁶ Percentage of employees trained = the number of trained employees in this category/the total number of employees in this category X 100%.

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5.4. Occupational Health and Safety

The Group adheres to the applicable occupational health and safety laws and regulations⁷, and formulated and implemented the Occupational Safety and Health Management System. By conducting regular safety inspections, risk assessments, internal audits and management evaluations, the Group identifies and rectifies any potential safety hazards to ensure effective operation of occupational health and safety management. Also, the Group established and implemented emergency plans and responding procedures which cover different of safety incidents. Drills are regularly conducted to enhance emergency responding capabilities, reducing the impacts of sudden events to the safety of employees.

Annual Physical Examination Service for Employees

During the Year, the Group organised physical examination service for all regular employees as part of the employee health management measures to support continuous management of employees' physical health.



Fire Drill

In addition to the occupational health and safety management system, we organise training of fire safety knowledge for all employees and participated the "Participating in Fire Protection to Create Safety and Harmony Together" fire drill organised by the property manager.



First Aid Training

To develop employees' awareness on first aid and gain in-depth understanding of first aid knowledge, we organise first aid knowledge training for all employees, with a special training themed "First Aid for High-frequency Accidents in the Office and Life Protection" held during the Year, which focused on the "Golden Rescue Hours" to enhance their emergency handling capabilities of unexpected health issues through simulations and practical exercises.



⁷ Please refer to the section headed "Laws and Regulations" for related laws and regulations

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Shoulder, Neck and Lumbar Spine Rehabilitation Techniques: Explanation and Therapeutic Experience

For common occupational diseases in offices, we organised special activities for shoulder, neck and lumbar spinal rehabilitation during the Year. We invited professional physiotherapists to explain daily maintenance methods and provided one-on-one sessions to help employees relieve their stress and prevent work-related injuries.



Handcrafted Mugwort Mallet

During the Year, we organised a special “Handcrafted Mugwort Mallet” themed activity. Employees made their own mugwort mallet under the guidance of professional teachers and learned how to use it daily to help alleviate muscles tensions caused by prolonged sitting and allow their bodies and minds to relax.



During the Year, the Group did not receive any complaints and lawsuits regarding violations of laws related to health and safety, and there were no cases of work-related death in the past three years.

6. Green Operations

The Group strictly adheres to all applicable laws and regulations in relation to the environment⁸, and introduced the Corporate Environmental Policy (《企業環境政策》) to incorporate environmental management as part of daily operations and major decision-making. The Group establishes and operates an environmental management system and functioning mechanisms that is certified under the ISO 14001 environmental management system, covering emissions management, use of energy and water resources, waste management and green procurement. The Group also conducts ongoing reviews of the implementation of the management arrangements through regular environmental audits and environmental performance appraisals.



During the Year, the Group identified the major climate-related risks and opportunities involved during operations. As the business of the Group mainly involves office area operations and related supporting activities, its direct impact on the environment and natural resources are relatively limited. We implemented key measures of green office and corresponding environmental management measures in daily operations. During the Year, the Group did not identify any material non-compliances with the laws and regulations in relation to exhaust gas emissions, discharge to water and land as well as the disposal of hazardous and non-hazardous wastes.

⁸ Please refer to the section headed “Laws and Regulations” for related laws and regulations

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6.1. Responding to Climate Change

As extreme climate events are becoming more frequent and stronger and the policy environment of global transition towards low carbon are becoming stricter, companies are facing constantly rising uncertainties in asset safety, project execution, compliance requirements and market competition. As an integrated marketing and event services group that conducts operations in China Mainland and Hong Kong, we recognise that climate-related risks and opportunities have gradually permeated multiple aspects of operational management, client decision-making and brand value.

Therefore, the Group incorporates climate change into its overall development strategy, risk management and ESG governance framework and refers to the International Financial Reporting Standard S2 – Climate-related Disclosures (“**IFRS S2**”) published by the International Sustainable Standards Board (ISSB) and the latest requirements of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange to gradually establish a climate management and disclosure system with the four pillars of “Governance, Strategy, Risk Management, Metrics and Targets” to enhance the Group’s business resilience under different climate scenarios and its capacity of long-term sustainable development.

6.1.1. Governance

The Group established a three-tiered climate governance structure comprising the Board, the ESG Committee and various functional departments and serves as an organisational base for coordinating and advancing climate-related initiatives. The Board serves as the highest decision-making authority and assumes the ultimate responsibility for overseeing climate-related risks and opportunities. It is responsible for

reviewing and approving climate-related strategies and incorporating climate factors into the consideration of the Group’s overall strategic planning and major operational decision-making. By the authority of the Board, the ESG Committee acts as an overseeing and coordinating body of climate affairs and is responsible for organising and coordinating various functional departments to carry out the identification, assessment and management of climate risks and opportunities, as well as the overall planning of responding strategies, management measures and information disclosures. The ESG Committee regularly reports to the Board on the Group’s latest developments regarding climate issues, including changes in risk exposures, the implementation of responding measures and related management effectiveness to ensure that the Board can continue to monitor the Group’s management performance on climate-related matters. Each functional department implements climate-related requirements into their daily operations and project executions according to their established roles and



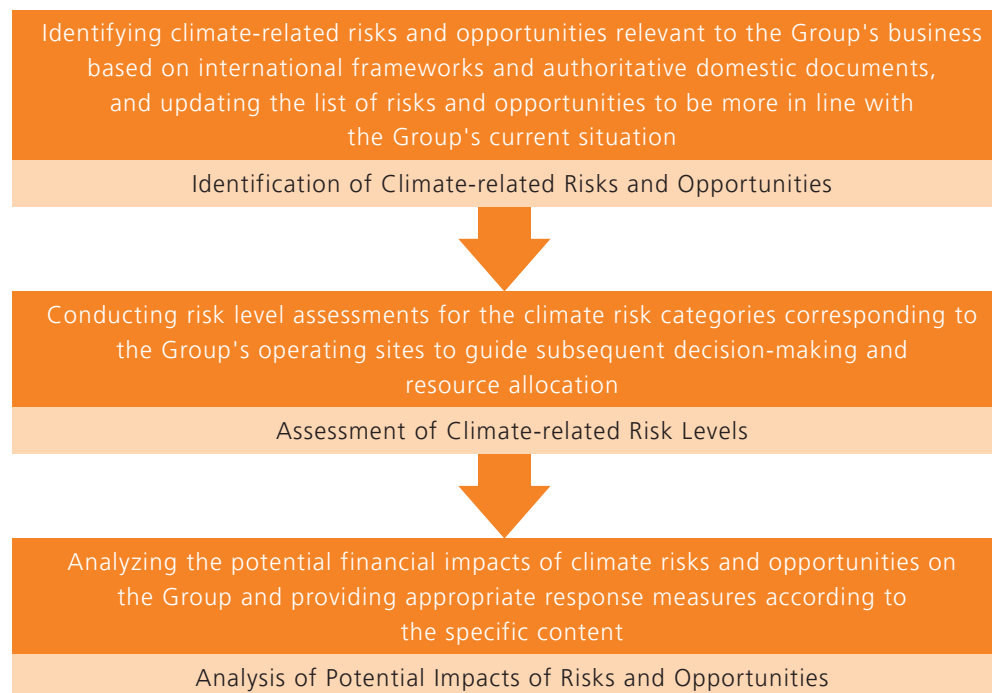
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responsibilities and regularly reports to the ESG Committee regarding the associated performance indicators, including but not limited to the use and management of energy and resources, operational flow optimisation and risk control, thereby establishing a top-down coordination and bottom-up feedback climate management and operational mechanism under the overall governance framework of the Group.

During the Year, the Group engaged professional external advisors to conduct specialized training on climate-related governance and information disclosure, targeting members of the Board and the ESG Committee and the responsible managers of functional departments. The training encompassed the latest regulatory requirements, identification and management of climate-related risks and opportunities, division of governance duties and responsibilities and disclosure principles to support the Board and the management in understanding the relevant requirements and increase their ability to fulfill their duties. The Board will take business development needs into consideration and continuously strengthen the supervision of climate-related matters by leveraging professional support from external parties.

6.1.2. Strategy and Risk Management

The Group takes its own characteristics in the marketing service industry and operational layout into account and integrates the management initiatives of climate-related risks and opportunities into the existing corporate risk management framework. The Group has developed the corresponding management mechanisms to ensure that those matters can be systematically identified and properly managed. Compared to the previous reporting year, there were no major adjustments in the overall procedures of the Group's climate-related risk management.






Climate-related Risk and Opportunity Management Framework

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During the Year, the business scope covered by the climate-related scenario analysis remain consistent with the reporting scope of the ESG report for the current reporting period. The Group made references to the Shared Socioeconomic Pathways (SSP) proposed in the Sixth Assessment Report (AR6) published by the International Panel on Climate Change (IPCC) of the United Nations. For scenario setting, the Group selected the low greenhouse gas emission scenario (SSP1-2.6) and the extremely high greenhouse gas emission scenario (SSP5-8.5) for assessing the physical and transition risks in relation to the climate. However, as the relevant models, assumptions, parameters and long-term uncertainties are still pending additional refinements, the Group has not yet devised reliable assessments regarding the specific quantitative impacts of climate-related risks and opportunities on the financial position (such as the comparable financial data on revenue, costs, asset depreciation, capital expenses and cash flows) at the current stage. In the future, the Group will gradually enhance the quantitative level of relevant analysis in combination with the maturity of business development and data foundation and disclose the results of the corresponding quantitative assessment of financial impacts when the conditions are ripe.

The Group will integrate the Group's business layout and the market environment it is situated and prudently sets the time range for climate-related analysis. The Group refers to the Hong Kong's Climate Action Plan 2050 and the main policy timeframes set out in the goals of "carbon peak and carbon neutrality" proposed by China, and divides the timeframes of assessing the climate-related risks and opportunities into short-term (2025-2030), medium-term (2030-2050) and long-term (after 2050) to identify and assess the climate-related risks and opportunities that may affect the Group at different time dimensions.

 Low Risk	The likelihood of occurrence within the expected timeframe is low, and the expected potential impact on the Group is limited.
 Medium Risk	The likelihood of occurrence within the expected timeframe is medium and the expected potential impact on the Group is moderate.
 High Risk	The likelihood of occurrence within the expected timeframe is high and the expected potential impact on the Group is significant.

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When identifying and assessing climate-related risks and opportunities, the Group comprehensively takes into account the Group’s business nature and its operational characteristics and sets correlation assumptions for different categories of climate-related issues. For physical risks, the Group assumes that extreme weather events and long-term climate change may affect the Group’s operational arrangements, site usage and cost structure, which are primarily based on campaign planning and execution, over different timeframes. For transition risks, the Group assumes that changes in policies, regulations, technological developments and market preferences related to climate change may affect the Group’s customer needs, compliant management and operating costs. For transition opportunities, the Group assumes that the demand for low-carbon campaign schemes and related services may increase as the market and customers are becoming more concerned about sustainability. The correlation assumptions above are solely for supporting the analysis and assessment of the Group’s climate-related risks and opportunities, and do not constitute a forecast of future climate scenarios, policy changes or operating results. The Group will review and update such assumptions as appropriate.

During the year, the Group conducted assessments of climate-related risks and opportunities with the direct involvement of the Board and the management, relevant results as below:

Physical Risks

Physical Risk		SSP1-2.6 Scenario			SSP5-8.5 Scenario		
		2025 – 2030	2030 – 2050	After 2050	2025 – 2030	2030 – 2050	After 2050
Acute Risks	Typhoons and storm surges	•	•	•	•	•	•
	Extreme precipitation and flooding	•	•	•	•	•	•
	Heat waves	•	•	•	•	•	•
Chronic Risks	Water resource pressure	•	•	•	•	•	•
	Sea level rise	•	•	•	•	•	•
	Average atmospheric temperature rise	•	•	•	•	•	•

Low Risk
 Medium Risk
 High Risk

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Under the SSP1-2.6 low emission scenario and according to the results of the scenario analysis, the climate-related physical risks identified by the Group were generally at a relatively low level. For the major categories of physical risks identified, their potential impact on the Group’s operating environment over the short-, medium-, and long-term is generally limited, and the extent of relevant impacts did not demonstrate a prominent intensifying trend over time.

Under the SSP5-8.5 high emission scenario and according to the results of the scenario analysis, some climate-related physical risks demonstrated a rising level in their potential impacts to the Group’s operating environment over the medium- and long-term. Among which, acute risks (i.e.: typhoons and extreme precipitation) and chronic risks (i.e.: heat waves, average atmospheric temperature rise and sea level rise) have been evaluated as having higher potential impacts over the medium- and long-term. In general, under the high emission scenario and over time, the accumulated impacts of climate change may exert more significant pressure on the Group’s operating environment.

Transition Risks

Transition Risk	SSP1-2.6 Scenario			SSP5-8.5 Scenario		
	2025 – 2030	2030 – 2050	After 2050	2025 – 2030	2030 – 2050	After 2050
Policy and Regulation Risk	●	●	●	●	●	●
Technological Risk	●	●	●	●	●	●
Market Risk	●	●	●	●	●	●
Reputational Risk	●	●	●	●	●	●

■ Low Risk ■ Medium Risk ■ High Risk

Under the SSP1-2.6 low emission scenario and according to the results of the scenario analysis, the overall transition risks of the Group were relatively low over the short-term but will gradually increase in the medium- and long-term. During the period of 2025-2030, the potential impacts of transition risks on the Group in terms of policies and regulations, technology and reputation are generally limited. After entering 2030, higher concerns to the policy and regulatory risks will be exhibited while technological, market and reputation risks will gradually emerge, with customers and the market exhibiting higher concerns to climate-related performance over time.

Under the SSP5-8.5 high emissions scenario, the transition risks identified by the Group at each timeframe were generally at a relatively low level and the potential impacts of related risks did not show a significant upward trajectory. However, the Group shall constantly monitor the climate-related disclosure requirements and underlying uncertainties to maintain flexible responsiveness against changes in the external environment.

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Transition Opportunities

Opportunity	Expected time of achievement		
	2025-2030	2030-2050	After 2050
Energy efficiency – energy conservation and waste reduction	✓		
Energy source – green operation		✓	
Products and services – solutions for zero carbon campaigns		✓	
Market – expanding climate-related markets	✓		
Climate resilience – differentiated competitiveness	✓		

Results of the scenario analysis indicated that the Group's climate-related transition opportunities in multiple aspects are mainly concentrated in the short-term (2025-2030) and the medium-term (2030-2050). In the short-term, the opportunities related to resources efficiency are more prominent. Through energy conservation and emission reduction, project execution procedures optimisation and office efficiency enhancements, the Group can improve environmental performance while controlling operating costs. The circulation of climate and sustainability issues and the rising demand for activities and services also provided support for the Group to expand the relevant markets. After 2030, the opportunities related to green energy applications and low-carbon solutions will gradually emerge. By gradually adopting renewable energy, promoting green operations and management, and developing low-carbon communication services and related event proposals, the Group can respond to customers' demands for sustainable services and expand its range of related services.

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Potential impacts and responding strategies

Risk Category	Risk Name	Risk Description	Potential Financial Impact
Physical Risk	Typhoons and storm surge	<ul style="list-style-type: none"> • Infrastructure damage • Continuity of staff commuting and outreach activities will be affected by typhoons • Electricity supply is affected by extreme weather disasters, thereby affecting the operation of the operating sites • Demand for cooling increase, resulting in higher operating costs • Reduction of accessible freshwater resources 	<ul style="list-style-type: none"> • Decrease in revenue: projects were cancelled or postponed due to climate reasons, leading to the decrease in execution revenue, decline in customer satisfaction and the risks of customer loss • Increase in expenses: equipment attrition has increased under high temperatures and heavy rainstorms, which led to an increase in investments in cooling and safety facilities and drove up the operating costs • Risk transfer: the increased facility maintenance, insurance claims and disaster prevention expenditures exert pressure on the overall profit and budget structure
	Extreme precipitation and flooding		
	Heat waves		
	Water resource pressure		
	Sea level rise		
	Average atmospheric temperature rise		
Response			
<ul style="list-style-type: none"> • Formulate responding measures against extreme weather • Provide disaster response training and escape drills to employees • Mitigate the risk of possible energy price increases in future by taking more low-cost emission reduction measures while being favourable to climate and environment • Actively participate in environmental charity activities to alleviate global warming • Enhance employees' awareness of hot weather-related illnesses • Provide more cooling facilities to employees • Develop water conservation measures, such as installation of water-saving fittings, smart metre, low-flow flushing pedestal toilets, water leakage detectors, etc • Conduct on-site safety management properly, pay attention to weather changes, and transfer staff and equipment to a safe haven in a timely manner 			

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Risk Category	Risk Description	Potential Financial Impact
	Failure to achieve the carbon neutrality targets at the national and industry standards	<ul style="list-style-type: none"> • Increase in costs: Compliance costs are constantly rising, particularly in carbon audit, data disclosure and advisory services • Decrease in revenue: Projects that do not comply with regulations or customer demands may be cancelled or lost the opportunity to bid
	Reporting the disclosure of compliance risks	
	Existing products and services are not environmentally friendly and do not meet the national expectation of promoting green products and services	
Policy and legal risk	Response	
	<ul style="list-style-type: none"> • Follow the latest laws and regulations related to climate change and integrate them into management strategies • Inclusion of the contents on carbon peaking and carbon neutrality in employee training programmes, recruit professionals with relevant experience and expand the role and duties of existing staff • Enhance clients' understanding of climate change, and recommend and promote more environmentally friendly activities • Closely monitor the regulations and rules newly introduced by relevant government authorities. Proactive adjustment of business operation mode towards low-carbon and environmental manner to meet the future development direction planned by the government • Increase of green purchase • Strictly control the entry of suppliers, in addition to supplier qualifications, enterprise risk, raw material quality, and strengthen the audit of environmental standards, and through training and introduction to enhance their understanding of climate change, in order to improve their productivity and enhance the resilience to extreme weather 	

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Risk Category	Risk Description	Potential Financial Impact
Market Risk	Shift in consumer preference to environmentally friendly services	<ul style="list-style-type: none"> Increased costs: Unit prices for sourcing suppliers of recyclable materials, green electricity and low-carbon catering are higher than traditional solutions, which compresses the gross profit Decreased revenue: Decreased orders for high carbon-intensive activities led to a reduction of revenue for relevant business lines
	Failure to comply with customers' internal climate change policy/standards or expectations	
	Response	
	<ul style="list-style-type: none"> Continuously monitor market demand for low-carbon, green and energy-efficient products and cater for consumer needs as soon as possible Purchase energy-efficient office supplies and use clean energies to reduce carbon emissions Adopt the green measures required by the industry report and guidelines 	

Risk Category	Risk Description	Potential Financial Impacts
Technology Risk	The current investments in the technologies of low-carbon campaigns and integrated online and offline solutions still possess potentials of further expansion as compared to the trend of customers increasingly adopting more environmentally friendly and more digitalized forms of campaigns	<ul style="list-style-type: none"> Increased costs: Training and system maintenance expenses after introducing new technologies will increase, driving up operating expenses in the short term Decreased revenue: Delays in technological adaptation will lead to the loss of potential projects
	Response	
	<ul style="list-style-type: none"> Keep abreast of the development trends of the technologies in low-carbon activities as well as integrated online and offline solutions, and assess their applicability in conjunction with business needs Promote phased applications of relevant technologies and solutions according to project needs to reduce one-off investments and the risk of short-term increases in operational costs Gradually introduce online and offline integration and low-carbon elements during campaign planning and execution to enhance the flexibility of service plans Keep track of the changes in customers and market demands for the form of low-carbon and digitalized campaigns, and make corresponding adjustments within the existing business framework 	

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Risk Category	Risk Description	Potential Financial Impacts
Reputational risk	Stakeholders demanding the Group to raise its standard on actions in response to climate change; a failure in responding effectively to such demands would impact corporate reputation	<ul style="list-style-type: none"> Increased costs: additional expenses on public relations and resources for brand promotion are required for restoring reputation, leading to increased operating expenses Decreased revenue: Failure to timely and effectively respond to the requirements of future environmental compliance may lead a weakened investment appeal
	Response	
	<ul style="list-style-type: none"> Actively respond to the country's call for "dual carbon", and actively communicate with stakeholders to set and disclose emission reduction targets Publicly disclose the Group's GHG emission data and its efforts in respect of low-carbon operation, etc., in the ESG report to actively safeguard corporate image Communicate with stakeholders on and interpret the sustainability initiatives implemented by the Group Once reputational risk arises, assess its impact immediately and develop countermeasures to deal with it properly 	

In terms of climate-related opportunities, the Group introduced the descriptive dimensions of "Potential Business Impact" and "Potential Value Chain Impact" to address climate-related disclosure requirements since the previous year and continued to adopt during the Year.

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Opportunity Category	Opportunity Name	Opportunity Description	Potential Financial Impact	Potential Business Impact	Potential Value Chain Impact
Climate-related opportunities	Resources efficiency – energy conservation and waste reduction	By taking measures such as energy saving and emission reduction, water and paper conservation, the resources consumption and the wastes emitted can be reduced, to improve the environmental performance	<ul style="list-style-type: none"> Reduced operating cost 	<ul style="list-style-type: none"> Improve efficiency Favourable to labour management and planning 	<ul style="list-style-type: none"> Improve the production capacity
	Products and services – solutions for zero-carbon campaigns	The use of green products and technologies and the provision of green and low-carbon services can enhance competitive advantages, thus increasing customer retention rate	<ul style="list-style-type: none"> Increase in operating revenue 	<ul style="list-style-type: none"> Use of low-cost emission reduction methods Reduce the risk of GHG emissions Capital availability increase (e.g. attracting more investors with a favourable view on low carbon businesses) 	<ul style="list-style-type: none"> Enhance business reputation Strengthen the competition advantage Increase customer retention rate Rise in demand for services
	Market – expanding climate-related markets	Practising low-carbon development and promoting the improvement of raw materials and the use of environmentally friendly materials by suppliers to enhance the ability to respond to the external changing market and to attract more customers	<ul style="list-style-type: none"> Increase in operating revenue 	<ul style="list-style-type: none"> Facilitate access to new and emerging markets Improve the eligibility criteria for the Public Sector Incentive Scheme 	<ul style="list-style-type: none"> Access to new and more efficient suppliers

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Opportunity Category	Opportunity Name	Opportunity Description	Potential Financial Impact	Potential Business Impact	Potential Value Chain Impact
Climate-related opportunities	Energy sources – green operations	Actively using green electricity and energy-saving equipment in its own office premises and cooperative venues, or assist customers to prioritize the use of venues and suppliers that utilize renewable energy in their campaigns to gain premium in capital markets and customer preferences	<ul style="list-style-type: none"> Decrease in operating costs 	<ul style="list-style-type: none"> Increase the stability of energy usage and predictability Optimise the ability of energy protection during project execution Strengthen the Group's ability of green operations in large-scale campaigns and projects 	<ul style="list-style-type: none"> Promote partner venues and suppliers to enhance their energy and environmental standards Gradually guide suppliers to optimise its business direction towards low-carbon and sustainability
	Climate resilience – differentiated competitiveness	By systematically identifying climate risks, formulating emergency plans, strengthening supply chain diversification and key site selection criteria, business continuity is maintained against the backdrop of extreme weather and policy changes, which will further strengthen the Group's image as a reliable partner for customers	<ul style="list-style-type: none"> Increase in operating revenue 	<ul style="list-style-type: none"> Improve the reliability of project delivery under uncertainties such as extreme weather Enhance clients' confidence on the Group's abilities of project management and risk response Reduce the risks of project delays or disruptions due to sudden events 	<ul style="list-style-type: none"> Promote suppliers and collaborators to jointly enhance stability in emergency responses and project delivery Optimise the alternative choices and replace mechanisms of key venues and resources Strengthen customers' impression of the Group as a long-term reliable partner
Response					
<p>Resources efficiency – energy conservation and waste reduction:</p> <ul style="list-style-type: none"> Promote and improve the establishment of an energy management system Take measures to utilize resources efficiently <p>Products and services – solutions for zero-carbon campaigns:</p> <ul style="list-style-type: none"> Promote the application of green products and technologies in the daily operation of enterprises <p>Market-expanding climate-related markets:</p> <ul style="list-style-type: none"> Strengthen green supply chain management and promote green operation <p>Energy sources – green operation:</p> <ul style="list-style-type: none"> Gradually introduce energy usage solutions with higher energy efficiency and lower carbon emissions in the scenarios of office and project execution <p>Climate resilience – differentiated competitiveness</p> <ul style="list-style-type: none"> Constantly improves the Extreme Weather Emergency Plan and on-site management mechanisms 					

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6.1.3. Metrics and Targets

Regarding the management of greenhouse gas emissions, the Group refers to the “Greenhouse Gas Protocol” and “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental Key Performance Indicators” issued by the Stock Exchange of Hong Kong Limited to identify, calculate and disclose greenhouse gas (GHG) emissions. The Group established the boundaries of GHG inspections using the operational control method and completed the GHG emission inspections for the headquarters in Shanghai and the offices in Beijing and Hong Kong.

The GHG emission inspections of the Group focused on the direct emissions (Scope 1) from vehicle usage and the indirect emissions (Scope 2) from using electricity in office areas. The associated emission volume is calculated using the “activity data x emission coefficient x global warming potential” method, in which the activity data is mainly derived from the internal records and utility bills of each subsidiary. The emission coefficient and global warming potential uses the latest available national or local grid emission factors and internationally accepted parameters. Scope 2 GHG emissions are calculated using the geographical method.

Based on a preliminary review, the categories of Scope 3 emissions that are highly relevant to the substance of the Group’s business are limited. For categories with higher applicability, data collection involves complicated value chain collaborations and certain commercially sensitive information. Consequently, the Group’s quantitative disclosure of Scope 3 GHG emissions is currently under gradual refinement and improvements. The Group will incorporate data availability and management maturity to identify feasible pathways for improving data quality and disclosure integrity and continue to review the associated disclosure arrangements.

GHG Emissions			
Type	Unit	2024	2025
Scope 1 GHG emissions	tonnes of CO ₂ e	19.15	14.53
Scope 2 GHG emissions	tonnes of CO ₂ e	165.87	126.69
Total GHG emissions	tonnes of CO ₂ e	185.02	141.22
Total GHG emission intensity	tonnes of CO ₂ e per square metre	0.07	0.06
	tonnes of CO ₂ e per employee	0.76	0.68

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To strengthen the management of climate-related risks and stipulate emission-reduction pathways under different time dimensions, the Group, while continuing its established controlling arrangements of total emission volume, introduced new emission reduction targets for medium-and long-term to further reinforce the phased orientation of emission reduction. The targets are formulated by taking comprehensive consideration of the Group's business characteristics, historical emission levels, climate risk assessment results as well as regulatory and development trends with reference to the direction of long-term temperature control as reflected in global climate governance framework and the commitments made by relevant countries or regions. The Group will continue to monitor its emissions performance based on the annual GHG inventory results while regularly reviewing the pathways to target achievement and inspection management arrangements in light of the external environment and business development circumstances.

Climate targets	
Baseline year	2019
Baseline emission	462.98 tonnes of CO ₂ e
Target type	Absolute emission-reducing targets
Scope of coverage	Scope 1 and Scope 2 GHG emissions
Short-term target	Control the total Scope 1 and Scope 2 GHG emissions in each reporting period at a level not more than the 2019 baseline emission.
Medium-term target	Achieve a 50% reduction in total Scope 1 and Scope 2 GHG emissions by 2035 compared to the 2019 baseline.
Long-term target	Achieve net zero emission for Scope 1 and Scope 2 GHG emissions by 2050.

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6.2. Green Initiatives

The Group adopted “Low-carbon Life by Cherishing Resources and Reducing Waste” as the theme of “energy saving and emission reduction” for the year. It has organised multiple activities focused on low-carbon life, energy saving and emission reduction using various approaches to guide employees in different positions to participate in the relevant practices of environmental protection in line with their respective job responsibilities.

Management measures on paper saving	Low-carbon initiative arrangements
<p>Regulations on printing and paper usage</p> <ul style="list-style-type: none"> • Default to double-sided printing and ink-saving mode • Avoid printing documents if unnecessary • Use double-sided printing in black and white as well as smaller fonts and line spacing if it is necessary to print documents <p>Paperless office</p> <ul style="list-style-type: none"> • Establish an OA (Office Automation) system • Reduce paper usage through digitalized processing of information • Calculate paper consumption regularly to assess the effectiveness of paperless office 	<p>Travel and conference management</p> <ul style="list-style-type: none"> • Encourage taking public transport and carpooling • Prioritize video conferences instead of unnecessary business travel • Preference for direct flights for business travel <p>Vehicle and driver management</p> <ul style="list-style-type: none"> • Conduct regular fleet maintenance • Provide low-carbon driving training for drivers
Green office and energy management	Green procurement and management arrangements
<p>Lighting management</p> <ul style="list-style-type: none"> • Switch off lightings when not in use • Use natural lighting rationally • Set separate lighting switches by area <p>Air-conditioning and equipment management</p> <ul style="list-style-type: none"> • Set reasonable temperature for air conditioners (minimum of 25.5°C) • Avoid installing air conditioners under direct sunlight • Check the operations of lighting and air-conditioning system regularly <p>Management of energy equipment and electricity</p> <ul style="list-style-type: none"> • Use energy-saving equipment that meets national standards • Switch off electrical appliances and power plugs during non-working hours 	<p>Systems and framework</p> <ul style="list-style-type: none"> • Align ISO 9001 with ISO 14001 • Implement the Green Procurement Policy <p>Principles of managing green procurement</p> <ul style="list-style-type: none"> • Prioritise suppliers with good performance in environmental protection • Stipulate requirements of green supply chain management in the contracts • Provide incentives for suppliers whose environmental performance exceeds the agreed standards • Monitor the environmental and social performances of suppliers regularly and specify the relevant requirements such as environmental protection in contracts

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Responding to global climate initiative: Joining the “Earth Hour” campaign

During the Year, the Group continued to actively respond to the Earth Hour initiative organised by the World Wildlife Fund and encourage all employees to switch off unnecessary power at home during holidays to enhance employees’ attention to energy conservation, emission reduction and climate issues through internal advocacy, and extend the concept of sustainability from institutional level to daily behaviour level.



* Source of image: World Wildlife Fund

Promoting green culture creation: the “Water Contains Carbon” office greenery practice activity

During the year, the Group organised and carried out the “Water Contains Carbon” green plant carbon sink observation experiment and care competition. Each department were given green plants and employees were encouraged to record the changes in plant growth, helping employees to understand the concept of “carbon sinks” in a more direct method while improving the office environment and further strengthening the awareness of environmental protection of all employees.



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6.3. Emission Control

6.3.1. Exhaust Emissions

The major air pollutant emissions of the Group are derived from the consumption of fuels by vehicles. The details of the nitrogen oxides, sulphur oxides and particulate matters for the Year are as follows:

Exhaust Emissions			
Type	Unit	2024	2025
Total sulphur oxide (SO _x) emissions	kg	0.11	0.08
Total nitrogen oxide (NO _x) emissions	kg	3.36	3.66
Total particulate matter (PM) emissions	kg	0.25	0.27

6.3.2. Sewage and Waste

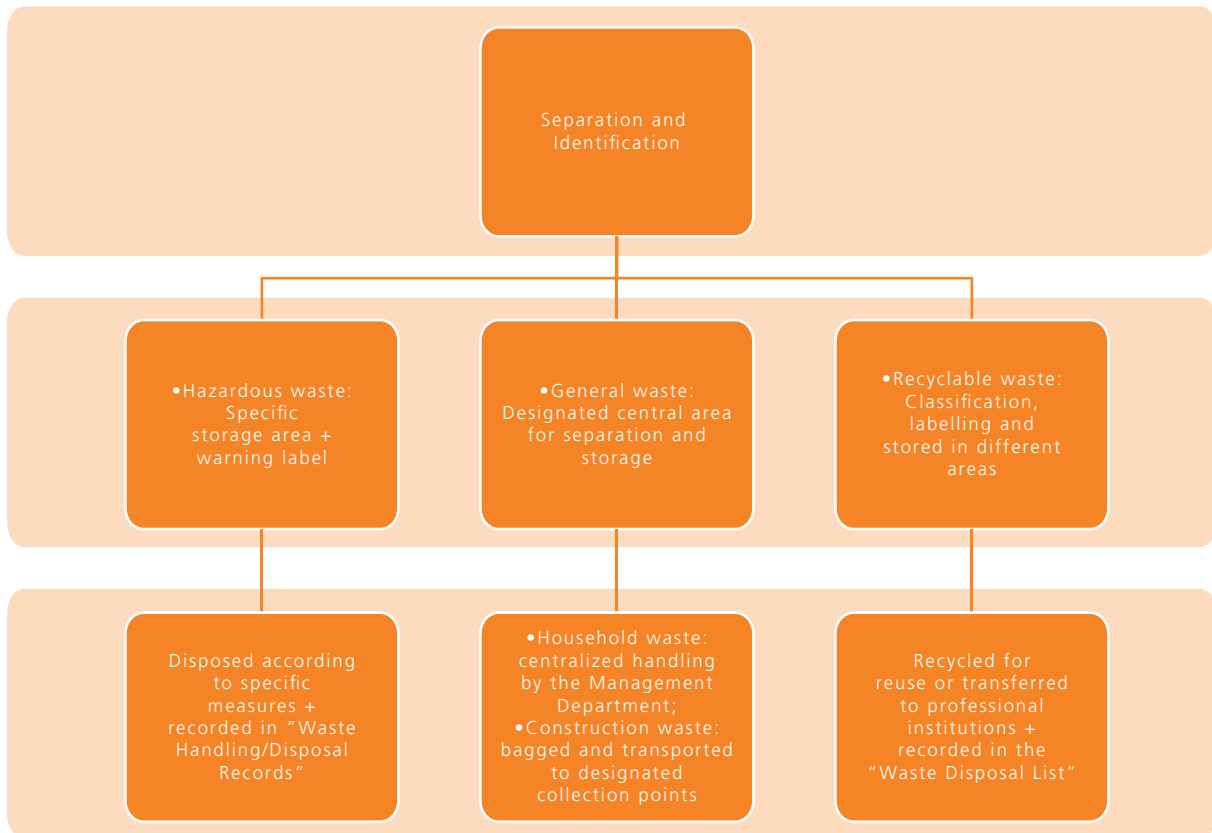
The Group strictly complies with relevant laws and regulations⁹ and developed internal systems such as the Waste Control Procedures and the Waste Disposal Guidance to develop a full process of solid waste management system for the separation, collection, storage and disposal of waste.



Main Measures for Handling Sewage and Waste Discharge

⁹ Please refer to the section headed “Laws and Regulations” for related laws and regulations

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The Group has set an emission intensity target for non-hazardous waste, maintaining or reducing the emission intensity based on the 2021 benchmark of 0.06 tonnes per employee. The Group has implemented unified management of waste discharged during operations. Sewage is mainly discharged from the household sewage generated during daily operations. The said sewage is discharged through the municipal sewage pipe network to the urban sewage disposal facility for centralized treatment and subsequently discharged when conditions were met.

In terms of solid waste management, the Group integrated the characteristics of daily operations and implemented relevant management measures on three aspects: source reduction, process management and final disposal. For source reduction, the Group focused on daily office and resource usage and promote reusing resources and reducing the consumption of single-use items and organise "Old Items Recycling" activities (such as the Wastepaper Upcycling Handcraft Competition) from time to time to enhance employees' knowledge on resources reusing. Meanwhile, the administration and procurement departments coordinate and manage the procurement and allocation of resources according to actual needs to reduce wasting resources due to excessive procurement or inventory overstock.

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For process management, the Group actively responds to the national call for waste separation and launched the Voluntary Sorting and Recycling of Office Waste for Green and Environment Protection scheme in early 2019 to incorporate waste sorting requirements into daily office management and promote continuous implementation of solid waste sorting and recycling. For final disposal, the hazardous waste produced by the Group (such as waste ink cartridges for printers, waste electronic products) were handled by third-party organisations with appropriate qualifications for compliant disposal and recycling. During the Year, the Group was not aware of any material violations of the laws and regulations relating to waste disposal.

Non-hazardous Waste ¹⁰ Generation			
Type	Unit	2024	2025
Total amount of non-hazardous waste	tonnes	12.73	12.76
Non-hazardous waste intensity	tonnes per employee	0.06	0.06
Total paper consumption in offices	kg	1,082.71	1,075.01
Average paper consumption in offices	kg per employee	4.90	5.17

Hazardous Waste Generation			
Type	Unit	2024	2025
Batteries	pieces	120	26
Waste ink cartridges and toner cartridges	pieces	9	11

¹⁰ The total amount of non-hazardous wastes is calculated based on the domestic wastes generated by office operation

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6.4. Resources Consumption

6.4.1. Energy Management

The Group has established energy-saving targets using the electricity consumption of 343,153 kWh in 2019 as benchmark to maintain or gradually reduce electricity consumption. To support the standardised management of energy, the Group formulated and implemented the “Procedures of Energy and Resources Control and Conservation” to manage the relevant aspects involving the use of energy during business operations and in office areas and facilitate reasonable usage of electrical resources.

Energy Management Dimension	Details	Responsible Department
Process Control and Management of Energy Usage	<ul style="list-style-type: none"> Carry out inspections of energy system operations Standardise the operation of electrical appliances and handle abnormalities according to emergency procedures Record and archive facility maintenance. Suspension of energy supply due to inspections and repairs must be reported and approved Assign dedicated (part-time) personnel to safeguard management and business operations 	Engineering and Technology Department
Energy Measurement and Statistics Management	<ul style="list-style-type: none"> Calculate monthly consumptions of energy and resources and fill in the “Statistics Form for Comprehensive Utilization of Water and Electricity” for reporting 	Management Department

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Energy Management Dimension	Details	Responsible Department
Execution of Energy Saving and Consumption Reducing Measures	<ul style="list-style-type: none"> Formulate and submit energy saving schemes and measures for approval Promote new materials and technologies to improve comprehensive utilization of energy Collect and implement employees' suggestions for energy saving to strengthen the awareness of energy saving 	Managing Representative, Engineering and Technology Department, Management Department
Energy Consumption Review and Evaluation	<ul style="list-style-type: none"> Analyze various energy records comprehensively, predict the overview of energy conservation and formulate follow-up energy plans 	Energy Consumption Department

The Group's energy consumption during daily operations mainly consists of direct energy (petrol usage) and indirect energy (purchased electricity). The energy consumption for the Year is as follows:

Energy Consumption			
Type	Unit	2024	2025
Petrol Consumption	Litres	7,200	5,464
Usage of Purchased Grid Electricity	kWh	304,692	237,181

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6.4.2. Water Resource Management

The Group has set a target of saving water to maintain or gradually reduce the consumption of water resources based on the level of 531 tonnes in 2022. The Group had established water-saving management arrangements in its daily operations and integrated water management requirements into publicity and guidance, facility management and operation procedures and enhanced employees' awareness of water conservation by setting water-saving reminders in areas with frequent water usage such as lavatories. At the same time, the Group conducted regular inspections and maintenance of water supply pipes and water-using equipment to promptly address any leakage and malfunctions and gradually installed water-saving sensor taps and dual-flush toilets in compliance with national standards to reduce water consumption from the source. In terms of specific water management, the Group optimised the operation of cleaning procedures by avoiding extensive flushing, collecting miscellaneous domestic water with lower pollution levels for simple treatment, which is subsequently used for non-drinking purposes such as flushing toilets. In the selection of equipment and consumables and greening management in office areas, priority was given to water-saving equipment and drought-tolerant plants to reduce overall demand of water usage. The Group did not encounter any issues in securing appropriate water sources.

Water Consumption			
Type	Unit	2024	2025
Total water consumption	tonnes	503	497
Total water consumption intensity	tonnes per square metre	0.20	0.20
	tonnes per employee	2.28	2.39

7. Practice Public Welfare

During operations, the Group pays attention to the interactive relationship between corporates and society and participates in public welfare activities to give back to society. Combining its own resources and business characteristics, the Group organises and participates in public welfare projects covering the fields of education and environmental protection, so as to fulfill its corporate social responsibility through concrete actions.

Planting Trees and Afforestation

During the Year, the Group donated RMB10,000 to the "One Hundred Million Saxaul Trees" public charity scheme and planted 1,000 saxaul trees in Inner Mongolia to improve the local vegetation coverage and strengthen the resistance against wind and sand fixation, exhibiting positive effects on improving soil carbon sequestration and ecosystem stability.



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Build Dreams through Book Donations

The Group continuously supported the establishment of resources for campus reading through concrete actions. This is the fourth consecutive year that Activation Group has given back to the society through book donations. During the Year, we donated extracurricular books valued at RMB20,000 to Hongmei No. 2 Primary School in Minhang District, Shanghai to enrich the resources of campus reading, provide additional reading choices for students and support them to develop the habit of reading and self-learning abilities. Through continuously carrying out relevant educational public welfare activities, the Group hopes to support the development of schools and communities in a stable and long-term manner and create a more favourable learning environment for students' growth.



Supporting Communities Affected by a Fire Incident in Hong Kong

During the Year, in response to a fire incident in Hong Kong, the Group made a donation of HKD100,000 to the Tai Po Wang Fuk Court Relief Fund established by Government of the Hong Kong Special Administrative Region (HKSAR). The donation was designated to support affected residents with temporary accommodation and basic living needs, including but not limited to emergency housing arrangements, provision of essential supplies and necessary community support services. The donation aimed to assist affected residents in overcoming immediate difficulties, alleviating livelihood pressures and supporting relevant authorities in delivering timely relief and subsequent recovery efforts.

The Group also closely monitored the ongoing impact of the incident on the local community and continued to fulfil its corporate social responsibility through practical actions. By expressing care and support for affected groups, the Group contributed to the restoration of community stability and supported broader recovery and social development.

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8. Appendix 1 – Laws and Regulations

Aspects	Applicable Laws and Regulations	Compliance
Emissions and Use of Resources	<ul style="list-style-type: none"> the Environmental Protection Law of the People's Republic of China(《中華人民共和國環境保護法》) the Law of the People's Republic of China on Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》) the Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》) 	During the Year, the Group did not record any cases of non-compliance with relevant laws and regulations that have a significant impact on the Group or the environment and biodiversity in relation to exhaust gas and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.
Employment and Labour Standards	<ul style="list-style-type: none"> the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) the Prohibition on the Use of Child Labour (《禁止使用童工規定》) 	During the Year, the Group did not record any cases of non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to remuneration and departure, recruitment and dismissal, promotion, working hours, rest periods, equal opportunities, anti-discrimination and other benefits and welfare, as well as the prevention of child and forced labour.
Health and Safety	<ul style="list-style-type: none"> the Provisions on the Supervision and Administration of Occupational Health at Work Sites (《工作場所職業衛生監督管理規定》) the Regulation on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》) the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) the Occupational Safety and Health Ordinance of the Hong Kong Special Administrative Region 	During the Year, the Group did not record any cases of non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to the provision of a safe working environment and the protection of employees against occupational hazards. There were no safety incidents in the Group's business activities.

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Aspects	Applicable Laws and Regulations	Compliance
Product Responsibility	<ul style="list-style-type: none"> the Data Security Law of the PRC (《中華人民共和國數據安全法》) the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) the Patent Law of the People's Republic of China (《中華人民共和國專利法》) the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) Personal Information Security Specification (GB/T35273-2020) (《個人信息安全規範》(GB/T35273-2020)) the Personal Data (Privacy) Ordinance of the Hong Kong Special Administrative Region 	<p>During the Year, the Group did not record any cases of non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labelling and privacy matters in relation to the Group's products and services and methods of redress, and did not recall any of its products for safety and health reasons.</p>
Anti-corruption	<ul style="list-style-type: none"> the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) the Oversight Law of the People's Republic of China (《中華人民共和國監察法》) the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region 	<p>During the Year, the Group did not record any corruption lawsuits against the Group or its employees that have been concluded, and did not record any cases of non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud and money laundering.</p>

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9. Appendix 2 – Environmental Key Performance Indicators¹¹

KPIs		Unit	2024	2025
Emissions¹²	SOx emissions	kg	0.11	0.08
	NOx emissions	kg	3.36	3.66
	PM emissions	kg	0.25	0.27
GHG Emissions¹³	Direct GHG emissions (Scope 1)	tonnes of CO ₂ e	19.15	14.53
	Indirect GHG emissions (Scope 2)	tonnes of CO ₂ e	165.87	126.69
	Total GHG emissions	tonnes of CO ₂ e	185.02	141.22
	Total GHG emission intensity (Scope 1 and Scope 2)	tonnes of CO ₂ e per square metre	0.07	0.06
		tonnes of CO ₂ e per employee	0.76	0.68
Hazardous Waste	Batteries	pieces	120	26
	Waste ink cartridges and toner cartridges	pieces	9	11
Non-Hazardous Waste	Total amount of non-hazardous waste	tonnes	12.73	12.76
	Non-hazardous waste intensity	Tonnes per employee	0.06	0.06
Paper Consumption	Total paper consumption	kg	1,082.71	1,075.01
	Average paper consumption	kg per employee	4.90	5.17
Vehicle Fuel Consumption	Gasoline consumption	litres	7,200	5,464
Energy Consumption	Total electricity consumption	kWh	304,692	237,181
	Total electricity consumption intensity	kWh per square metre	121.61	94.66
		kWh per employee	1,378.70	1,140.29
Water Consumption	Total water consumption	tonnes	503	497
	Water consumption intensity	tonnes per square metre	0.20	0.20
		tonnes per employee	2.28	2.39

¹¹ The data collected in the environmental aspect covered the headquarters in Shanghai, and the offices in Beijing and Hong Kong.

¹² Refer to the Technical Guideline for the Preparation of Emission Inventory for Air Pollutants from Non-road Mobile Sources (《非道路移動源大氣污染物排放清單編製技術指南》) issued by the Ministry of Ecology and Environment of the PRC for the emission factors of machinery and equipment, and refer to the Reporting Guidance on Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange for other emission factors.

¹³ Refer to the Announcement on the Issuance of Carbon Dioxide Emission Factors for Electricity in 2023 (《關於發佈二零二三年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment of the People's Republic of China for the GHG emission factors of purchased electricity in Mainland China, and refer to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental Key Performance Indicators of the Hong Kong Stock Exchange for other emission factors.

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10. Appendix 3 – Social Key Performance Indicators¹⁴

KPIs		2024	2025
Employment¹⁵			
Total number of employees		221	208
Employee distribution			
By gender	Male	88	82
	Female	133	126
By rank	Full-time junior employees	117	110
	Full-time middle management	93	87
	Full-time senior management	11	11
By age group	Aged under 30	88	70
	Aged between 30-50	126	127
	Aged above 50	7	11
By education	Associate degree or below	41	35
	Bachelor degree	139	134
	Master degree	41	39
By nationality	China	198	186
	Hong Kong, Macau and Taiwan	21	21
	Foreign nationalities ¹⁶	2	1
By geographical region	Beijing	40	34
	Shanghai	170	162
	Hong Kong	11	12
Employee turnover rate¹⁷			
Total employee turnover rate¹⁸		26.58%	22.39%
By gender	Male	23.48%	20.39%
	Female	28.49%	23.64%
By age group	Aged under 30	36.23%	32.69%
	Aged between 30-50	18.18%	16.45%
	Aged above 50	22.22%	8.33%
By geographical region	Beijing	20.00%	17.07%
	Shanghai	27.04%	23.22%
	Hong Kong	38.89%	25.00%

¹⁴ The data collected in the social aspect covered the whole Group

¹⁵ 2024 data for full-time middle and senior management have been revised, with corresponding updates made to the related training data

¹⁶ From Malaysia

¹⁷ The turnover rate of employees in each category = the number of employees left in this category during the Year ÷ (the number of employees left in this category during the Year + the number of employees in this category at the year end) × 100%

¹⁸ The calculation of the employee turnover rate of the Group includes resigned employees who do not pass the probation. Employee turnover rate = the number of employees left during the Year ÷ (the number of employees left during the Year + total number of employees at the year end) × 100%

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KPIs		2024	2025
Average training hours of employees trained			
By gender	Male	4.00	4.00
	Female	4.00	4.00
By position	Full-time junior employees	4.00	4.00
	Full-time middle management	4.00	4.00
	Full-time senior management	4.00	4.00
Percentage of employees trained			
By gender	Male	86.36%	85.37%
	Female	85.71%	85.71%
By rank	Full-time junior employees	81.20%	84.55%
	Full-time middle management	90.32%	85.06%
	Full-time senior management	100.00%	100.00%
Occupational health and safety			
Number of work-related fatalities occurred in each of the past three years including the reporting year		0	0
Rate of work-related fatalities occurred in each of the past three years including the reporting year		0.00%	0.00%
Lost days due to work injury (days)		0	0
Supply chain management			
Number of suppliers	Shanghai, China	23	18
	Beijing, China	2	–
	Jiangsu, China	4	3
	Guangzhou, China	3	1
	Hangzhou, China	–	2
Anti-corruption			
Number of concluded legal cases regarding corrupt practices initiated (cases)		0	0
Community investment			
Donation		RMB30,000 and HK\$20,000	RMB30,000 and HK\$100,000

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11. Appendix 4 – Index to the ESG Reporting Code

Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Board Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> (a) Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. (b) Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. (c) Consistency: The issuer should disclose in the ESG report any changes to the calculation methods or KPIs used, or any other relevant factors affecting a meaningful comparison. 	<p>Reporting Guide and Principles</p> <p>Materiality: In accordance with the Stock Exchange’s principle of importance, the process of material ESG factors in the Report, the criteria for selecting these factors, the identification process of the material topics and matrix of material topics, as well as the description of the key stakeholders and the process and results of stakeholder engagement have been identified and disclosed in the Report.</p>

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks
		<p>Quantitative: Statistical standards, methodologies, assumptions and/ or calculation tools used in the Report for reporting emissions/ energy consumption (if applicable), as well as the sources of conversion factors, are described in the explanatory notes to the Report</p> <p>Consistency: The statistical methodology used for the information disclosed in the Report are consistent. Any changes will be clearly stated in the Report</p>

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope	
A. Environmental			
Aspect A1:Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation	
	KPI A1.1	The types of emissions and respective emissions data	Emission Control, Appendix 2 – Environmental Key Performance Indicators
	KPI A1.2	Repealed on 1 January 2025	Responding to Climate Change, Appendix 2 – Environmental Key Performance Indicators
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emission Control, Appendix 2 – Environmental Key Performance Indicators
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emission Control, Appendix 2 – Environmental Key Performance Indicators

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Aspects	Requirements of the ESG Reporting Code of HKEX		Chapters/Remarks
	KPI A1.5	Description of emission target(s) and steps taken to achieve them	Responding to Climate Change, Resources Consumption
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of waste reduction target(s) and steps taken to achieve them	Emission Control
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Responding to Climate Change, Water Resource Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Responding to Climate Change, Appendix 2 – Environmental Key Performance Indicators
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Water Resource Management, Appendix 2 – Environmental Key Performance Indicators
	KPI A2.3	Description of energy use efficiency target(s) and steps taken to achieve them	Water Resource Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them	Water Resource Management

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Aspects	Requirements of the ESG Reporting Code of HKEX		Chapters/Remarks
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable, the business of the Group does not involve production
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources		Responding to Climate Change, Green Initiatives
	KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	Responding to Climate Change, Green Initiatives
B. Social			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employee Management
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Employee Profile, Appendix 3 – Social Key Performance Indicators
	KPI B1.2	Employee turnover rate by gender, age group and geographical region	Appendix 3 – Social Key Performance Indicators

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	
	KPI B2.1	Number and rate of work-related fatalities	Occupational Health and Safety, Appendix 3 – Social Key Performance Indicators
	KPI B2.2	Lost days due to work injury	Occupational Health and Safety, Appendix 3 – Social Key Performance Indicators
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Occupational Health and Safety

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development	
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Training and Development, Appendix 3 – Social Key Performance Indicators
	KPI B3.2	The average training hours completed per employee by gender and employee category	Training and Development, Appendix 3 – Social Key Performance Indicators
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of child and forced labour.	Compliant Employment, Employee Rights and Interests	
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Compliant Employment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	Compliant Employment

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
	KPI B5.1	Number of suppliers by geographical region	Supply Chain Management, Appendix 3 – Social Key Performance Indicators
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supply Chain Management, Green Action

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Product B6: Product Responsibility	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to the products and services provided and methods of redress.	Service Quality Management	
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Customer Satisfaction
	KPI B6.2	Number of products and services related complaints received and how they are dealt with	Customer Satisfaction
	KPI B6.3	Description of practices relating to the observing and protecting intellectual property rights	Protection of Intellectual Property Rights
	KPI B6.4	Description of quality assurance process and recall procedures	Service Quality Management
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Information Security and Privacy Protection

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Aspects	Requirements of the ESG Reporting Code of HKEX	Chapters/Remarks	
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption Management	
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-corruption Management, Appendix 3 – Social Key Performance Indicators
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Anti-corruption Management
	KPI B7.3	Description of anti-corruption training provided to directors and staff	Anti-corruption Management
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Practice Public Welfare	
	KPI B8.1	Focus areas of contribution	Practice Public Welfare
	KPI B8.2	Resources contributed to the focus area	Practice Public Welfare, Appendix 3 – Social Key Performance Indicators

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12. Index to IFRS S2 Climate-related Disclosure

Description of Climate-related Disclosure	Chapters/Remarks
<p>Governance</p> <p>5. The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.</p> <p>6(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</p>	
<p>(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);</p>	<p>Responding to Climate Change – Governance</p>
<p>(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p>	
<p>(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p>	
<p>(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity’s strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and</p>	
<p>(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33-36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).</p>	<p>The Group has incorporated carbon management-related indicators into certain functional departments. Currently, no quantitative connection mechanism directly linking climate performance indicators to the remuneration of directors and senior management has been established. In the future, the Group will continue to assess the feasibility of incorporating climate-related performance into the remuneration system.</p>

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Description of Climate-related Disclosure	Chapters/Remarks
6(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including:	Responding to Climate Change – Governance
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Responding to Climate Change – Governance Responding to Climate Change – Strategy and Risk Management
Strategy	
8 The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
9(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (see paragraphs 10-12);	Responding to Climate Change – Strategy and Risk Management
9(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13);	The Group has conducted qualitative analysis on the potential impacts of climate factors on operations and costs, however, the provision of accurate quantitative data on the specific financial impacts at different time dimensions is currently unavailable due to the limitations of current quantitative instruments and data.
9(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraph 14);	
9(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15-21); and	
9(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22).	Responding to Climate Change – Strategy and Risk Management

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Climate-related risks and opportunities</p> <p>10 An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:</p>	
<p>10(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;</p>	<p>Responding to Climate Change – Strategy and Risk Management</p>
<p>10(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;</p>	<p>With reference to the national "dual carbon" targets and the orientation of Hong Kong policies, the Group</p>
<p>10(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term— the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p>	<p>has established a climate assessment framework spanning different time periods. In the future, the Group will further improve the mechanism of aligning climate</p>
<p>10(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.</p>	<p>timeframes with internal control planning system by deepening the application of scenario analysis, thereby achieving more forward-looking strategic resource allocation and risk management.</p>

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Business model and value chain</p> <p>13 An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:</p>	
<p>13(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and</p>	<p>Responding to Climate Change – Strategy and Risk Management</p>
<p>13(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>Responding to Climate Change – Strategy and Risk Management</p> <p>The Report has analyzed areas of concentrated risks based on operational characteristics (such as business regions and supply chains); however, detailed lists or geographical coordinates of the specific affected assets have not been disclosed due to commercial sensitivity and security considerations.</p>
<p>Strategy and decision-making</p> <p>14 An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p>	
<p>14(a) Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:</p>	<p>Responding to Climate Change – Strategy and Risk Management</p> <p>Responding to Climate Change – Metrics and Targets</p>
<p>(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities;</p>	<p>Responding to Climate Change – Strategy and Risk Management</p>
<p>(ii) current and anticipated direct mitigation and adaptation efforts;</p>	
<p>(iii) current and anticipated indirect mitigation and adaptation efforts;</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies;</p>	<p>The Group has formulated a climate-related transition plan, clarifying its direction of emission reduction in operations, key actions and arrangements as well as the corresponding governance mechanisms, and has incorporated the related elements into its existing risk management and business planning framework. Such transition plan is based on the key assumptions formed through the assessments of policy environment, technological developments, market trends, stakeholder concerns and climate scenarios while relying on factors such as the market availability of green electricity and low-carbon materials, the availability of Scope 3 emission data, and the data quality of carbon accounting instruments. The Group will continuously review and optimise the implementation arrangements of the transition plan through the integration of regulatory developments, technological advancements and business developments.</p>
<p>(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33-36.</p>	<p>Responding to Climate Change – Metrics and Targets</p>
<p>14 (b) Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).</p>	
<p>14 (c) Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
Financial position, financial performance and cash flows 15 An entity shall disclose information that enables users of general purpose financial reports to understand:	
15(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	The Group has analyzed the potential financial impacts of main physical and transition risks (such as operating costs and revenue). Leveraging the continuously optimising instruments and data foundations of scenario analysis, the Group will steadily advance the quantitative assessments and disclosures of cross-cycle financial impacts, aiming to provide users of general purpose financial reporting with a clearer and more detailed analysis of financial correlations.
15(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	
16 Specifically, an entity shall disclose quantitative and qualitative information about:	
16(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	
16(b) the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
16(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans, including plans the entity is not contractually committed to; and	
(ii) its planned sources of funding to implement its strategy; and	
16(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Climate resilience</p> <p>22 An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity’s circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:</p>	
<p>22(a) the entity’s assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:</p>	<p>Responding to Climate Change – Strategy and Risk Management</p>
<p>(i) the implications, if any, of the entity’s assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;</p>	<p>The Group employs scenario analysis that are based on internationally recognized frameworks (IPCC) and combines operational characteristics to assess risk changes. Based on continuous research and determination of the external macroeconomic environment and technological trends, the Group will continuously optimise the hypothetical models of scenario analysis. Going forward, the Group is committed to enhancing the transparency of key assumptions and potential uncertainties within a more comprehensive disclosure framework, thereby strengthening the credibility of climate-related financial information.</p>
<p>(ii) the significant areas of uncertainty considered in the entity’s assessment of its climate resilience;</p>	
<p>(iii) the entity’s capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:</p>	
<p>(1) the availability of, and flexibility in, the entity’s existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;</p>	
<p>(2) the entity’s ability to redeploy, repurpose, upgrade or decommission existing assets; and</p>	
<p>(3) the effect of the entity’s current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and</p>	
<p>22(b) how and when the climate-related scenario analysis was carried out, including:</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>(i) Information about the inputs the entity used, including:</p> <p>(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) the time horizons the entity used in the analysis; and</p> <p>(7) what scope of operations the entity used in the analysis.</p>	
<p>(ii) the key assumptions the entity made in the analysis, including assumptions about:</p> <p>(1) climate-related policies in the jurisdictions in which the entity operates;</p> <p>(2) macroeconomic trends;</p> <p>(3) national- or regional-level variables;</p> <p>(4) energy usage and mix; and</p> <p>(5) developments in technology; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Risk Management</p> <p>24 The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.</p>	
<p>25 To achieve this objective, an entity shall disclose information about:</p>	<p>Responding to Climate Change – Strategy and Risk Management</p>
<p>25(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p>	
<p>(i) the inputs and parameters the entity uses;</p>	
<p>(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;</p>	
<p>(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks;</p>	
<p>(iv) whether and how the entity prioritises climate-related risks relative to other types of risk;</p>	
<p>(v) how the entity monitors climate-related risks; and</p>	
<p>(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;</p>	
<p>25(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and</p>	
<p>25(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Metrics and Targets</p> <p>27 The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.</p>	
<p>28 To achieve this objective, an entity shall disclose:</p>	<p>Responding to Climate Change – Metrics and Targets</p>
<p>28(a) information relevant to the cross-industry metric categories (see paragraphs 29-31);</p>	
<p>28(b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32); and</p>	
<p>28(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets (see paragraphs 33-37).</p>	

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Description of Climate-related Disclosure	Chapters/Remarks
<p>Climate-related metrics</p> <p>29 An entity shall disclose information relevant to the cross-industry metric categories of:</p> <p>29(a) greenhouse gases—the entity shall:</p> <p>(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as:</p> <p>(1) Scope 1 greenhouse gas emissions;</p> <p>(2) Scope 2 greenhouse gas emissions; and</p> <p>(3) Scope 3 greenhouse gas emissions;</p>	<p>Responding to Climate Change – Metrics and Targets Appendix 2 – Overview of Environmental Key Performance Indicators</p> <p>The Report has disclosed Scope I and Scope II emissions. Based on preliminary assessment, the categories in Scope 3 emissions that are highly relevant to the business of the Group were limited. Data collection for categories with higher applicability involves complicated value chain collaborations and certain commercially sensitive information. Consequently, the Group’s quantitative disclosure of Scope 3 greenhouse gases emissions is currently under gradual refinement and improvement. The Group will incorporate data availability and management maturity and continue to review the associated disclosure arrangements.</p>
<p>(iii) disclose the approach it uses to measure its greenhouse gas emissions including:</p> <p>(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;</p> <p>(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</p> <p>(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p>	<p>Responding to Climate Change – Metrics and Targets</p>

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Description of Climate-related Disclosure	Chapters/Remarks
<p>(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between:</p> <p>(1) the consolidated accounting group; and</p> <p>(2) other investees excluded from paragraph 29(a)(iv)(1);</p>	<p>Responding to Climate Change – Metrics and Targets</p> <p>The scope of data coverage is consistent with the reporting scope.</p>
<p>(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and</p>	<p>Responding to Climate Change – Metrics and Targets</p> <p>Calculated using a location-based methodology.</p>
<p>(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), disclose:</p> <p>(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and</p> <p>(2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.</p>	<p>Based on preliminary assessment, the categories in Scope 3 emissions that are highly relevant to the business substance of the Group were limited. Data collection for categories with higher applicability involves complicated value chain collaborations and certain commercially sensitive information. Consequently, the Group's quantitative disclosure of Scope 3 greenhouse gases emissions is currently under gradual refinement and improvement. The Group will incorporate data availability and management maturity and continue to review the associated disclosure arrangements.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of Climate-related Disclosure	Chapters/Remarks
<p>29(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;</p> <p>29(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p> <p>29(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.</p> <p>29(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>The Report did not quantitatively disclose the amount and proportion of assets or business activities that are vulnerable to climate-related physical or transition risks, nor did it separately disclose climate-related capital expenditures. To improve the comparability and consistency of disclosures, the Group will gradually improve the disclosures and presentation of climate-related capital deployment in alignment with the approaches of project management and financial classification.</p>
<p>29(f) internal carbon prices—the entity shall disclose:</p> <p>(i) an explanation of whether and how the entity is applying a carbon price in decision-making; and</p> <p>(ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;</p>	<p>The Group is continuously deepening its research on carbon market instruments and synergistically promoting emission reduction measures and data governance. Building on the stable operation of its existing carbon management system and subject to the demands of business development, the Group will assess the application prospects of internal carbon pricing or related financial instruments as needed to propel a low-carbon transformation in its operations and investment decisions.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of Climate-related Disclosure	Chapters/Remarks
<p>29(g) Remuneration—the entity shall disclose:</p> <p>(i) a description of whether and how climate-related considerations are factored into executive remuneration; and</p> <p>(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.</p>	<p>The Group has incorporated carbon management-related indicators into certain functional departments. Currently, no quantitative connection mechanism directly linking climate performance indicators to the remuneration of directors and senior management has been established. In the future, the Group will continue to assess the feasibility of incorporating climate-related performance into the remuneration system.</p>
<p>Climate-related targets</p> <p>33 An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p>	
33(a) the metric used to set the target;	<p>Responding to Climate Change – Metrics and Targets</p>
33(b) the objective of setting the target;	
33(c) the part of the entity to which the target applies;	
33(d) the period over which the target applies;	
33(e) the base period from which progress is measured;	
33(f) any milestones and interim targets;	
33(g) if the target is quantitative, whether it is an absolute target or an intensity target; and;	
33(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of Climate-related Disclosure	Chapters/Remarks
<p>34 An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p>	<p>Responding to Climate Change – Metrics and Targets</p>
<p>34(a) whether the target and the methodology for setting the target has been validated by a third party;</p>	<p>The Group has set greenhouse gases emission targets, which have been reviewed and approved by the management of the Group with reference to the “Hong Kong Climate Action Blueprint 2050” and the national “dual carbon” targets, and based on historical emission data and operational conditions. Currently, no third-party verifications have been conducted. The Group will conduct internal reviews of the related targets in conjunction with annual greenhouse gases emission performance using annual greenhouse gases emission data as the main indicator for monitoring target progress. During the Reporting Period, the Group added medium- and long-term targets to the existing targets to further monitor the implementation progress of climate strategies.</p>
<p>34(b) the entity’s processes for reviewing the target;</p>	
<p>34(c) the metrics used to monitor progress towards reaching the target; and</p>	
<p>34(d) any revisions to the target and an explanation for those revisions.</p>	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of Climate-related Disclosure	Chapters/Remarks
35 An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Responding to Climate Change – Metrics and Targets
36 For each greenhouse gas emissions target disclosed in accordance with paragraphs 33-35, an entity shall disclose:	The Group assesses the related business results based on the performance of its annual greenhouse gases emissions. The relevant changes were primarily related to the operational scale and energy usage of the Group. The greenhouse gases emission targets already disclosed by the Group covered greenhouse gases such as carbon dioxide from Scope 1 and Scope 2 greenhouse gas emissions, being the targets of total greenhouse gas emissions. Given the business nature of Group is primarily service-oriented, the relevant decarbonization methods in the industry are not directly applicable to the Group, therefore the related targets were not set based on specific industry decarbonization methods.
36(a) which greenhouse gases are covered by the target.	
36(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
36(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
36(d) whether the target was derived using a sectoral decarbonisation approach.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of Climate-related Disclosure	Chapters/Remarks
<p>36(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:</p> <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use. 	<p>As of the end of the Reporting Period, the Group did not intend to utilize certified carbon credits for offsetting during the achievement of reducing greenhouse gas emissions or net emission targets. For many years, the Group has been participating in public welfare initiatives such as afforestation to support carbon absorption, environmental improvement and other related initiatives. The Group will continue to monitor initiatives that avoid generating greenhouse gas emissions or remove greenhouse gases from the atmosphere and conduct assessments in conjunction with regulatory and market developments.</p>

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Activation Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Activation Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 154 to 238, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
Expected credit losses ("ECLs") for trade receivables	
<p>As at 31 December 2025, the Group recorded trade receivables of RMB273,817,000 before a loss allowance of RMB10,076,000, representing approximately 41.5% of the total assets of the Group.</p> <p>The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.</p> <p>Significant management judgement and estimates are required in assessing the ECLs for the trade receivables, with reference to the groupings of various customer segments, with similar loss patterns, historical credit loss experience and both the current and forecast general economic conditions at the reporting date.</p> <p>The related disclosures are included in notes 3 and 21 to the consolidated financial statements.</p>	<p>In evaluating management's impairment assessment, our audit procedures included understanding and assessing the Group's policy on determining the loss allowance in accordance with the requirements of HKFRS 9 <i>Financial Instruments</i>, including an evaluation of management's judgements on (i) the level of disaggregation of categories for collective assessment; and (ii) the use of available credit risk information, including historical and forward-looking information.</p> <p>We reviewed management's assumptions used to determine the ECLs through testing the underlying information on the ageing reports generated by the Group's financial reporting system and assessing the repayment history of the debtors as well as forward-looking factors with reference to the related publicly available information. We also assessed the related disclosures in the consolidated financial statements.</p>

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chung Chi Ming (practising certificate number: P06758).

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

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	707,395	847,750
Cost of sales		<u>(499,816)</u>	<u>(593,479)</u>
Gross profit		207,579	254,271
Other income and gains	5	23,107	13,629
Selling and distribution expenses		(78,051)	(84,544)
General and administrative expenses		(44,261)	(61,596)
Other expenses, net		(3,425)	(5,621)
Finance costs	7	(371)	(418)
Share of profits and losses of:			
Joint venture		1,731	1,278
Associate		<u>1,744</u>	<u>3,132</u>
PROFIT BEFORE TAX	6	108,053	120,131
Income tax expense	10	<u>(26,960)</u>	<u>(32,753)</u>
PROFIT FOR THE YEAR		<u>81,093</u>	<u>87,378</u>
Attributable to:			
Owners of the parent		76,001	79,243
Non-controlling interests		<u>5,092</u>	<u>8,135</u>
		<u>81,093</u>	<u>87,378</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic (RMB cents)		10.22	10.88
Diluted (RMB cents)		<u>10.21</u>	<u>10.65</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	81,093	87,378
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(7,764)	(10,099)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(4,926)	1,693
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(12,690)	(8,406)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	68,403	78,972
Attributable to:		
Owners of the parent	63,311	70,837
Non-controlling interests	5,092	8,135
	68,403	78,972

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,084	4,474
Right-of-use assets	14	7,382	6,980
Goodwill	15	10,233	10,233
Intangible assets	16	463	700
Investment in a joint venture	17	6,010	4,279
Investment in an associate	18	9,983	8,239
Investments at fair value through other comprehensive income	19	13,891	22,433
Investment at fair value through profit or loss	20	20,015	13,375
Deposits	22	701	391
Deferred tax assets	26	3,761	1,875
Total non-current assets		<u>75,523</u>	<u>72,979</u>
CURRENT ASSETS			
Trade receivables	21	263,741	264,935
Prepayments, deposits and other receivables	22	21,442	28,141
Pledged bank deposits	23	665	665
Cash and cash equivalents	23	298,041	379,189
Total current assets		<u>583,889</u>	<u>672,930</u>
CURRENT LIABILITIES			
Trade payables	24	246,231	294,701
Other payables and accruals	25	33,107	63,730
Lease liabilities	14	2,675	1,910
Tax payable		8,729	15,219
Total current liabilities		<u>290,742</u>	<u>375,560</u>
NET CURRENT ASSETS		<u>293,147</u>	<u>297,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>368,670</u>	<u>370,349</u>
NON-CURRENT LIABILITIES			
Lease liabilities	14	5,560	5,890
Deferred tax liabilities	26	3,155	3,315
Total non-current liabilities		<u>8,715</u>	<u>9,205</u>
Net assets		<u><u>359,955</u></u>	<u><u>361,144</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Issued capital	27	659	659
Reserves	29	<u>342,072</u>	<u>340,702</u>
		342,731	341,361
Non-controlling interests		<u>17,224</u>	<u>19,783</u>
Total equity		<u>359,955</u>	<u>361,144</u>

Lau Kam Yiu
Director

Ng Bo Sing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent													Non-controlling interest	Total equity
	Issued capital	Share premium	Other reserve	Fair value reserve of financial assets 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			
	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	RMB'000	RMB'000
	(note 27)	(note 27)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)
At 1 January 2024	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	359,975	
Profit for the year	—	—	—	—	—	—	—	—	—	—	79,243	79,243	8,135	87,378	
Other comprehensive income/(loss) for the year:															
Changes in fair value of equity investments at fair value through other comprehensive income	—	—	—	(10,099)	—	—	—	—	—	—	—	(10,099)	—	(10,099)	
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	1,693	—	—	—	1,693	—	1,693	
Total comprehensive income for the year	—	—	—	(10,099)	—	—	—	1,693	—	—	79,243	70,837	8,135	78,972	
Share award arrangement	—	—	—	—	—	—	—	—	—	16,579	—	16,579	—	16,579	
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	87	87	
Vesting of shares held under the Share Award Scheme	—	—	—	—	—	—	—	—	24,166	(24,945)	779	—	—	—	
Purchases of shares under Share Award Scheme	—	—	—	—	—	—	—	—	(781)	—	—	(781)	—	(781)	
Dividends paid to the Company's shareholders	—	—	—	—	—	—	—	—	—	—	(85,043)	(85,043)	—	(85,043)	
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(8,645)	(8,645)	
Transfer from retained profits	—	—	—	—	—	567	—	—	—	—	(567)	—	—	—	
Release of reserve upon deregistration of a subsidiary	—	—	—	—	—	(681)	—	—	—	—	681	—	—	—	
At 31 December 2024	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	361,144	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent													Total equity
	Issued capital	Share premium	Other reserve	Fair value reserve of financial assets 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 interest	
	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	RMB'000
	(note 27)	(note 27)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)	(note 28)	(note 28)				
At 1 January 2025	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	361,144
Profit for the year	—	—	—	—	—	—	—	—	—	—	76,001	76,001	5,092	81,093
Other comprehensive loss for the year:														
Changes in fair value of equity investments at fair value through other comprehensive income	—	—	—	(7,764)	—	—	—	—	—	—	—	(7,764)	—	(7,764)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	(4,926)	—	—	—	(4,926)	—	(4,926)
Total comprehensive income for the year	—	—	—	(7,764)	—	—	—	(4,926)	—	—	76,001	63,311	5,092	68,403
Share award arrangement	—	—	—	—	—	—	—	—	—	325	—	325	—	325
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	35	35
Vesting of shares held under the Share Award Scheme	—	—	—	—	—	—	—	—	1,630	(1,713)	83	—	—	—
Resale of shares held under Share Award Scheme	—	(3,001)	—	—	—	—	—	—	3,879	—	—	878	—	878
Dividends paid to the Company's shareholders	—	—	—	—	—	—	—	—	—	—	(63,144)	(63,144)	—	(63,144)
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(7,686)	(7,686)
Transfer from retained profits	—	—	—	—	—	143	—	—	—	—	(143)	—	—	—
At 31 December 2025	659	108,970*	(58,474)*	(26,643)*	14,023*	38,079*	21,748*	(13,772)*	—*	—*	258,141*	342,731	17,224	359,955

* These reserve accounts comprise the consolidated reserves of RMB342,072,000 (2024: RMB340,702,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		108,053	120,131
Adjustments for:			
Finance costs	7	371	418
Share of profit of a joint venture		(1,731)	(1,278)
Share of profit of an associate		(1,744)	(3,132)
Interest income	5	(2,105)	(1,947)
Depreciation of property, plant and equipment	6	2,042	2,219
Depreciation of right-of-use assets	6	2,674	2,623
Amortisation of intangible assets	6	237	262
Impairment of trade receivables, net	6	3,051	5,285
Share-based payment expenses		325	16,579
Fair value loss/(gain) of financial asset at fair value through profit or loss	6	(7,432)	169
		103,741	141,329
(Increase)/decrease in trade receivables		(1,857)	127,417
(Increase)/decrease in prepayments, deposits and other receivables		5,862	(13,185)
Decrease in trade payables		(48,470)	(44,704)
Increase/(decrease) in other payables and accruals		(30,623)	1,510
		28,653	212,367
Cash generated from operations		(35,496)	(42,760)
Taxes paid			
		(6,843)	169,607
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,105	1,947
Purchases of items of property, plant and equipment		(654)	(1,860)
Repayment from loan to an associate		527	2,624
Investment in a joint venture		—	(3,001)
Purchases of intangible assets		—	(101)
Proceeds from disposal of property, plant and equipment		—	26
Proceeds from deregistration of a subsidiary		—	87
		1,978	(278)
Net cash flows from/(used in) investing activities			

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the Company's shareholders		(63,144)	(85,043)
Dividends paid to non-controlling shareholders		(7,686)	(8,645)
Purchases of shares held under the Share Award Scheme		—	(781)
Proceeds from resale of shares held under the Share Award Scheme		878	—
Principal portion of lease payments	<i>30(c)</i>	(2,635)	(2,822)
Interest portion of lease payments	<i>30(c)</i>	(371)	(418)
		<hr/>	<hr/>
Net cash flows used in financing activities		(72,958)	(97,709)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(77,823)	71,620
Cash and cash equivalents at beginning of year		379,189	307,079
Effect of foreign exchange rate changes, net		(3,325)	490
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		298,041	379,189
		<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statement of financial position			
		298,041	379,189
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. During FY2025, the Company's subsidiaries were involved in the following principal activities:

- provision of experiential marketing services;
- provision of digital and communication services; and
- IP development-management and operation of sport events.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Activation Enterprise Limited	British Virgin Islands	United States dollar ("US\$") 1	100	–	Investment holding
Activation International Limited ("Activation International")	Hong Kong	HK\$20,000	–	100	Provision of experiential marketing services and investment holding
Shanghai Aideweixuan Group Co., Limited ("Activation Group") 上海艾德韋宣股份有限公司 (note (ii))*	PRC/ Chinese Mainland	RMB50,000,000	–	93.0	Provision of experiential marketing services
Activation Events (HK) Limited	Hong Kong	HK\$6,001,000	–	93.0	Provision of experiential marketing services
Activation Marketing Limited	Hong Kong	HK\$1,000	–	100	Provision of experiential marketing services
Activation Marketing Private Limited	Singapore	SG\$10,000	–	100	Provision of experiential marketing services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Activation International (UK) Limited	British Virgin Islands	US\$1	–	100	Inactive
Beijing Anweixun Business Consulting Co., Limited ("Activation Events BJ") 北京安維訊商務諮詢有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB10,000,000	–	93.0	Provision of experiential marketing service
Shanghai Aideweixun Advertising Co., Limited 上海艾德韋宣廣告有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB10,000,000	–	93.0	Investment holding
Shanghai Aideweixun Culture Communication Co., Limited 上海艾德韋宣文化傳播有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB5,000,000	–	93.0	Management and operation of sport events
Shanghai Aideweixun Digital Technology Co., Limited 上海艾德韋宣數碼科技有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB2,000,000	–	93.0	Provision of digital and communication services
Shanghai Aideweixun Planning Co., Limited 上海艾德韋宣策劃有限公司* <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB10,000,000	–	93.0	Provision of IP development services
Shanghai Aideweixun Sports Development Co., Limited 上海艾德韋宣體育發展有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB5,000,000	–	83.7	Management and operation of sport events

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Aideweixuan Marketing Co., Limited (“ Activation Marketing ”) 上海艾德韋宣營銷企劃有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB10,000,000	–	93.0	Provision of experiential marketing services
Shanghai Aidi Linjie Cultural Development Co., Limited 上海艾迪霖杰文化發展有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB1,000,000	–	93.0	Provision of public relations services
Shanghai Enterprise Management Co., Limited (“ Activation Project 23 ”) 上海艾德韋宣企業管理有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB833,300	–	93.0	Provision of experiential marketing services
Shanghai Fansi Advertising Co., Limited (“ Activation Digital ”) 上海范思廣告有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB5,000,000	–	93.0	Provision of digital and communication services
Hangzhou Vision Aide Media Technology Co., Limited 願景艾德(杭州)傳媒科技有限公司 <i>(note (i))*</i>	PRC/ Chinese Mainland	RMB10,000,000	–	47.4	Provision of digital and communication services
Target Gain International Limited	British Virgin Islands	US\$1	–	100	Investment holding

* The English names of these entities registered in the PRC represent the best efforts made by management of the Company to directly translate their Chinese names as they do not register any official English names.

Notes:

- (i) Limited liability companies established in the PRC
- (ii) Joint stock limited company established in the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group, or are of particular importance to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of Preparation *(Continued)*

Basis of consolidation *(Continued)*

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes In Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to HKAS 21 <i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	<i>Translation to a Hyperinflationary Presentation Currency²</i> Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not Yet Effective HKFRS Accounting Standards *(Continued)*

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not Yet Effective HKFRS Accounting Standards *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and 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. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not Yet Effective HKFRS Accounting Standards *(Continued)*

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not Yet Effective HKFRS Accounting Standards *(Continued)*

- *HKAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

2.4 Material Accounting Policies

Investments in an associate and joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in an associate and joint venture are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Investments in an associate and joint venture *(Continued)*

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and consolidated other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investment in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the associate or joint venture is included as part of the Group's investment in the associate or joint venture.

Business combinations and goodwill

Business combinations other than acquisition of subsidiaries under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Business combinations and goodwill *(Continued)*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures certain of its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Fair value measurement *(Continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Impairment of non-financial assets *(Continued)*

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Related parties *(Continued)*

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	33 $\frac{1}{3}$ %
Computer equipment	33 $\frac{1}{3}$ %
Motor vehicles	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software is amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Leases *(Continued)*

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets of the Group are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue from contracts with customers" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement *(Continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Derecognition of financial assets *(Continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Impairment of financial assets *(Continued)*

General approach *(Continued)*

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Financial liabilities *(Continued)*

Subsequent measurement of financial liabilities at amortised costs (trade and other payables, and borrowings)

After initial recognition, trade and other payable, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Cash and cash equivalents *(Continued)*

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, an associate and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Government grants *(Continued)*

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Experiential marketing services

The Group provides marketing solutions for customers' events or exhibitions and recognises revenue from experiential marketing services net of discounts at the point in time when the event is held. Customers are required to pay a portion of the agreed fee in advance before commencement of the event, and these advance receipts are recognised as contract liabilities on the statement of financial position from the point at which they become due.

Digital and communication services

The Group's digital and communication services mainly comprise digital and communication services and public relations services whereby the Group designs, organises and manages the projects so that customers achieve a significant brand building and promotional effect to mass public or targeted recipients.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Revenue from contracts with customers (Continued)

Digital and communication services (Continued)

As the Group takes primary responsibility for the digital and communication services, including the management and coordination of the parties involved in the project, devising detailed work plans and overseeing the overall marketing results to the satisfaction of the customers, it considers itself as a principal in such arrangements. Accordingly, revenue is recognised on a gross basis, which is the amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the promised service to customers.

(a) Digital and communication services

The Group provides marketing activities that use digital technology for advertisement placement and customer relationship management. The digital and communication services mainly include (i) designing the user interface and setting up various functions of the clients' digital page on various social media and digital platforms; (ii) placing on-line advertisements and carrying out digital promotional campaigns; (iii) providing value-added services such as big-data analysis, precise advertisement placing, and statistical analysis on visits, clicks and views to measure ultimate consumer preferences; and (iv) providing livestream e-commerce services. The Group recognises the revenue at a point in time when the relevant services are rendered.

(b) Public relations services

The Group provides public relations services which involve marketing activities that help the customers promote communication and understanding with consumers. Revenue from public relations services is typically derived from retainer fees and the fees for the services to be performed subject to specific agreement. The Group has a stand-ready obligation to perform the services on an ongoing basis over the contract period, the revenue is recognised over time using a time-based method, resulting in straight-line revenue recognition.

IP Development

Sports and cultural related services

The Group has obtained the exclusive rights to use third-party owned brands to generate revenue through organising, promoting and running events/activities. As the Group takes primary responsibility for organising, promoting and running the events/activities, it considers itself as a principal in such arrangements. Accordingly, revenue is recognised at the point in time when the event/activity is completed, and on a gross basis, which is the amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the promised service to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Revenue from contracts with customers *(Continued)*

Other income

Management service income is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Employee benefits *(Continued)*

Pension schemes (Continued)

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Share-based payments

The Company operates two equity-settled, share-based compensation schemes including a share option scheme and a share award scheme. Employees of the Group (including directors of the entities comprising the Group) receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Share-based payments *(Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the entity's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus agent considerations

When another party is involved in providing services to customers of the Group, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customers. The Group is a principal and records revenue on a gross basis if it controls the promised services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services. The Group controls the services when it has the ability to direct the use of, and obtain substantially all the remaining benefits from, the services. This includes the ability to prevent others from directing the use or obtaining the benefits of the services.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in note 15 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with finite useful lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2025/At 31 December 2025

	Experiential marketing services RMB'000	Digital and communication services RMB'000	IP development RMB'000	Total RMB'000
Segment revenue				
Sales to external customers	548,071	157,112	2,212	<u>707,395</u>
Segment results	76,607	25,111	4,298	106,016
<u>Reconciliation:</u>				
Corporate and other unallocated expenses, net				(7,129)
Bank interest income				2,105
Fair value gains of financial asset at fair value through profit or loss				7,432
Finance costs				<u>(371)</u>
Profit before tax				<u>108,053</u>
Segment assets	482,485	78,647	30,771	591,903
<u>Reconciliation:</u>				
Corporate and other unallocated assets				<u>67,509</u>
Total assets				<u>659,412</u>
Segment liabilities	239,283	36,246	40	275,569
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				<u>23,888</u>
Total liabilities				<u>299,457</u>
Other segment information				
Share of profit of a joint venture	—	—	(1,731)	(1,731)
Share of profit of an associate	—	—	(1,744)	(1,744)
Depreciation and amortisation	1,670	609	—	2,279
Impairment of trade receivables, net	2,756	294	1	3,051
Capital expenditure*	<u>545</u>	<u>109</u>	<u>—</u>	<u>654</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2024/At 31 December 2024

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

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

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

(b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	30,413	28,236
Hong Kong and Singapore	61	80
	<u>30,474</u>	<u>28,316</u>

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

Information about major customers

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

* Included projects on retainer basis

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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

(i) Disaggregated revenue information (Continued)

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

	2025	2024
	RMB'000	RMB'000
Experiential marketing services	23,379	7,122
Digital and communication services	706	1,285
	24,085	8,407

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Experiential marketing services

The performance obligation is satisfied upon completion of the relevant event with all services rendered and payment is generally due within 60 to 90 days from the date of billing, whereas certain payments in advance are normally required.

Digital and communication services

The performance obligation is generally satisfied at a point in time as services are rendered and payment is generally due based on terms agreed by the relevant parties as set out in respective agreements.

Public relationships services

The performance obligation is generally satisfied over time as services are rendered and short-term advances are generally required before rendering the services. Public relations service contracts are for periods of one year or less, or are billed on monthly basis.

Sports and cultural related services

The performance obligation is generally satisfied upon completion of the relevant event or activity and payment is generally due within 60 to 90 days from the date of billing.

The Group has applied the practical expedient under HKFRS 15 and does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations for contracts with an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

An analysis of other income and gains is as follows:

	Note	2025 RMB'000	2024 RMB'000
<u>Other income and gains</u>			
Bank interest income		2,105	1,923
Government subsidies*		11,408	9,787
Interest income from an associate	31(a)(ii)	—	24
Fair value gain of financial asset at fair value through profit or loss		7,432	—
Others		2,162	1,895
		23,107	13,629

* 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.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of services rendered		499,816	593,479
Depreciation of property, plant and equipment**	13	2,042	2,219
Depreciation of right-of-use assets**	14	2,674	2,623
Amortisation of intangible assets**	16	237	262
Auditor's remuneration		1,379	1,800
Lease payments not included in the measurement of lease liabilities**	14	3,481	3,457
Employee benefit expense (including director's and chief executive's remuneration (note 8)):			
Wages, salaries, bonuses and allowance		94,145	98,125
Share-based payment expense		325	16,579
Pension scheme contributions (defined contribution schemes)***		4,129	3,990
		98,599	118,694
Fair value loss/(gain) of financial asset at fair value through profit or loss		(7,432)#	169*
Impairment of trade receivables, net*	21	3,051	5,285
Foreign exchange differences, net		(272)	40

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

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

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Included in "Other income and gains" in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

7. FINANCE COSTS

	Note	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	14	<u>371</u>	<u>418</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing Securities on the Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	<u>498</u>	<u>498</u>
Other emoluments:		
Salaries, bonuses and allowances	8,857	8,940
Share-based payment expenses*	—	971
Pension scheme contributions	<u>410</u>	<u>406</u>
	<u>9,267</u>	<u>10,317</u>
	<u>9,765</u>	<u>10,815</u>

* During the prior year, certain directors were awarded with shares of the Company in respect of their services to the Group under the share award scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such awarded shares, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosure.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. Cheung	166	166
Mr. Yu	166	166
Dr. Cheung	<u>166</u>	<u>166</u>
	<u>498</u>	<u>498</u>

The fee of each independent non-executive director was equivalent to HK\$180,000 for both years.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors and the chief executive

Certain of the directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements is set out below:

	Salaries and allowances RMB'000	Discretionary bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended					
31 December 2025					
Mr. Ng	1,803	173	—	139	2,115
Mr. Lau*	1,912	204	—	123	2,239
Mr. Chan	1,753	419	—	123	2,295
Ms. Low	2,112	481	—	25	2,618
	<u>7,580</u>	<u>1,277</u>	<u>—</u>	<u>410</u>	<u>9,267</u>
Year ended					
31 December 2024					
Mr. Ng	1,727	166	—	136	2,029
Mr. Lau*	1,829	189	225	122	2,365
Mr. Chan	1,677	643	746	123	3,189
Ms. Low	2,022	687	—	25	2,734
	<u>7,255</u>	<u>1,685</u>	<u>971</u>	<u>406</u>	<u>10,317</u>

* Chief executive officer of the Group

During the year, no remuneration was paid or payable by the Group to the executive directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

There was no arrangement under which a director or a chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four directors (2024: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2024: two) highest paid employee who are neither a director nor chief executive of the Company is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and allowances	625	1,305
Performance related bonuses	246	1,151
Share-based payment expenses	325	14,328
Pension scheme contributions (defined contribution schemes)	146	283
	<u>1,342</u>	<u>17,067</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK\$1,000,001 to HK\$1,500,000	1	—
HK\$9,000,001 to HK\$9,500,000	—	2
	<u>1</u>	<u>2</u>

10. INCOME TAX

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

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

For those subsidiaries incorporated in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

10. INCOME TAX (Continued)

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

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country/jurisdiction in which the majority of its subsidiaries are domiciled and/or operate to the tax expense at the Group's effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	<u>108,053</u>	<u>120,131</u>
Tax at the PRC statutory tax rate of 25%	27,013	30,033
Lower tax rates enacted by overseas authorities	(2,141)	(2,868)
Effect of withholding tax at 5% on the distributable profit of the Group's PRC subsidiaries	4,267	4,558
Adjustments in respect of current tax of previous periods	371	(477)
Income not subject to tax	(3,371)	(1,866)
Expenses not deductible for tax	922	3,950
Tax losses not recognised	308	76
Tax losses utilised from previous periods	(167)	(109)
Others	(242)	(544)
	<u>26,960</u>	<u>32,753</u>
Tax charge at the Group's effective tax rate	<u>26,960</u>	<u>32,753</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

11. DIVIDENDS

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

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

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 743,867,770 (2024: 728,046,993) outstanding during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

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

Earnings

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

Shares

	Number of shares	
	2025	2024
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	743,867,770	728,046,993
Effect of dilution – weighted average number of ordinary shares:		
Share awards	282,331	15,925,400
	<u>744,150,101</u>	<u>743,972,393</u>
Number of shares used in the diluted earnings per share calculation	<u>744,150,101</u>	<u>743,972,393</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>RMB'000</i>	Furniture, fixtures and equipment <i>RMB'000</i>	Computer equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025					
At 1 January 2025:					
Cost	7,957	1,011	6,949	785	16,702
Accumulated depreciation	(4,960)	(835)	(6,062)	(371)	(12,228)
Net carrying amount	<u>2,997</u>	<u>176</u>	<u>887</u>	<u>414</u>	<u>4,474</u>
At 1 January 2025, net of accumulated depreciation					
	2,997	176	887	414	4,474
Additions	—	—	481	173	654
Depreciation provided for the year	(1,276)	(39)	(542)	(185)	(2,042)
Exchange realignment	—	—	(2)	—	(2)
At 31 December 2025, net of accumulated depreciation	<u>1,721</u>	<u>137</u>	<u>824</u>	<u>402</u>	<u>3,084</u>
At 31 December 2025:					
Cost	7,957	1,011	7,422	958	17,348
Accumulated depreciation	(6,236)	(874)	(6,598)	(556)	(14,264)
Net carrying amount	<u>1,721</u>	<u>137</u>	<u>824</u>	<u>402</u>	<u>3,084</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Leasehold improvements <i>RMB'000</i>	Furniture, fixtures and equipment <i>RMB'000</i>	Computer equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024					
At 1 January 2024:					
Cost	7,106	857	6,691	992	15,646
Accumulated depreciation	(3,499)	(757)	(5,706)	(828)	(10,790)
Net carrying amount	<u>3,607</u>	<u>100</u>	<u>985</u>	<u>164</u>	<u>4,856</u>
At 1 January 2024, net of accumulated depreciation					
	3,607	100	985	164	4,856
Additions	820	140	507	393	1,860
Disposal/write off	—	—	(7)	(19)	(26)
Depreciation provided for the year	(1,430)	(64)	(601)	(124)	(2,219)
Exchange realignment	—	—	3	—	3
At 31 December 2024, net of accumulated depreciation	<u>2,997</u>	<u>176</u>	<u>887</u>	<u>414</u>	<u>4,474</u>
At 31 December 2024:					
Cost	7,957	1,011	6,949	785	16,702
Accumulated depreciation	(4,960)	(835)	(6,062)	(371)	(12,228)
Net carrying amount	<u>2,997</u>	<u>176</u>	<u>887</u>	<u>414</u>	<u>4,474</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. LEASES

The Group as a lessee

The Group has lease contracts for various offices used in its operations. Leases for properties are negotiated for terms ranging 1 to 7 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	6,980	5,567
Additions during the year	3,073	4,039
Depreciation provided for the year	(2,674)	(2,623)
Exchange realignment	3	(3)
	<u>7,382</u>	<u>6,980</u>
At 31 December	<u>7,382</u>	<u>6,980</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	7,800	6,581
New leases	3,073	4,039
Accretion of interest recognised during the year	371	418
Payments	(3,006)	(3,240)
Exchange realignment	(3)	2
	<u>8,235</u>	<u>7,800</u>
Carrying amount at 31 December	<u>8,235</u>	<u>7,800</u>
Analysed into:		
Current portion	2,675	1,910
Non-current portion	5,560	5,890
	<u>8,235</u>	<u>7,800</u>
Analysed into:		
Lease liabilities repayable:		
Within one year	2,675	1,910
In the second year	2,777	3,373
In the third to fifth years, inclusive	2,783	2,517
	<u>8,235</u>	<u>7,800</u>

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

14. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	371	418
Depreciation charge of right-of-use assets	2,674	2,623
Expense relating to short-term leases (included in general and administrative expenses)	<u>3,481</u>	<u>3,457</u>
Total amount recognised in profit or loss	<u><u>6,526</u></u>	<u><u>6,498</u></u>

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

15. GOODWILL

RMB'000

Cost and carrying amount at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u><u>10,233</u></u>
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Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Experiential marketing cash-generating unit; and
- Digital and communication cash-generating unit.

Experiential marketing cash-generating unit

The recoverable amount of the experiential marketing cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets/forecasts covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 17.9% (2024: ranges from 18.0% to 18.2%) for the recoverable amount, which is determined by reference to the average rate for similar industries and the business risks of the relevant cash-generating unit. The growth rate used to extrapolate the cash flows of the experiential marketing cash-generating unit beyond the five-year period is 3% (2024: 3%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. GOODWILL *(Continued)*

Impairment testing of goodwill *(Continued)*

Digital and communication cash-generating unit

The recoverable amount of the digital and communication cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets/forecasts covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 18.0% (2024: 17.7%) for the recoverable amount, which is determined by reference to the average rate for similar industries and the business risks of the relevant cash-generating unit. The growth rate used to extrapolate the cash flows of the digital and communication cash-generating unit beyond the five-year period is 3% (2024: 3%).

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	2025	2024
	RMB'000	RMB'000
Experiential marketing cash-generating unit:		
Activation Events BJ	7,734	7,734
Activation Project 23	1,069	1,069
Digital and communication cash-generating unit:		
Activation Digital	1,430	1,430
Carrying amount	10,233	10,233

Assumptions were used in the value in use calculations of the experiential marketing and digital and communication cash-generating units for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted/forecasted revenue and results of operations – The basis used to determine the value assigned to the budgeted/forecasted revenue and results of operations is the revenue and results of operations achieved in the year immediately before the budget/forecast year, adjusted for, among others, expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and discount rates of the experiential marketing cash-generating unit and digital and communication cash-generating unit are consistent with external information sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. GOODWILL *(Continued)*

Impairment testing of goodwill *(Continued)*

The directors of the Company are of the view that the estimated recoverable amounts of experiential marketing cash-generating unit and digital and communication cash-generating unit exceeded their respective carrying amounts. A reasonably possible change in key assumptions will not cause the carrying amounts of the cash-generating units to exceed their respective recoverable amounts.

16. INTANGIBLE ASSETS

	Computer software <i>RMB'000</i>
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	700
Amortisation provided during the year	(237)
	<u>463</u>
At 31 December 2025	<u><u>463</u></u>
At 31 December 2025:	
Cost	2,004
Accumulated amortisation	(1,541)
	<u>463</u>
Net carrying amount	<u><u>463</u></u>
31 December 2024	
At 1 January 2024:	
Cost	1,914
Accumulated amortisation	(1,053)
	<u>861</u>
Net carrying amount	<u><u>861</u></u>
Cost at 1 January 2024, net of accumulated amortisation	861
Additions	101
Amortisation provided during the year	(262)
	<u>700</u>
At 31 December 2024	<u><u>700</u></u>
At 31 December 2024 and 1 January 2025:	
Cost	2,015
Accumulated amortisation	(1,315)
	<u>700</u>
Net carrying amount	<u><u>700</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

17. INVESTMENT IN A JOINT VENTURE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Share of net assets	6,010	4,279

Particular of the Group's material joint venture is as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
上海怡置韋宣商業管理有限公司 ("怡置")	Registered capital	PRC/Chinese Mainland	30%	Provision of venue rental service

The Group's interest in the joint venture is held through an indirectly wholly-owned subsidiary of the Company.

The financial year end of the joint venture is coterminous with that of the Group.

怡置 is considered a material joint venture of the Group and is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of 怡置 adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current assets	22,799	17,750
Non-current assets	3,457	3,523
Current liabilities	(3,004)	(3,086)
Non-current liabilities	(3,222)	(3,928)
Net assets	20,030	14,259
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	30%	30%
Group's share of net assets of the joint venture and carrying amount of the investment	6,010	4,279
Revenue	13,280	10,374
Total comprehensive income for the year	5,771	4,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

18. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Share of net assets	8,015	6,271
Goodwill on acquisition	1,968	1,968
	<u>9,983</u>	<u>8,239</u>

Particulars of the associate as at 31 December 2025 and 31 December 2024 are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest	Profit sharing	Principal activities
Shanghai Design Week Investment Management Company Limited ("Shanghai Design")* 上海設計周投資管理有限公司	Ordinary shares	PRC/ Chinese Mainland	49%	65#	Provision of promoting and event organising services

* The English name of the company represents the best effort made by management of the Company to directly translate its Chinese name as it does not register any official English name.

Pursuant to a loan agreement entered into between Shanghai Design and its shareholders, the Group is entitled to 65% of profit sharing of Shanghai Design until five years after the repayment of the loan by Shanghai Design.

The Group's shareholding in the associate is held through an indirectly wholly-owned subsidiary of the Company.

The financial year end of the associate is coterminous with that of the Group.

Shanghai Design is considered a material associate of the Group and is accounted for using the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

18. INVESTMENT IN AN ASSOCIATE *(Continued)*

The following table illustrates the summarised financial information in respect of Shanghai Design adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current assets	15,068	16,337
Non-current assets	104	194
Current liabilities	<u>(3,535)</u>	<u>(7,576)</u>
Net assets	<u>11,637</u>	<u>8,955</u>
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	49%	49%
Group's share of net assets of the associate	5,702	4,388
Adjustment for profit sharing	2,313	1,883
Goodwill on acquisition	<u>1,968</u>	<u>1,968</u>
Carrying amount of the investment	<u>9,983</u>	<u>8,239</u>
Revenue	18,777	41,419
Profit and total comprehensive income for the year	<u>2,682</u>	<u>4,848</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

19. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity investments designated at fair value through other comprehensive income		
Listed equity investment, at fair value		
Lavin Group Holdings Limited	3,863	4,040
Unlisted equity investment, at fair value		
Velocious Technologies Inc	10,028	18,393
	<u>13,891</u>	<u>22,433</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

For the year ended 31 December 2025, net fair value loss of RMB7,764,000 (2024: RMB10,099,000) was recognised in other comprehensive income of the Group.

20. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted investment, at fair value	<u>20,015</u>	<u>13,375</u>

The above equity investment was classified as a financial asset at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

For the year ended 31 December 2025, a fair value gain of RMB7,432,000 (2024: fair value loss of RMB169,000) was included in "other income and gains" (2024: "other expenses, net") in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21. TRADE RECEIVABLES

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

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

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	115,424	98,802
1 to 3 months	35,931	434
Over 3 months	<u>11,957</u>	<u>794</u>
	<u><u>163,312</u></u>	<u><u>100,030</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	7,501	2,216
Impairment losses, net (<i>note 6</i>)	3,051	5,285
Amount written off as uncollectible	<u>(476)</u>	<u>–</u>
At end of year	<u><u>10,076</u></u>	<u><u>7,501</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21. TRADE RECEIVABLES *(Continued)*

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates were based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Current	Past due				Total
		Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	
Expected credit loss rate	0.26%	1.96%	10.09%	33.40%	100%	3.68%
Gross carrying amount <i>(RMB'000)</i>	251,893	1,121	9,329	4,536	6,938	273,817
Expected credit losses <i>(RMB'000)</i>	660	22	941	1,515	6,938	10,076

As at 31 December 2024

	Current	Past due				Total
		Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	
Expected credit loss rate	0.15%	1.19%	3.98%	19.02%	100%	2.75%
Gross carrying amount <i>(RMB'000)</i>	263,487	1,175	452	305	7,017	272,436
Expected credit losses <i>(RMB'000)</i>	394	14	18	58	7,017	7,501

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments	16,359	22,532
Deposits	4,002	2,562
Other receivables	1,782	3,438
	22,143	28,532
Portion classified as current assets	(21,442)	(28,141)
Portion classified as non-current assets	701	391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(Continued)*

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

As at 31 December 2024, included in the Group's deposits and other receivables was an amount due from an associate of RMB527,000 which was unsecured, interest bearing at 4.35% per annum and repayable within 12 months.

23. CASH AND CASH EQUIVALENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	298,041	379,189
Time deposits	665	665
	<u>298,706</u>	<u>379,854</u>
Less: Pledged time deposits:		
Pledged time deposits	(665)	(665)
	<u>(665)</u>	<u>(665)</u>
Cash and cash equivalents	<u><u>298,041</u></u>	<u><u>379,189</u></u>

The Group's cash and cash equivalents are denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	271,077	356,247
Others	26,964	22,942
	<u>298,041</u>	<u>379,189</u>
Cash and cash equivalents	<u><u>298,041</u></u>	<u><u>379,189</u></u>

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for three months depending on the immediate cash requirements of the Group, and earn interest at the short term time deposit rates. The bank balances and pledged bank deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

24. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	199,019	234,741
1 to 3 months	32,854	37,821
Over 3 months	14,358	22,139
	<u>246,231</u>	<u>294,701</u>

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

25. OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities	(a)	8,318	24,085
Other payables and accruals	(b)	24,789	39,645
		<u>33,107</u>	<u>63,730</u>

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	1 January 2024 <i>RMB'000</i>
Experiential marketing services	8,008	23,379	7,122
Digital and communication services	310	706	1,285
	<u>8,318</u>	<u>24,085</u>	<u>8,407</u>

Contract liabilities include advances received to render experiential marketing services and digital and communication services. The decrease in contract liabilities in 2025 was mainly due to the decrease in advances received from customers in relation to the provision of experiential marketing services and digital and communication services at the end of the current year. The increase in contract liabilities in 2024 was mainly due to the increase in advances received from customers in relation to the provision of experiential marketing services at the end of the prior year.

(b) Other payables are non-interest-bearing and have an average term of three months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax liabilities

	Note	Withholding taxes RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024		3,112	1,645	4,757
Deferred tax charged to profit or loss during the year	10	—	305	305
At 31 December 2024 and at 1 January 2025		3,112	1,950	5,062
Deferred tax charged/(credited) to profit or loss during the year	10	(170)	106	(64)
Gross deferred tax liabilities at 31 December 2025		<u>2,942</u>	<u>2,056</u>	<u>4,998</u>

Deferred tax assets

	Note	Impairment of financial assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024		554	1,392	—	1,946
Deferred tax credited to profit or loss during the year	10	<u>1,321</u>	<u>355</u>	<u>—</u>	<u>1,676</u>
At 31 December 2024 and 1 January 2025		1,875	1,747	—	3,622
Deferred tax credited to profit or loss during the year	10	<u>644</u>	<u>96</u>	<u>1,242</u>	<u>1,982</u>
Gross deferred tax assets at 31 December 2025		<u>2,519</u>	<u>1,843</u>	<u>1,242</u>	<u>5,604</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

26. DEFERRED TAX *(Continued)*

For presentation purposes, the deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	3,761	1,875
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u>(3,155)</u>	<u>(3,315)</u>
	<u><u>606</u></u>	<u><u>(1,440)</u></u>

The Group has tax losses arising in Chinese Mainland of approximately RMB2,336,000 (2024: RMB980,000) as at 31 December 2025, that will expire in one to five years for offsetting against future taxable profits.

The Group also has tax losses arising in Hong Kong of RMB20,566,000 (2024: RMB20,716,000) that is available indefinitely for offsetting against future taxable profit of the company in which the loss arose.

Deferred tax assets have not been recognised in respect of the tax losses as at 31 December 2025 as the directors of the Company consider it is currently not probable that future taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2025, deferred tax liabilities of RMB2,942,000 (2024: RMB3,112,000) has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland.

At the end of the reporting period, the directors of the Company, based on the Group's operation and expansion plan, estimated that part of the retained earnings of the PRC subsidiaries would be retained in Chinese Mainland for use in future operations and investments. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB137,282,000 (2024: RMB151,187,000) at 31 December 2025.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

27. ISSUED CAPITAL

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Authorised:		
10,000,000,000 ordinary shares of HK\$0.001 each	<u>8,800</u>	<u>8,800</u>
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)	<u>659</u>	<u>659</u>

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

	Number of shares	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>
Issued and fully paid:			
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	<u>—</u>	<u>—</u>	<u>(3,001)</u>
At 31 December 2025	<u>744,742,000</u>	<u>659</u>	<u>108,970</u>

28. SHARE OPTION SCHEME AND SHARE AWARD PLAN

Share Option Scheme

2023 Share Option Scheme

In light of the amendments to Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Company terminated the 2019 Share Option Scheme and adopted a new 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 nine years. Since the adoption of the 2023 Share Option Scheme and up to 31 December 2024, no share option was granted, exercised, outstanding, cancelled or lapsed under the 2023 Share Option Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

28. SHARE OPTION SCHEME AND SHARE AWARD PLAN *(Continued)*

Share award scheme

On 30 March 2020 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Share Award Scheme**”) for the purpose of recognising the contributions by certain eligible person and providing them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Pursuant to the resolution passed by the Company’s 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.

The fair value of the awarded shares was based on the market value of the Company’s shares at the grant date and the Group recognised an equity-settled share-based payment expense of RMB325,000 (2024: RMB16,579,000) for the year ended 31 December 2025.

During the year ended 31 December 2025, nil (2024: 1,472,156) awarded shares were granted to certain executive directors and employees of the Group.

During the year ended 31 December 2025, 1,472,156 (2024: 24,792,684) awarded shares were vested and transferred to certain executive directors and employees of the Company. During the year ended 31 December 2025, upon the vesting of certain awarded shares, the carrying value of the shares held under the Share Award Scheme of the Company was reduced by RMB1,630,000 (2024: RMB24,166,000) and such amount was transferred to the share-based payment reserve and retained profits of the Group.

During the year ended 31 December 2025, the trustee acquired for the Share Award Scheme nil ordinary shares (2024: 1,000,000 ordinary shares) of the Company through purchases on the open market at a total cost (including related transaction costs) of nil (2024: RMB781,000). The share award scheme does not constitute a share option scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Capital reserve

Capital reserve comprises the contribution from an intermediate holding company for the acquisition of certain subsidiaries in prior years and the equity-settled share-based payments.

(b) Statutory reserve

Pursuant to the relevant laws and regulations for wholly-foreign-owned enterprises, a portion of the profits of the Group's subsidiaries established in the PRC has been transferred to reserve funds which are restricted as to use. The subsidiaries are not required to effect any further transfer when the amount of the reserve funds reaches 50% of their registered capital.

(c) Exchange fluctuation reserve

Exchange fluctuation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

(d) Other reserve

Other reserve represents mainly represented the difference between the investment cost and the nominal value of the registered capital of the Activation Group prior to the reorganisation of the Group and the difference between the acquisition of additional equity interest in a subsidiary from the non-controlling shareholder and the consideration paid.

(e) Capital redemption reserve

Capital redemption reserve mainly represented the difference between the aggregate consideration paid and the change in balances of issued capital, share premium account and treasury shares for the shares of the Company repurchased.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right- of-use assets and lease liabilities of RMB3,073,000 (2024: RMB4,039,000) and RMB3,073,000 (2024: RMB4,039,000), respectively, in respect of lease arrangements for certain leased properties.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	<i>RMB'000</i>
At 1 January 2024	6,581
Changes from financing cash flows	(3,240)
Addition	4,039
Interest expense	418
Foreign exchange movement	2
	<hr/>
At 31 December 2024 and at 1 January 2025	7,800
Changes from financing cash flows	(3,006)
Addition	3,073
Interest expense	371
Foreign exchange movement	(3)
	<hr/>
At 31 December 2025	<u>8,235</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	3,481	3,457
Within financing activities	3,006	3,240
	<hr/>	<hr/>
	<u>6,487</u>	<u>6,697</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

31. RELATED PARTY TRANSACTIONS

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

	Notes	2025 RMB'000	2024 RMB'000
Related company:			
Short-term leases expenses	(i)	2,587	2,587
Associate:			
Interest income	(ii)	—	24
Management fee income	(iii)	119	953
		<u>119</u>	<u>953</u>

Notes:

- (i) Rentals were charged in accordance with tenancy agreements entered into between the relevant parties. A director of the Company during the year and prior year has a beneficial equity interest in the related company.
- (ii) Interest income arose from an amount due from an associate of RMB527,000, which was unsecured, interest bearing at 4.35% per annum and repayable within 12 months as at 31 December 2024.
- (iii) Management fee income is based on terms as agreed between the relevant parties.

(b) Compensation of key management personnel of the Group

Remuneration for key management personnel of the Group, including directors' remuneration as disclosed in note 8 to the financial statements, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	14,884	14,635
Share-based payment expenses	325	16,289
Post-employment benefits	1,271	1,109
	<u>16,480</u>	<u>32,033</u>
Total compensation paid to key management personnel	<u>16,480</u>	<u>32,033</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through other comprehensive income	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Total
	Equity investment	through profit or loss	amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025				
Equity investments at fair value through other comprehensive income	13,891	—	—	13,891
Equity investments at fair value through profit or loss	—	20,015	—	20,015
Trade receivables	—	—	263,741	263,741
Financial assets included in prepayments, deposits and other receivables	—	—	5,784	5,784
Pledged bank deposits	—	—	665	665
Cash and cash equivalents	—	—	298,041	298,041
	<u>13,891</u>	<u>20,015</u>	<u>568,231</u>	<u>602,137</u>
31 December 2024				
Equity investments at fair value through other comprehensive income	22,433	—	—	22,433
Equity investments at fair value through profit or loss	—	13,375	—	13,375
Trade receivables	—	—	264,935	264,935
Financial assets included in prepayments, deposits and other receivables	—	—	6,000	6,000
Pledged bank deposits	—	—	665	665
Cash and cash equivalents	—	—	379,189	379,189
	<u>22,433</u>	<u>13,375</u>	<u>650,789</u>	<u>686,597</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
31 December 2025	
Trade payables	246,231
Financial liabilities included in other payables and accruals	2,181
Lease liabilities	8,235
	<u>256,647</u>
31 December 2024	
Trade payables	294,701
Financial liabilities included in other payables and accruals	3,465
Lease liabilities	7,800
	<u>305,966</u>

33. 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
Equity investments designated at fair value through other comprehensive income	13,891	22,433
Equity investment at fair value through profit or loss	20,015	13,375
	<u>33,906</u>	<u>35,808</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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

	Fair values	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Equity investments designated at fair value through other comprehensive income	13,891	22,433
Equity investment at fair value through profit or loss	20,015	13,375
	<u>33,906</u>	<u>35,808</u>

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 market approach 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 THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

33. 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 31 December 2025 and 2024:

	Valuation Technique	Significant input unobservable	Range	Sensitivity of fair value to the input
As at 31 December 2025				
Unlisted equity investment	Equity value allocation method	Average EV to sales multiple of peers	2.7	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB498,000
		Discount for Lack of marketability	21%	5% increase/decrease in discount rate would result in decrease/increase in fair value by RMB138,000
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 decrease/increase in fair value by RMB579,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

33. 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			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2025				
Investments at fair value through other comprehensive income	3,863	—	10,028	13,891
Investment at fair value through profit or loss	—	20,015	—	20,015
	3,863	20,015	10,028	33,906

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

33. 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 year are as follows:

	2025 RMB'000	2024 RMB'000
Equity investments at fair value through other comprehensive income		
At 1 January	18,393	26,006
Total loss recognised in other comprehensive income	(7,764)	(8,237)
Exchange realignment	(601)	624
	<u>10,028</u>	<u>18,393</u>
At 31 December	<u>10,028</u>	<u>18,393</u>

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

During the year, 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 (2024: nil).

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise lease liabilities and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, lease liabilities and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group mainly transacts with creditworthy third parties. Receivable balances are monitored on an ongoing basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month	Lifetime ECLs			Total
	ECLs	Stage 1	Stage 2	Stage 3	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	273,817	273,817
Financial assets included in prepayments, deposits and other receivables					
— Normal**	5,784	—	—	—	5,784
Pledged bank deposits					
— Not yet past due	665	—	—	—	665
Cash and cash equivalents					
— Not yet past due	298,041	—	—	—	298,041
	304,490	—	—	273,817	578,307

As at 31 December 2024

	12-month	Lifetime ECLs			Total
	ECLs	Stage 1	Stage 2	Stage 3	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	272,436	272,436
Financial assets included in prepayments, deposits and other receivables					
— Normal**	6,000	—	—	—	6,000
Pledged bank deposits					
— Not yet past due	665	—	—	—	665
Cash and cash equivalents					
— Not yet past due	379,189	—	—	—	379,189
	385,854	—	—	272,436	658,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging *(Continued)*

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as follows:

	2025	2024
	%	%
Trade receivables from:		
The largest debtor	22	19
The five largest debtors	<u>53</u>	<u>56</u>

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

Liquidity risk

The Group’s objective is to ensure that there are adequate funds to meet its liquidity requirements in the short and longer term by considering the maturity of its financial assets and liabilities and projected cash flows.

The following tables show the maturity profile of the Group’s financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

	Less than 1 year <i>RMB'000</i>	1 to 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025			
Trade payables	246,231	—	246,231
Financial liabilities included in other payables and accruals	2,181	—	2,181
Lease liabilities	2,955	5,864	8,819
	<u>251,367</u>	<u>5,864</u>	<u>257,231</u>
31 December 2024			
Trade payables	294,701	—	294,701
Financial liabilities included in other payables and accruals	3,465	—	3,465
Lease liabilities	2,132	6,345	8,477
	<u>300,298</u>	<u>6,345</u>	<u>306,643</u>

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to continue to provide returns for shareholders and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure and strives to maintain a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes lease liabilities, as shown in the consolidated statement of financial position. The gearing ratios as at the end of the reporting periods were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Lease liabilities <i>(note 14)</i>	<u>8,235</u>	<u>7,800</u>
Total debt	8,235	7,800
Total equity	<u>359,955</u>	<u>361,144</u>
Gearing ratio (%)	<u>2.30</u>	<u>2.16</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

35. COMMITMENTS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contracted, but not provided for:		
Capital contribution payables	<u>5,100</u>	<u>5,100</u>

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSET		
Investments in subsidiaries	<u>37,094</u>	<u>37,094</u>
CURRENT ASSETS		
Cash and bank balances	22,031	7,100
Prepayments, deposits and other receivables	135	—
Due from shareholder	65	65
Due from subsidiaries	<u>134,924</u>	<u>175,187</u>
Total current assets	<u>157,155</u>	<u>182,352</u>
CURRENT LIABILITIES		
Other payables and accruals	<u>169</u>	<u>184</u>
NET CURRENT ASSETS	<u>156,986</u>	<u>182,168</u>
NET ASSETS	<u>194,080</u>	<u>219,262</u>
EQUITY		
Issued capital	659	659
Reserves (<i>note</i>)	<u>193,421</u>	<u>218,603</u>
Total equity	<u>194,080</u>	<u>219,262</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Other reserve RMB'000	Capital redemption reserve RMB'000	Exchange Fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	111,971	1,920	21,748	(1,039)	82,537	217,137
Profit for the year	—	—	—	—	67,011	67,011
Other comprehensive income for the year	—	—	—	19,498	—	19,498
Dividend paid	—	—	—	—	(85,043)	(85,043)
At 31 December 2024 and 1 January 2025	<u>111,971</u>	<u>1,920</u>	<u>21,748</u>	<u>18,459</u>	<u>64,505</u>	<u>218,603</u>
Profit for the year	—	—	—	—	46,699	46,699
Other comprehensive loss for the year	—	—	—	(5,736)	—	(5,736)
Resale of shares held under Share Award Scheme	(3,001)	—	—	—	—	(3,001)
Dividend paid	—	—	—	—	(63,144)	(63,144)
At 31 December 2025	<u>108,970</u>	<u>1,920</u>	<u>21,748</u>	<u>12,723</u>	<u>48,060</u>	<u>193,421</u>

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

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Mr. Law Kwok Chun

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STOCK CODE

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LISTING DATE

16 January 2020

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www.activation-gp.com

GLOSSARY

“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 Business Consultancy”	Shanghai Aideweixuan Business Consultancy Co., Ltd.* (上海艾德韋宣商務諮詢有限公司), a limited liability company established under the laws of the PRC on 22 November 2013, the predecessor company of Activation Group
“Activation Digital”	Shanghai Fansi Advertising Co., Ltd.* (上海范思廣告有限公司), a limited liability company established under the laws of the PRC on 11 July 2012 and an indirect non-wholly owned subsidiary of the Company
“Activation Events”	a business unit of the Group which is responsible for organising, promoting and running experiential marketing events
“Activation Events HK”	Activation Events (HK) Limited (艾博思韋宣策劃有限公司) (previously known as Activation Event (HK) Limited (艾博思韋宣策劃有限公司)), a limited company incorporated in Hong Kong on 11 July 2013 and an indirect non-wholly owned subsidiary of the Company
“Activation Marketing SGP”	Activation Marketing Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore on 13 June 2024 and an indirect non-wholly owned subsidiary of the Company
“Activation Group”	Shanghai Aideweixuan Group Co., Ltd.* (上海艾德韋宣股份有限公司), a joint stock limited company converted from its predecessor company, Activation Business Consultancy, under the laws of the PRC on 15 December 2015 and an indirect non-wholly owned subsidiary of the Company
“Activation Investment”	Activation Investment Limited (艾特投資有限公司), a limited liability company incorporated in Hong Kong 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
“Activation PR”	Shanghai Aidi Linjie Cultural Development Co., Ltd.* (上海艾迪霖杰文化發展有限公司), a limited liability company established under the laws of the PRC on 30 September 2013 and an indirect non-wholly owned subsidiary of the Company
“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)) (formerly known as Aide Zhongxin (Shanghai) Investment Management Enterprise (Limited Partnership)* (艾德眾信(上海)投資管理企業(有限合夥))), a limited partnership established under the laws of the PRC on 14 March 2014

GLOSSARY

“Articles of Association”	the amended and restated articles of association of the Company adopted on 2 June 2022 (as amended, supplemented or otherwise modified from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditor”	Ernst & Young, Certified Public Accountants
“Aurora Activation”	Aurora Activation Holdings Limited (極光動力控股有限公司), a limited company incorporated in Hong Kong 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
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 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 annual 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
“FY2024” or “2024”	the financial year ended 31 December 2024

GLOSSARY

“FY2025” or “2025”	the financial year ended 31 December 2025
“Greater China”	geographic area that shares commercial and cultural ties, including Hong Kong, Macau and China
“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
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of the Company, conditionally adopted on 2 June 2022 (as amended, supplemented or otherwise modified from time to time)
“Mr. Chan”	Mr. Chan Wai Bun (陳偉彬), an executive Director and co-chief operating officer of the Group
“Mr. Lau”	Mr. Lau Kam Yiu (劉錦耀), an executive Director, the joint-chairman of the Board, the chief executive officer of the Group 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 Group and a Controlling Shareholder
“Ms. Low”	Ms. Low Wei Mun (劉慧文), an executive Director and co-chief operating officer of the Group

GLOSSARY

“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 annual report excludes Hong Kong, Macau and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“SFC”	the Securities and Futures Commission of Hong Kong
“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 Award Plans”	2020 Share Award Plan and 2025 Share Award Plan
“Share Schemes”	share option schemes and share award schemes adopted by the Company from time to time, including the 2023 Share Option Scheme and Share Award Plans
“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
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules