ACTIVATION GROUP

艾德韦宣

Activation Group Holdings Limited

艾德韋宣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9919)

INSIDE INFORMATION
TRANSFER OF SHARES TO SHANGHAI INNOVITAL CAPITAL

This announcement is made by Activation Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company was informed and is pleased to announce that on 16 July 2020, the Shanghai Innovital Capital (上海雙創投資中心) ("**SHIVC**") invests in the Company. On 16 July 2020, two shareholders of the Company, Brightly Sky Company Limited ("**Brightly Sky**") and Activation One Limited ("**Activation One**"), as vendors, have entered into a conditional share transfer agreement with SHIVC, as purchaser, pursuant to which each of Brightly Sky and Activation One has agreed to sell 77,499,720 shares and 33,766,280 shares of the Company, representing 10.04% and 4.38% of the issued share capital of the Company respectively, to SHIVC (the "**Transaction**"). The completion of the Transaction is conditional upon the satisfaction or waiver of certain conditions precedent as set out in the share transfer agreement (the "**Completion**").

As at the date of this announcement, the Company is owned as to approximately 21.96% by Brightly Sky and 5.56% by Activation One. Upon the Completion, SHIVC will become one of the substantial shareholders of the Company which held 111,266,000 shares of the Company, representing 14.42% of the issued share capital of the Company.

The Board believes that by introducing SHIVC as a new substantial shareholder of the Company will assist the Company to expand the business networks and strengthen the business development of the Company; and further accelerate the development of digitalization and seize the growing market opportunities.

INFORMATION ON SHIVC

SHIVC is initiated by the Shanghai Municipal Government in 2015 and is principally engaged in equity investment and investment management in strategic emerging fields. Currently, SHIVC has four major investment strategies, and one of them is investment in pan-cultural industries through cultural and entertainment promotion and distribution. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, SHIVC and its ultimate beneficial owners are independent third parties and are not connected with the Company and its connected persons.

As at the date of this announcement, the total value of funds managed by SHIVC is over RMB50 billion. Those funds have invested in 780 innovative enterprises and 796 business incubation projects. Many leading enterprises with independent intellectual property rights have been fostered.

As the Completion is subject to the fulfilment of certain condition precedents. As such, the Transaction may or may not materialise. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 July 2020

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lau Kam Yiu, Mr. Ng Bo Sing, Mr. Chan Wai Bun and Ms. Low Wei Mun and three independent non-executive Directors, namely, Ms. Cheung Siu Wan, Mr. Yu Longjun and Dr. Cheung Wah Keung.