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ACTIVATION GROUP

艾德韦宣

# Activation Group Holdings Limited

# 艾德韋宣集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9919)**

## INSIDE INFORMATION
## MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE STRATEGIC CO-OPERATION

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 (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that, on 27 July 2020, the Company entered into a memorandum of understanding ("**MOU**") with Shanghai Innovital Capital Investment Management Co., Ltd.(上海雙創投資管理有限公司)("**SHIVC Investment**") relating to a possible strategic co-operation for setting up an industry fund to cater for the Company's related business areas including culture and sports industry, creative marketing industry and experiential marketing (the "**Co-operation**").

### THE MOU

Date: 27 July 2020

Parties: (i) the Company; and
(ii) SHIVC Investment

Pursuant to the MOU, the parties thereto (the "**Parties**") agreed, among other things, the following terms:

1. SHIVC Investment will initiate to set up an industry fund (the "**Fund**") for investing in the pan-cultural industry related projects, such as fashion, sports and entertainment industry, digital and creative marketing segment;

2. the Fund will be set up in the form of a general limited partnership;

3. the total investment amount of the Fund is RMB1,002 million of which RMB201 million will be invested by the Company;

4. the term of operation of the Fund is tentatively eight years from the establishment of the Fund; and

5. SHIVC Investment agreed to, at its reasonable endeavour, recommend and bring in high-quality resources for the Company (including but not limited to government support and cultural advertising, cultural technological, cultural real estate and other resources) and investment projects to develop the business of the Company.

## INFORMATION ABOUT SHIVC INVESTMENT

Based on the information provided by SHIVC Investment, SHIVC Investment is a company established in the People's Republic of China ("**PRC**") with limited liability and which is initiated by the Shanghai Municipal Government. It is principally engaged in equity investment and investment management. As at the date of this announcement, the total value of funds managed by SHIVC Investment is over RMB50 billion.

To the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, SHIVC Investment and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules).

## REASONS AND BENEFITS FOR ENTERING INTO THE MOU

Given the strong background and networks of SHIVC Investment in the PRC, the Board believes that the Group will leverage on the networks of the SHIVC Investment to improve the efficiency of capital use of the Group and utilise the resources contributed by SHIVC Investment for creating synergy between the Co-operation and the existing business of the Group. It is also expected that the Co-operation will improve the digital marketing strategies, and strengthen the brands and intellectual property operation ecological environment of the Group.

The Board considers that the MOU will facilitate the Group to expand its business with the assistance of SHIVC Investment, and bring strategic benefit and new revenue streams to the Group.

## GENERAL

The MOU does not constitute a legally binding agreement among the Parties in respect of the Co-operation.

**The Board wishes to emphasise that the MOU may or may not lead to the entering into any formal agreement(s). Shareholders and potential investors of the Company 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, 27 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.*