



ASX Release

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## Proposal by Animoca Brands and NPKFA to receive funding of about A\$770k from Hong Kong government to develop AI-based exercise app

### Highlights

- Animoca Brands has partnered with North Point Kai Fong Welfare Advancement Association (NPKFA) to produce an AI-based Baduanjin qigong mobile application for Android and iOS
- Baduanjin is a form of Chinese qigong exercise with documented health benefits, especially popular in China
- The project has been awarded a grant of HKD 4,523,930 (~ AUD 750,000) by the Hong Kong Government's Innovation and Technology Fund for Better Living
- The mobile application will utilise AI and machine learning in conjunction with phone cameras to guide users in the correct execution of exercises
- Animoca Brands' subsidiary OliveX will lead the development of the mobile application, leveraging AI capabilities acquired from investments in Zeroth.AI and Fuel Powered

Animoca Brands Corporation Limited (ASX:AB1, "**Animoca Brands**" or "**the Company**") is pleased to announce that it and its NGO partner the North Point Kai Fong Welfare Advancement Association ("**NPKFA**") will develop an artificial intelligence (AI) Baduanjin qigong mobile application ("**the App**"). The two companies have submitted a proposal that has been selected for funding by the Innovation and Technology Fund for Better Living ("**FBL**"), released by the Innovation and Technology Bureau of the Government of the Hong Kong Special Administrative Region.

FBL is a HKD 500 million (about AUD 85 million) Hong Kong government fund set up to encourage and support innovation and technology projects that make people's daily living more convenient, comfortable and safer, or that address the needs of specific community groups.

The proposal to create a mobile app using a camera feed real-time AI analysis to guide exercising was submitted jointly by NPKFA and Animoca Brands, and was awarded a grant totalling HKD 4,523,930 (about AUD 770,000) to finance one year of development and two years of maintenance. OliveX (HK) Limited, the Company's health and fitness technology subsidiary, will take a lead role on development of the App, leveraging the technology and capabilities that the Company acquired via its investments in Fuel Powered and Zeroth.AI.

The App will encourage a healthier lifestyle for users, particularly the elderly and infirm, by guiding them through Baduanjin exercise routines. It will utilise machine learning and mobile

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device cameras to track the execution of the movements and postures required, providing real-time feedback and analysis of the users' performance. Gamified features will help to increase motivation and exercise adherence. The App will be developed for iOS and Android and launched in Hong Kong initially, with the possibility to expand distribution into Greater China and other countries.

The Company expects that the technology developed for the App will provide significant opportunities for use in other applications as well as further development.

Baduanjin is a common form of medical qigong exercise that is simple to learn and practice, with studies indicating that it confers benefits to health including quality of life, sleep quality, systolic and diastolic blood pressure, resting heart rate, grip strength, balance, and trunk flexibility (see "[A Systematic Review and Meta-Analysis Baduanjin Qigong for Health Benefits: Randomized Controlled Trials](#)," *Evidence Based Complementary and Alternative Medicine*, 7 March 2017).

The Company is pursuing additional government funding opportunities to fund the development and distribution of novel and innovative products, and will update the market on progress in due course.

**- ENDS**

#### **About Animoca Brands**

Animoca Brands (ASX: AB1) publishes globally a broad portfolio of mobile games and subscription products including several games and e-books based on popular intellectual properties such as Garfield, Thomas & Friends™, Ever After High and Doraemon. The Company is based in Hong Kong and Finland. For more information visit [www.animocabrands.com](http://www.animocabrands.com) or get updates by following Animoca Brands on [Facebook](#), [Twitter](#) or [Google +](#)

#### **About OliveX**

OliveX (HK) Limited is a subsidiary of Animoca Brands that develops products, including AI-powered products, designed to leverage principles of gamification in order to improve the quality of life of users. OliveX focuses on the market segments of health and fitness mobile apps, wearable technology, and the Internet of Things (IoT).

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