



ASX Release

15 August 2018

## Sun Hung Kai and Lympo make strategic investments in Animoca Brands

### Highlights:

- Animoca Brands receives strategic investments totalling A\$1.5 million from Sun Hung Kai and Lympo
- The placement was conducted at A\$0.07 per share, which represents a 10% premium to the 30-day volume-weighted average price (VWAP)
- Sun Hung Kai, one of Asia's leading investment groups, invests A\$1 million
- Leading blockchain fitness company and strategic partner Lympo invests A\$0.5 million, further consolidating its partnership with the Company
- Lympo will act as lead investor in an upcoming funding round for Animoca Brands' health and fitness subsidiary OliveX (HK) Limited
- Animoca Brands and Sun Hung Kai to develop opportunities in blockchain and artificial intelligence
- Animoca Brands to leverage Sun Hung Kai's expertise in corporate development

Animoca Brands Corporation Limited (ASX:AB1, "the Company") is pleased to advise that it has secured A\$1.5 million in investments from Sun Hung Kai & Co. Limited ("Sun Hung Kai") and blockchain fitness company "Latgala" OU (JCS LATGALA) ("Lympo"), which is a current strategic partner. The Company intends to utilise its ASX Listing Rule 7.1 capacity in connection with the issue of shares under the placement.

The placement was conducted at A\$0.07 per share, which represents a 10% premium on the 30-day volume-weighted average price (VWAP). The Company will utilise the capital raised to research and develop novel products based on blockchain and artificial intelligence.

Animoca Brands believes it is well positioned to capitalise on the growth market and broad range of potential applications offered by blockchain and artificial intelligence. The Company will leverage its broad brand portfolio, extensive technological resources, and various domain-expert partners to maximise its exposure to the opportunities provided by blockchain and artificial intelligence.

### **Strategic investment from Sun Hung Kai to progress AI and blockchain initiatives and provide assistance in corporate development**

Sun Hung Kai has entered into a subscription agreement with the Company to acquire 14,285,714 fully paid ordinary shares of Animoca Brands at a price of A\$0.07 per share for a total sum of A\$1 million. As part of the deal, Sun Hung Kai has a 1:1, attaching 12-month loyalty option exercisable after 90 days at a price of A\$0.09 per share, conditional on



placement shares being held for 90 days; the loyalty option is subject to Animoca Brands shareholder approval.

Sun Hung Kai & Co. Limited is a leading Hong Kong based investment firm that has operated market-leading financial services since inception in 1969, and that has A\$5.8 billion under management (as of 30 June 2017).

Animoca Brands and Sun Hung Kai are exploring joint opportunities and applications for blockchain and artificial intelligence. Additionally, Animoca Brands will leverage Sun Hung Kai's expertise in corporate development to advance its business. The Company will update shareholders as developments materialise.

### **Strategic investment from blockchain partner Lympo**

The Company has signed a binding term sheet with Lympo specifying that Lympo will purchase 7,142,858 fully paid ordinary shares of Animoca Brands at a price of A\$0.07 per share for a total sum of A\$0.5 million, with a 1:1, attaching 12-month loyalty option exercisable at a price of A\$0.09 per share, conditional on placement shares being held for 90 days; the loyalty option is subject to Animoca Brands shareholder approval.

Lympo is a blockchain company developing a platform to reward people for exercising and leading healthier lives. It has established partnerships with one of the most recognisable female athletes in the world, Caroline Wozniacki, and the professional NBA basketball team the Dallas Mavericks.

Lympo and Animoca Brands recently signed an agreement to collaborate and integrate Lympo tokens (LYM) in the iOS mobile exercise app *100 Squats Challenge*, and the two companies are preparing for the world's first "squat to earn cryptocurrency" challenge (refer to ASX announcement of 25 July 2018).

In addition to its investment, Lympo has committed to being lead investor in an upcoming funding round for Animoca Brands' subsidiary OliveX (HK) Limited, which develops and publishes mobile apps that leverage gamification and artificial intelligence to improve the fitness and health of users. The details and timing of this funding will be finalised by the end of August 2018.

Finally, Animoca Brands and Lympo agreed to discuss areas and methods of mutual collaboration, with the goal of expanding the current scope and number of co-development activities.

### **Management commentary**

Yat Siu, co-founder and director of Animoca Brands, commented: "It is a singular honor that Sun Hung Kai, one of Asia's most renowned financial powerhouses, chose Animoca Brands as its partner and strategic investee. Sun Hung Kai's know-how and established network have the potential to significantly accelerate business opportunities for Animoca Brands."

He added: "The existing collaboration between Lympo and our health and fitness subsidiary OliveX is progressing well. Today we are extremely pleased to see this relationship further

For personal use only



solidified by Lympo's strategic investment in Animoca Brands. As a leader in blockchain for sports and health, Lympo provides us with highly focused growth opportunities.”

Blockchain is a technology for open and distributed ledgers that record transactions safely and permanently, and which is undergoing significant development and adoption. The global blockchain technology market totalled A\$0.9 billion in 2017 and is estimated to reach A\$14.6 billion by 2023 (source: *Research and Markets*, 7 June 2018).

**-END-**

#### **About Sun Hung Kai**

Sun Hung Kai & Co. Limited (the “Group”) is an investment firm headquartered in Hong Kong. Since its foundation in 1969, the Group has owned and operated market-leading businesses in financial services. Leveraging on its heritage, experience and network, the Group aims to generate long-term capital growth for its shareholders through a diverse yet complementary portfolio of businesses and investments in multi-asset classes. It is the major shareholder of leading consumer finance firm United Asia Finance, and a substantial shareholder of Everbright Sun Hung Kai. The Group currently has about HK\$33 billion\* in total assets. <http://www.shkco.com>

\*As at Jun 30, 2017

#### **About Lympo**

Lympo is building a digital platform with an aim to reward people for exercising and leading healthier lives. With the help of blockchain technology and fitness gamification, users will be rewarded through the Lympo app for finishing fitness-related challenges and tasks with LYM tokens, which will then be used to purchase sports and wellness products or services. All of this – in one convenient platform. Learn more at [Lympo.com](http://Lympo.com) or get updates on [Twitter](https://twitter.com/lympo).

#### **About Animoca Brands**

Animoca Brands (ASX: AB1) publishes and develops a broad portfolio of mobile games and subscription products including games such as *Crazy Kings*, *Crazy Defense Heroes* as well as products based on popular intellectual properties such as Garfield, Thomas & Friends™, Ever After High and Doraemon; in addition, Animoca Brands is the exclusive China distributor of *CryptoKitties*. 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](https://www.facebook.com/animocabrands), [Twitter](https://twitter.com/animocabrands) or [Google +](https://www.google.com/plus/animocabrands).

For personal use only