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KK CULTURE HOLDINGS LIMITED

KK 文化控股有限公司

(Continued in Bermuda with limited liability)

(Stock code: 550)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

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BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

References are made to the announcements of KK Culture Holdings Limited (the “**Company**”) dated 31 July 2018, 21 August 2018 and 23 August 2018 (collectively, the “**Announcements**”) in relation to, inter alia, the Placing. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

The Board is pleased to announce that Completion took place on 28 August 2018 in accordance with the terms and conditions of the Placing Agreement (as supplemented and amended by the Supplemental Agreement).

As disclosed in the announcement of the Company dated 23 August 2018 (the “**Update Announcement**”), an aggregate of 74,000,000 Placing Shares, representing (i) approximately 19.86% of the existing issued share capital of the Company immediately before Completion; and (ii) approximately 16.57% of the issued share capital of the Company immediately after Completion, have been successfully placed to Champion Ease at the Placing Price of HK\$1.40 per Placing Share. Information of Champion Ease has been disclosed in the Update Announcement.

The Company received net proceeds of approximately HK\$102.9 million from the Placing and intends to utilise (i) as to HK\$50 million for general working capital purpose; and (ii) as to HK\$52.9 million for future business and investment opportunities. As at the date of this announcement, the Company has not entered into any agreement, arrangement and understanding about such possible business and investment plans.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after Completion is set out below:

| Name of Shareholders | Immediately before Completion | | Immediately after Completion | |
|--------------------------------------|----------------------------------|-----------------|---------------------------------|-----------------|
| | <i>Number of Shares</i> | <i>Approx.%</i> | <i>Number of Shares</i> | <i>Approx.%</i> |
| Mr. Chen Jiarong (<i>Note 1</i>) | 95,037,657 | 25.51 | 95,037,657 | 21.28 |
| Mr. Liu Gary Wei (<i>Note 2</i>) | 50,248,828 | 13.49 | 50,248,828 | 11.25 |
| Mr. Yiu Yu Cheung (<i>Note 3</i>) | 3,330,000 | 0.89 | 3,330,000 | 0.75 |
| Mr. Tsang Hing Bun (<i>Note 4</i>) | 500,000 | 0.13 | 500,000 | 0.11 |
| Champion Ease (<i>Note 5</i>) | — | — | 74,000,000 | 16.57 |
| Other public Shareholders | 223,497,515 | 59.98 | 223,497,515 | 50.04 |
| Total | <u>372,614,000</u> | <u>100.00</u> | <u>446,614,000</u> | <u>100.00</u> |

Note:

1. Mr. Chen Jiarong, a non-executive Director and the chairman of the Company, is the beneficial owner of Upsky Global Limited, which holds 95,037,657 Shares in long position.
2. Mr. Liu Gary Wei, an executive Director and the chief executive officer of the Company, is the beneficial owner of Polaris Investment Management Limited, which holds 50,248,828 Shares in long position.
3. Mr. Yiu Yu Cheung is a non-executive Director.
4. Mr. Tsang Hing Bun is an executive Director.

5. Champion Ease is beneficially owned as to 50% of its issued share capital by each of Mr. Liu and Ms. Zhan. Each of Champion Ease, Mr. Liu and Ms. Zhan becomes a substantial Shareholder (as defined in the Listing Rules) immediately after Completion.

By order of the Board

KK CULTURE HOLDINGS LIMITED

Tsang Hing Bun

Executive Director

Hong Kong, 28 August 2018

As at the date of this announcement, the Board comprises Mr. Liu Gary Wei (Chief Executive Officer) and Mr. Tsang Hing Bun as executive Directors; Mr. Chen Jiarong (Chairman) and Mr. Yiu Yu Cheung as non-executive Directors; and Mr. Chan Siu Lun, Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex as independent non-executive Directors.