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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)

PROFIT WARNING

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

The Board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the 6 months ended 30 June 2020 (the “**2020 Interim Period**”) and information currently available to the Board, it is anticipated that the revenue of the Group for the six months ended 30 June 2020 would decrease by approximately 75% compared to that for the six months ended 30 June 2019. Such decrease was mainly due to the fact that, during the 2020 Interim Period, the outbreak of the novel coronavirus pandemics has caused disruptions to a wide range of economic activities and dampened economic sentiment. Such impact forced companies to hold or reduce headcounts and also force down the salaries or advertising expenses to cut cost. With a remarkable highest unemployment rate of Hong Kong since 2011, the number of recruitment advertisements placed to the magazine was significantly decreased. However, the net loss of the Group for the six months ended 2020 was narrowed down from the same period last year due to the elimination of operating loss resulting from the disposal of the entire issued share capital of Fullmoon Global Limited together with its subsidiaries which was completed in the first half of 2019.

As the Company is in the process of preparing and finalising its unaudited consolidated accounts for 2020 Interim Period, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available and the current unaudited consolidated management accounts of the Group for the 2020 Interim Period, and such information has not yet been finalised and is subject to possible adjustment(s) arising from further internal review by the Board.

The detailed unaudited financial information of the Group for the 2020 Interim Period will be disclosed in the interim results announcement of the Company for the 2020 Interim Period which will be released in due course in accordance with the Listing Rules.

Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.

By order of the Board
KK CULTURE HOLDINGS LIMITED
Tsang Hing Bun
Executive Director

Hong Kong, 19 August 2020

As at the date of this announcement, the Board comprises Mr. Tsang Hing Bun as executive Director; Mr. Yiu Yu Cheung as non-executive Director; and Dr. Leung Ka Kit, Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex, as independent non-executive Directors.