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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNOUNCEMENT IN RESPECT OF THE SUPPLEMENTAL AGREEMENT

Reference is made to the announcements of KK Culture Holdings Limited (the “**Company**”) dated 29 March 2019 (the “**Announcement**”) and 14 August 2020 (the “**Supplemental Announcement**”) in relation to, among other things, (i) the disposal of the entire issued share capital of Fullmoon Global Limited (the “**Disposal**”) and (ii) the supplemental agreement to the agreement relating to the Disposal, respectively. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Supplemental Announcement.

The Board would like to supplement the following information in relation to the Supplemental Agreement.

REASONS FOR DELAY IN SETTLING THE CONSIDERATION

The Board would like to supplement that due to the outbreak of the novel coronavirus pandemic (“**COVID-19**”) in the PRC, there have been various extent of interruption in, among other things, the negotiations entered into between Hong Kong Made and Guangzhou Shengyu in respect of the extension of the term of the Hong Kong Made Contract for additional three years to 30 June 2023 (the “**Condition**”). Further, the delay in fulfillment of the Condition was mainly due to the prolonged time taken by Guangzhou Shenyu to review, approve and finalise the revised terms of the Hong Kong Made Contract. These procedures have taken longer time to process than originally expected and therefore missed the original Second Tranche Consideration Shares Issue Date, which was 6 June 2020.

In light of the COVID-19 outbreak in the PRC, both Hong Kong Made and Guangzhou Shengyu are unable to ascertain with certainty the date of finalizing the extension term of the Hong Kong Made Contract, it was mutually agreed between the Company and the Purchaser that the terms of the Consideration relating to the Second Tranche Consideration Shares Issue Date and the Third Tranche Consideration Shares Issue Date were revised to be paid on (i) on or before 15 July 2022; and (ii) on or before 15 July 2023, respectively.

Having considered that the aforesaid extension offers the Company an opportunity to strive for the Second Tranche Consideration Shares and the Third Tranche Consideration Shares, subject to the satisfaction of the Second Tranche Consideration Shares Conditions and the Third Tranche Consideration Shares Conditions, the Directors are of the view that such extension does not constitute a material variation of the terms of the Consideration and the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders.

By Order of the Board
KK Culture Holdings Limited
Tsang Hing Bun
Executive Director

Hong Kong, 21 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 Mr. Chan Chiu Hung, Alex, Mr. William Keith Jacobsen and Dr. Leung Ka Kit, as independent non-executive Directors.