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CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00343)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 9 March 2020 (the “**Announcement**”) in relation to, among others, the Disposal which constituted a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

The Company would like provide the following additional information relating to the Disposal. As disclosed in the Announcement, the Target Company has kept loss making for several years and recorded losses for the year ended 31 March 2019 of approximately MOP\$1,401,000 and for the nine months ended 31 December 2019 of approximately MOP\$1,837,000.

In light of uncertainty in the future global economy with the recent outbreak of the COVID-19, the demand for fine catering is with a decreasing trend and it is reasonable to expect that the catering business of the Target Company lacks business prospect in the foreseeable future. Assuming that the Target Company will continue to make loss in this financial year, the Target Company will likely be in the net liabilities position.

The Company has considered other alternatives including but not limited to keeping running the catering business of the Target Company. However, taking into consideration of the aforesaid factors and reasons mentioned in the Announcement, instead of keeping running the catering business of the Target Company, the Company considers that it is fair and reasonable to dispose of the Target Company at this moment at a reasonable consideration in order to minimize its loss. In determining the Disposal consideration, which was arrived at after arm’s length negotiations, the parties have taken into consideration of the aforesaid factors and the Company considers the consideration is fair and reasonable.

The decrease in the net assets of the Group by approximately HK\$1,371,000 (equivalent to MOP\$1,412,000) were disclosed in the Announcement without taking into accounts of the consideration for the Disposal to be received. In the event that the consideration for the Disposal having been taken into account, the net decrease in the net assets of the Group would be approximately HK\$821,000.

By order of the Board
Culturecom Holdings Limited
Kwan Kin Chung
Executive Director

Hong Kong, 20 March 2020

As at the date hereof, the Board comprises of Ms. Chow Lai Wah Livia (being the Vice Chairman and Executive Director); Mr. Huang Mingguo, Mr. Kwan Kin Chung and Mr. Yuen Kin (all being Executive Directors); and Mr. Wong Kwan Kit, Mr. Fan Chun Wah Andrew and Mr. Mung Yat Lik (all being Independent Non-executive Directors).

* *for identification purpose only*