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National Arts Entertainment and Culture Group Limited
國藝娛樂文化集團有限公司

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8228)

**UPDATE ON DELAY IN PUBLICATION OF AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020 AND DESPATCH OF
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcement (the “**March Announcement**”) of National Arts Entertainment and Culture Group Limited (the “**Company**”) dated 25 March 2021 in relation to the unaudited results announcement for the year ended 31 December 2020 and the announcement (the “**May Announcement**”, collectively with the March Announcement, the “**Announcements**”) of the Company dated 25 May 2021 in relation to the update on delay in publication of audited final results for the year ended 31 December 2020 and despatch of annual report for the year ended 31 December 2020. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the May Announcement, the Company has applied to the Stock Exchange for the approval for the extension of time for the publication of the 2020 Annual Report.

Foshan Government’s government conditions in relation to the prevention and measurements of COVID-19 (“**Government Conditions**”) revised from isolation of 14 days from the date of inbound to provision of completion of vaccination certificate and the 7-days result of recognised medical testing institutions for COVID-19 nucleic acid test due to the outbreak of COVID-19 in Guangdong Province in early June 2021. As the Government Conditions were revised, the Company’s auditor requested more time to arrange qualified staff to conduct and complete the audit procedures in the PRC. In particular, the Company’s auditor has to ask their staff to receive the vaccine and their staff need to have body check before receipt of vaccine, so as to fulfill the Government Conditions.

The original audit plan of the Company was prepared based on the original Government Conditions of isolation of 14 days from the date of inbound and the Hotel was expected to be evacuated for audit purpose before the end of June 2021, so that the Company's auditor originally expected that the field audit in the PRC would be completed within one month, i.e. before the end of July 2021. However, the Government Conditions were revised by the Foshan Government in early June 2021 as mentioned above. In addition, the Hotel is still required to be kept running as a designated quarantine hotel (i.e. the Hotel will not be evacuated for audit purpose) and thus, more time (which is currently expected to be two months) will be required for the Company's auditor to complete the audit procedures in the PRC.

As at the date of this announcement, the following audit procedures in the PRC in relation to the field audit of the financial statements of the Company for the year ended 31 December 2020 are yet to be carried out:

- (1) obtain and inspect the remaining original documents located in the PRC (such as vouchers of the Group) and conduct audit sampling in the PRC;
- (2) perform field audit and collect the required information in the PRC;
- (3) review of valuation and impairment assessment of the Hotel; and
- (4) review of expected credit loss of receivables held by the Company's PRC subsidiaries.

For preparing and publishing the 2020 Audited Results Announcement and the 2020 Annual Report, it is currently expected that the field audit in the PRC, which will take approximately four to five weeks, will be commenced in early August 2021 and it will take another three weeks for finalization of the consolidated financial statements of the Company for the year ended 31 December 2020. The expected timetable is tentatively agreed with the Company's auditor since it is subject to change depending on the clearance of audit issue and the time of providing audit documents, e.g. confirmations, valuation reports.

In view of the above, the 2020 Audited Results Announcement and the 2020 Annual Report cannot be published by 31 July 2021 and is currently expected to be published on or before 30 September 2021. The Company has applied to the Stock Exchange for a further extension of time for the publication of the 2020 Annual Report and holding the annual general meeting of the Company, which is required to be held within six months after the relevant financial year end pursuant to Rule 18.03 of the GEM Listing Rules, on or before 29 October 2021, as a result of the delay in the publication of the 2020 Annual Report.

On behalf of the Board
National Arts Entertainment and Culture Group Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Chow Kai Weng
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 29 July 2021

As at the date of this announcement, the Directors are as follows:

Chairman, Executive Director and Chief Executive Officer:

Mr. Chow Kai Weng

Executive Directors:

Mr. Cheng Wang Chun

Mr. Ho Leung Ting

Non-executive Director:

Dr. Lam Lee G.

Independent Non-executive Directors:

Mr. Chui Chi Yun Robert

Mr. Li Kit Chee

Mr. Lam Kwok Hing Wilfred

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the Company’s website at www.nationalarts.hk on the “Investor Relations” page.