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National Arts Group Holdings Limited 國藝集團控股有限公司

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

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

(Stock Code: 8228)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by National Arts Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference are made to the announcement of National Arts Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 24 May 2022, 20 June 2022, 21 June 2022, 29 July 2022, 12 August 2022, 14 November 2022 and 16 November 2022 (collectively, the “**Announcements**”) in relation to, among to others, the delay in publication of the 2021 Audited Results Announcement and despatch of the 2021 Annual Report, the delay in publication of the 2022 Interim Results and the despatch of the 2022 Interim Report, the delay in publication of the 2022 Third Quarterly Results and the despatch of the 2022 Third Quarterly Report and resumption guidance.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATION

The principal activities of the Group include film production and distribution, the provision of management services to artistes, event coordination, provision of travel related products and operations of film studio and hotel.

Since 1 January 2021, part of the operations of the Studio and the Hotel has been outsourced to two service providers. Moreover, Hong Kong’s travel industry has been greatly affected by repeated COVID-19 outbreaks, and Hong Kong businesses have had to cut their headcount amid uncertain outlook. In light of the unpredictable developments of the COVID-19 pandemic, the Group accelerated the development of its online digital commerce business and focused its efforts on the research and development of an online platform during the first quarter of 2022, while offline operations had to be temporarily suspended. Notwithstanding the suspension of trading in the Shares, the Group is carrying on its business operations as usual.

QUARTERLY UPDATE OF RECENT DEVELOPMENT OF SUSPENSION OF TRADING AND IMPLEMENTATION OF THE RESUMPTION PLAN AND SATISFYING THE RESUMPTION CONDITIONS

As disclosed in the Company's announcement dated 16 November 2022, the Company received the Letter from the Stock Exchange setting out the following Resumption Guidance for the Company:

- (i) to publish all outstanding financial results and address any audit modifications;
- (ii) to demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules;
- (iii) to re-comply with Rules 5.05, 5.28 and 5.36A of the GEM Listing Rules; and
- (iv) to inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

Publication of outstanding financial results

As disclosed in the Announcements, the Company need for additional time is required to carry out and complete the audit field work in Hong Kong and PRC which resulted in the delay in the publication of the 2021 Audited Results Announcement, the 2022 Interim Results and the 2022 Third Quarterly Results. The Company will publish all outstanding financial results as soon as practicable.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 1 August 2022. Pending fulfilment of the Resumption Guidance, trading in the Shares on the Stock Exchange will remain suspended until further notice.

The Company will publish further announcement(s) to inform the shareholders of the Company of its progress in complying with the Resumption Guidance, any significant developments in respect of the publication of the 2021 Audited Results Announcement, the 2022 Interim Results and the 2022 Third Quarterly Results as and when appropriate, as well as quarterly updates on its development pursuant to Rule 17.26A of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 November 2022

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

Independent Non-executive Directors:

Mr. Chui Chi Yun Robert

Mr. Li Kit Chee

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” 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.