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)

(1) UPDATE ON THE CREDITORS' SCHEME;
(2) COMPLETION OF THE ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
(3) COMPLETION OF CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
(4) COMPLETION OF DISCLOSEABLE TRANSACTION REGARDING THE ISSUE OF SHARES UNDER SPECIFIC MANDATE IN RELATION TO ADVISORY SERVICE OF FINANCIAL ADVISER; AND
(5) SUPPLEMENTAL INFORMATION OF THE ORDER TO APPOINT THE JOINT PROVISIONAL LIQUIDATORS

References are made to the announcements of the Company dated 19 August 2019, 8 October 2019, 14 October 2019, 8 November 2019, 19 November 2019, 27 November 2019, 15 December 2019, 7 January 2020, 25 February 2020, 6 March 2020 and 20 March 2020, and the circular (the "**Scheme Circular**") of the Company dated 20 September 2019 in relation to, *inter alia*, the scheme of arrangement for the Company. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Scheme Circular.

UPDATE ON THE CREDITOR'S SCHEME AND COMPLETION OF THE ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

The Board is pleased to announce that pursuant to the Creditors' Scheme, on 29 June 2020, a total number of 2,155,114,938 New Shares were duly allotted and issued and Convertible Bonds with aggregate principal amount of HK$1,244,876,198.14 were duly issued to the Creditors under the Specific Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse, each of the Creditors and where appropriate, their respective ultimate beneficial owners are independent of and not connected with the Company and its connected person(s), and none of the Creditors and their respective associates has become a substantial Shareholder (as defined in the GEM Listing Rules) of the Company immediately upon the issue of the New Shares and the Convertible Bonds.

COMPLETION OF CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Among the aforesaid issued New Shares and Convertible Bonds, a total of (i) 752,461,005 New Shares to and (ii) Convertible Bonds with aggregate principal amount of HK$436,051,153.94 were duly allotted and/or issued to Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse under Specific Mandate, details of the allocation of the New Shares and the Convertible Bonds to them are as follows:

	Number of New Shares	**Principal amount of Convertible Bonds**
		HK$
Mr. Sin	681,403,362	394,873,248.65
Ms. Law	30,811,311	17,855,155.26
Mr. Chow	38,254,139	22,168,274.04
Mr. Tse	1,992,193	1,154,476.00
Total	752,461,005	436,051,153.94

Upon completion of the connected transactions, Mr. Sin (together with his associate, Ms. Law), Mr. Chow and Mr. Tse are respectively interested in 1,584,147,296 Shares, 39,254,139 Shares and 565,539,793 Shares, representing approximately 21.54%, 0.53% and 7.69% of the total issued share capital of the Company as enlarged by the allotment and issuance of the New Shares and the Fee Shares.

COMPLETION OF DISCLOSEABLE TRANSACTION REGARDING THE ISSUE OF SHARES UNDER SPECIFIC MANDATE IN RELATION TO ADVISORY SERVICE OF FINANCIAL ADVISER

As the New Shares were duly allotted and issued and the Convertible Bonds were duly issued pursuant to the Creditor's Scheme on 29 June 2020, on 3 August 2020, the Company allotted and issued the 250 million Fee Shares to the Financial Adviser in accordance with the Specific Mandate. Upon the issuance of the Fee Shares, the Financial Adviser is interested in an aggregate of 250,000,000 Shares, representing approximately 3.40% of the issued capital of the Company as enlarged by the allotment and issuance of the New Shares and the Fee Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the issue of the Fee Shares, the New Shares and the Convertible Bonds; and (ii) immediately after the issue of the Fee Shares, the New Shares and the Convertible Bonds:

	Immediately before the issue of the Fee Shares, the New Shares and the Convertible Bonds		**Immediately after the issue of the Fee Shares, the New Shares and the Convertible Bonds**	
	Number of Shares	*%*	*Number of Shares*	*%*
Directors				
Mr. Sin and his associate *(Note 1)*	871,932,623	17.62	1,584,147,296	21.54
Mr. Chow	1,000,000	0.02	39,254,139	0.53
Mr. Chui Chi Yun Robert	3,000,000	0.06	3,000,000	0.04
Mr. Li Kit Chee	4,480,000	0.09	4,480,000	0.06
Sub-total	880,412,623	17.79	1,630,881,435	22.17
Substantial Shareholder				
Mr. Tse	563,547,600	11.39	565,539,793	7.69
Other Shareholders				
Financial Adviser	–	–	250,000,000	3.40
Other public Shareholders	3,504,210,229	70.82	4,906,864,162	66.74
Sub-total	3,504,210,229	70.82	5,156,864,162	70.14
Total	4,948,170,452	100.00	7,353,285,390	100.00

Notes:

1. Immediately before the issue of the Fee Shares, the New Shares and the Convertible Bonds, Mr. Sin beneficially owns 848,580,623 Shares, and Ms. Law, being the spouse of Mr. Sin, beneficially owns 23,352,000 Shares. Under Part XV of the SFO, each of Mr. Sin and Ms. Law is deemed to be interested in 871,932,623 Shares.

2. At the time of the issue of the Fee Shares, the New Shares and the Convertible Bonds, there are outstanding share options to subscribe for an aggregate number of 117,299 Shares. Save for the said outstanding share options, the Company has no outstanding convertible securities, options, or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Completion Date.

3. The shareholding structure takes into account the effect of the issuance of the Fee Shares, the New Shares and the Convertible Bonds only. The issuance of ordinary shares of the Company to another financial adviser of the Company on 13 August 2020, details of which are set out in the announcement of the Company dated 29 July 2020, of 54,054,054 Shares is not taken into account in the above illustration.

SUPPLEMENTAL INFORMATION OF THE ORDER TO APPOINT THE JOINT PROVISIONAL LIQUIDATORS

References are made to (1) the announcement of the Company dated 17 June 2019 in relation to, among others, the application for appointment of provisional liquidators for restructuring purposes; and (2) the announcement dated 19 August 2019 in relation to, among others, the recognition of appointment of joint provisional liquidators by the High Court of Hong Kong (collectively, the "JPL Application and Recognition Announcements").

The Company would like to provide supplemental information to the JPL Application and Recognition Announcements that, pursuant to the order of the Supreme Court of Bermuda dated 14 June 2019 to appoint the Provisional Liquidators and the order of the Honourable Mr. Justice Wilson Chan dated 15 August 2019 to recognise the appointment of the Provisional Liquidators by the High Court of Hong Kong, **the Company shall be permitted to register the transfer of fully paid up shares in the Company**. As such, a court order has been in place to allow the transfer of fully paid up Shares of the Company.

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

Hong Kong, 31 August 2020

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

Chairman and Executive Director:
Mr. Sin Kwok Lam

Associate 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 "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting. This announcement will also be published and shall remain on the Company's website at www.nationalarts.hk on the "Investor Relations" page.