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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by National Arts Entertainment and Culture Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with an update on the latest business developments of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that in 2020, Guangzhou National Arts Huiying Film & Television Co., Ltd. (廣州國藝匯影影視傳播有限公司) (“**Huiying**”), a subsidiary of the Company, entered into a strategic cooperation agreement with Guangdong International Commodity Exhibition & Trade City Co., Ltd. (廣東國際商品展貿城股份有限公司), and established Guangzhou Lingbian Digital Commercial Management Co., Ltd. (廣州領變數字商業管理有限公司) (“**Lingbian Digital**”). According to the policies of the Guangzhou Government, the Guangzhou Government will devote efforts in building a pilot zone for new commerce and trade innovation cluster in Guangzhou in the future, while Guangzhou International Commodity Exhibition & Trade City will become the core area. Currently, the trade city focuses on the wholesale of daily necessities and exquisite snacks, with accumulative transaction scale exceeding RMB200 billion, being in an upward development cycle, Guangzhou International Commodity Exhibition & Trade City commenced trial operation in November 2020, and held a series of offline activities for the “Rebate Shopping Spree (返利瘋狂購物節)”, which is unprecedented in the wholesale industry.

In the same year, Guangdong Yuantong Commerce Management Co., Ltd. (廣東源通商業管理有限公司) (“**Yuantong**”), the cooperative operator of the trade city, granted Lingbian Digital the exclusive right to provide digital services for Guangzhou International Commodity Exhibition & Trade City, covering such fields as membership service management, digital platform services and IP commercial cooperation, digital property management, e-commerce live broadcasting, member training services, channel expansion and marketing, and industry-chain financial services. Lingbian Digital will gradually shift the traditional wholesale model of the trade city to online one to develop digital e-commerce business.

The establishment of Lingbian Digital, which came following the Company's efforts to develop "Digital Commerce" and "Cross-border E-Commerce", marks the Company's further development in the digital e-commerce market and boosts the Company's business diversification.

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, 10 May 2021

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Sin Kwok Lam, Mr. Chow Kai Weng, Mr. Cheng Wang Chun and Mr. Ho Leung Ting; one non-executive Director namely Dr. Lam Lee George; and three independent non-executive Directors, namely Mr. Chui Chi Yun Robert, Mr. Li Kit Chee and 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 remains on the Company's website at www.nationalarts.hk on the "Investor Relations" page.