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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of National Arts Entertainment and Culture Group Limited (the “**Company**”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 14 September 2021 at 3:30 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon, among other things, the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the Consolidated Shares (as defined below) to be in issue upon the Share Consolidation (as defined below) becoming effective and any Consolidated Share which may fall to be issued after the Share Consolidation becoming effective:
 - (a) every ten (10) issued and unissued shares of HK\$0.10 each in the share capital of the Company (the “**Existing Shares**”) be and are hereby consolidated into one (1) consolidated share of par value of HK\$1.00 (the “**Consolidated Shares**”) such that the authorised share capital of the Company will be changed from HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of par value of HK\$0.10 each to HK\$2,000,000,000 divided into 2,000,000,000 Consolidated Shares of par value of HK\$1.00 each (the “**Share Consolidation**”);
 - (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and
 - (c) the board of Directors (the “**Board**”) be and is hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to Share Consolidation and the transactions contemplated thereunder.”

SPECIAL RESOLUTION

2. **“THAT**, subject to and conditional upon: (i) the passing of resolution numbered 1 set out above; (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the New Shares (as defined below); and (iii) compliance with section 46(2) and Section 66(5) of the Companies Act 1981 of Bermuda (as amended) in effect from time to time (the **“Companies Act”**) to effect the Capital Reduction (as defined below), with effect from the second business day after the date on which this resolution is passed by the shareholders of the Company (**“Effective Date”**):
- (a) the issued share capital of the Company of HK\$832,386,836 divided into 832,386,836 Consolidated Shares shall be reduced to HK\$8,323,868.36 divided into 832,386,836 ordinary shares of the Company of HK\$0.01 each in the share capital of the Company (**“New Shares”**) by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 (**“Capital Reduction”**);
 - (b) the credit arising from the Capital Reduction in the amount of approximately HK\$824,062,967.64 will be credited to the contributed surplus account of the Company up to the Effective Date within the meaning of the Companies Act for use by the Directors in any manner permitted by the Companies Act and the bye-laws of the Company; and
 - (c) the authorised share capital of the Company of HK\$2,000,000,000 divided into 2,000,000,000 Consolidated Shares shall be reduced to HK\$20,000,000 divided into 2,000,000,000 New Shares by reducing the par value of all unissued Consolidated Shares from HK\$1.00 each to HK\$0.01 each.
 - (d) the Board be and is hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to any or all of the foregoing, including, without limitation, to aggregate, sell and retain for the benefit of the Company all fractional New Shares to which each shareholders of the Company is otherwise entitled.”

Your faithfully,

On behalf of the Board

National Arts Entertainment and Culture Group Limited

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

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

Chow Kai Weng

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 20 August 2021

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Room 1514-15, 15/F.
Seapower Tower, Concordia Plaza
No.1 Science Museum Road
Tsim Sha Tsui, HK

Notes:

1. Any shareholder of the Company entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A shareholder who is the holder of two or more shares may appoint more than one proxy(ies) to represent him/her/it and vote on his/her/its behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event by 3:30 p.m. on Sunday, 12 September 2021 or not less than 48 hours before the time appointed for the adjourned SGM.
3. To ascertain the shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 8 September 2021 to Tuesday, 14 September 2021, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the SGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Tuesday, 7 September 2021.
4. Completion and delivery of a form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the SGM, and in such event, such form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy, in respect of such shares as if he/she/it was solely entitled thereto; but if more than one of such joint holders be present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of such joint holding.
6. A form of proxy for use at the SGM is attached herewith.
7. Any voting at the SGM shall be taken by poll.

8. The form of proxy shall be signed by the shareholder of the Company or his/her attorney duly authorised in writing or, in the case of a corporation, must be either executed under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
9. Unless otherwise announced by the Company, the Meeting will be held as scheduled even when Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force on the date of the Meeting.

Shareholders should decide on their own whether they would attend the Meeting under bad weather conditions bearing in mind their own situations and if they do so, they are advised to exercise care and caution.

As at the date of this notice, the Board comprises the following Directors:

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 notice, 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 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 notice 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 notice misleading.

This notice will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the “Investor Relations” page of the Company’s website at www.nationalarts.hk.