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JOINT MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 AND 3.8 OF THE TAKEOVERS CODE

This announcement is made jointly by National Arts Entertainment and Culture Group Limited (“**National Arts**”) and Convoy Global Holdings Limited (“**Convoy**”) pursuant to Rule 3.7 and 3.8 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcements jointly issued by National Arts and Convoy dated 29 July 2020, 28 August 2020, 28 September 2020 and 28 October 2020 (the “**Rule 3.7 Announcements**”), the announcements issued by National Arts dated 30 July 2020, 17 August 2020, 21 August 2020, 3 September 2020 and 30 October 2020, and the announcements issued by Convoy dated 17 August 2020 and 24 August 2020 in relation to the possible conditional voluntary share exchange offer by National Arts to acquire shares in Convoy. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Rule 3.7 Announcements.

REVIEW OF THE DECISION

The Listing Division of the Stock Exchange informed National Arts of its decision in its letter dated 14 August 2020 that it considered the Possible Offer, which constitute a very substantial acquisition of National Arts, a reverse takeover under Rule 19.06B of the GEM Listing Rules and it would treat National Arts as a new listing applicant under Rule 19.54 of the GEM Listing Rules if the Possible Offer were to proceed (the “**Decision**”). The National Arts Board disagrees with the Decision and had submitted a request for a review of the Decision by the GEM Listing Committee of the Stock Exchange pursuant to Rule 4.06(1) of the GEM Listing Rules (the “**Review**”).

The Review hearing took place on 4 November 2020 and on 23 November 2020 the GEM Listing Committee informed National Arts that it upholds the Decision on 23 November 2020 citing the same reason for the Decision by the Listing Division (the “**GEM Listing Committee Decision**”).

National Arts does not agree with the GEM Listing Committee Decision for the reasons stated in its announcement dated 3 September 2020. The board of National Arts is discussing with its advisors the next steps of action, which may include a review of the Decision by the GEM Listing (Review) Committee and/or judicial review of the Decision.

PROGRESS OF THE POSSIBLE OFFER

National Arts and Convoy would like to inform their respective shareholders that, given the GEM Listing Committee Decision and foreseeable obstacles, despite the reviews available to be taken by National Arts, the parties are discussing other possible transaction structures that if it were to proceed would only constitute a major transaction, but not very substantial acquisition of National Arts under the GEM Listing Rules. Reference is also made to Convoy's announcement dated 25 November 2020 concerning a possible transaction with AGBA Acquisition Limited. National Arts has noted this transaction and given its consent to the transaction proceeding. As at the date of this joint announcement, National Arts has not made a final decision on the Possible Offer, there is no assurance as to whether there will be any changes to the structure of the Possible Offer.

RELEVANT SECURITIES OF NATIONAL ARTS AND CONVOY

National Arts Board wishes to announce that on 30 October 2020 a total of 16,528,925 National Arts Shares were issued to its financial adviser, Yu Ming Investment Management Limited as advisory fee for the Review.

Details of all classes of "relevant securities" (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by National Arts and the numbers of such securities in issue as at the date of this joint announcement are as follows:

- (i) a total of 7,423,868,369 National Arts Shares are in issue;
- (ii) convertible bonds in the principal amount of HK\$1,244,876,198 convertible into 2,263,411,269 conversion shares at HK\$0.55 each;
- (iii) outstanding share options to subscribe for an aggregate number of 92,411 National Arts Shares held by two directors of National Arts, namely Mr. Chow Kai Weng and Mr. Chui Chi Yun Robert;
- (iv) 12,368,421,052 option shares to be allotted and issued by National Arts (the "**Option Shares**") upon the exercise of all or any part of the option granted by GEM Global Yield LLC SCS (the "**Investor**") to National Arts to require the Investor to subscribe for the Option Shares; and
- (v) a total of 383,000,000 outstanding warrants issued to the Investor with rights to subscribe for an aggregate of 383,000,000 new National Arts Shares.

As at the date of this joint announcement, save as disclosed above, National Arts has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into National Arts Shares and National Arts has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

As at the date of this joint announcement, save as 14,938,896,000 Convoy Shares in issue, Convoy has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Convoy Shares and Convoy has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

DISCLOSURE OF DEALINGS

As required under Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of National Arts and Convoy (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of National Arts and Convoy) are reminded to disclose their dealings in any securities of National Arts and Convoy pursuant to the requirements of the Takeovers Code. For this purpose, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Offer will be made until the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Each of National Arts and Convoy will publish further announcements regarding the Possible Offer in compliance with the GEM Listing Rules, the Main Board Listing Rules and the Takeovers Code as and when appropriate.

CONTINUED SUSPENSION OF TRADING IN NATIONAL ARTS SHARES AND CONVOY SHARES

At the request of National Arts, trading in National Arts Shares on the Stock Exchange was halted from 9:00 a.m. on 24 November 2020, pending a release of an announcement pursuant to the Takeovers Code and will remain suspended. Shareholders and potential investors of National Arts should exercise caution when dealing in National Arts Shares.

At the request of Convoy, trading in Convoy Shares on the Stock Exchange was halted from 11:04 a.m. on 7 December 2017 (automatically converted to “being suspended” thereafter), and will remain suspended until further notice. Shareholders and potential investors of Convoy should exercise caution when dealing in the Convoy Shares.

Warning: there is no assurance that the Possible Offer will materialise and the Possible Offer may or may not proceed. Shareholders and potential investors of National Arts and Convoy are advised to exercise caution when dealing in the securities of National Arts and Convoy.

By order of the National Arts 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

By order of the Convoy Board
CONVOY GLOBAL HOLDINGS LIMITED
Johnny Chen
Chairman and Executive Director

Hong Kong, 27 November 2020

As at the date of this announcement, the National Arts 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.

As of the date of this Announcement, the board of directors of the Offeree comprises five executive directors, namely Mr. Johnny Chen (Chairman), Mr. Ng Wing Fai, Mr. Yap E Hock, Mr. Shin Kin Man and Mr. Lee Jin Yi; one non-executive director, Mr. Chen Shih-pin; and five independent non-executive directors, namely Mr. Pun Tit Shan, Mrs. Fu Kwong Wing Ting, Francine, Mr. Pak Wai Keung, Martin, Mr. Yan Tat Wah and Mr. Lam Kwok Cheong. Other executive directors are namely Mr. Wong Lee Man and Ms. Chan Lai Yee, whose duties have been suspended since 8 December 2017.

The directors of National Arts jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to Convoy, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of Convoy) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

The directors of Convoy (other than Mr. Wong Lee Man and Ms. Chan Lai Yee for the reasons set out in the Rule 3.7 Announcement dated 29 July 2020) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to National Arts and parties acting in concert with it, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of National Arts and parties acting in concert with National Arts) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.