
THIS SUPPLEMENTARY CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplementary circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China National Culture Group Limited, you should at once hand this supplementary circular and the accompanying proxy form to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplementary circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplementary circular.

This supplementary circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 supplementary circular 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 supplementary circular misleading.

CNCG**CHINA NATIONAL CULTURE GROUP LIMITED****中國國家文化產業集團有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock code: 745)****SUPPLEMENTARY CIRCULAR TO THE ANNUAL GENERAL MEETING
IN RELATION TO PROPOSED REFRESHMENT
OF SCHEME MANDATE LIMIT AND
SUPPLEMENTARY NOTICE OF ANNUAL GENERAL MEETING**

This supplementary circular shall be read in conjunction with the circular of the Company dated 27 July 2017 (the "Circular").

A letter from the Board is set out in pages 3 to 6 of this supplementary circular.

The notice convening the annual general meeting of China National Culture Group Limited to be held as originally scheduled at Portion 2, 12/F., The Center, 99 Queen's Road Central, Hong Kong on Thursday, 31 August 2017 at 10:00 a.m. is set out on pages AGM-1 to AGM-4 of the Circular.

A supplementary notice of the AGM is set out on pages AGM-1 to AGM-3 of this supplementary circular.

A new form of proxy ("Second Proxy Form") for use at the AGM is also enclosed with this supplementary circular. Such Second Proxy Form is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hklistco.com/745>), respectively.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying Second Proxy Form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Hong Kong, 16 August 2017

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DEFINITIONS

In this supplementary circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“AGM Notice”	the notice dated 27 July 2017 convening the AGM as set out on pages AGM-1 to AGM-4 of the Circular
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 31 August 2017 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company for the time being
“Board”	Board of Directors
“Circular”	the circular of the Company dated 27 July 2017
“Company”	China National Culture Group Limited, a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Stock Exchange
“Directors”	the directors of the Company
“First Proxy Form”	the proxy form enclosed with the Circular
“Grantee(s)”	any Participant who accepts an offer in accordance with the terms of the Share Option Scheme or any other schemes of the Company or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	11 August 2017, being the latest practicable date prior to the printing of this supplementary circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for Shares pursuant to the Share Option Scheme and any other schemes of the Company and for the time being subsisting

DEFINITIONS

“Participant(s)”	(a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (d) any shareholder of any member of the Group; or (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, to be determined absolutely by the Board
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company
“Second Proxy Form”	the new proxy form enclosed with this supplementary circular
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme of the Company adopted on 29 August 2014
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplementary Circular”	the circular of the Company dated 16 August 2017
“Supplementary Notice”	the supplementary notice of the AGM as set out on pages AGM-1 to AGM-3 of this supplementary circular
“%”	per cent

LETTER FROM THE BOARD

CNCG

CHINA NATIONAL CULTURE GROUP LIMITED

中國國家文化產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 745)

Executive Directors:

Ms. SUN Wei

Mr. YAN Zhilei

Independent Non-Executive Directors:

Mr. LIU Kwong Sang

Ms. WANG Miaojun

Ms. WANG Yujie

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal

Place of Business in Hong Kong:

Office Unit 403, 4th floor

Wing Tuck Commercial Centre

177-183 Wing Lok Street

Sheung Wan

Hong Kong

Hong Kong, 16 August 2017

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTARY CIRCULAR TO THE ANNUAL GENERAL MEETING
IN RELATION TO PROPOSED REFRESHMENT
OF SCHEME MANDATE LIMIT AND
SUPPLEMENTARY NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

This supplementary circular should be read in conjunction with the Circular.

The purpose of this supplementary circular is to provide you with information regarding the additional resolution in relation to refreshment of scheme mandate limit to be proposed at the AGM and to give you the Supplementary Notice and the Second Proxy Form.

LETTER FROM THE BOARD

ADDITIONAL RESOLUTION IN RELATION TO PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

Pursuant to the Listing Rules and the principle terms of the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company must not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. Subject to prior Shareholders' approval, the Company may refresh the Scheme Mandate Limit provided that the Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue at the date of the approval of the refreshment by the Shareholders.

Apart from the Share Option Scheme, there is no other share option scheme as at the Latest Practicable Date.

At the annual general meeting of the Company held on 10 September 2015, the Scheme Mandate Limit was refreshed and the Company was allowed to grant Options up to 981,441,000 Shares representing 10% of the number of issued shares of the Company as at the said annual general meeting.

The Company has granted 981,440,000 Options on 2 August 2017 whose exercise period is from 2 August 2017 to 28 August 2024. As at the Latest Practicable Date, no Options granted had been exercised, cancelled nor lapsed.

Since the adoption of Share Option Scheme and up to the Latest Practicable Date, there are outstanding 981,440,000 Options, entitling the holders thereof to subscribe for 981,440,000 Shares, which is approximately 10.00% of the number of issued shares of the Company as at the Latest Practicable Date.

The Company confirms that the total number of Shares to be issued upon exercise of the Options granted to each participant in any 12-month period has not exceeded 1% of the issued share capital of the Company in compliance with Rule 17.03(4) of the Listing Rules. The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Options may be granted under the Share Option Scheme and any other schemes of the Company if this will result in the limit being exceeded. The Directors will ensure that the requirements under Chapter 17 of the Listing Rules will be fully complied with from time to time.

As at the Latest Practicable Date, the Company has issued 9,814,410,000 Shares. Pursuant to the terms of the Share Option Scheme and in compliance with the Listing Rules, the maximum number of shares, which may be issued upon the exercise of all the Options to be granted under the Share Option Scheme and any other schemes of the Company under the Scheme Mandate Limit as refreshed should be 981,441,000 Shares (assuming no further Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM).

LETTER FROM THE BOARD

The proposed refreshment of the Scheme Mandate Limit is in the interests of the Group so that the Company could have more flexibility to provide incentives or rewards to Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

It is proposed that subject to the Listing Committee granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the refreshed Scheme Mandate Limit and the passing of the relevant resolution at the AGM by the Shareholders, the Scheme Mandate Limit be refreshed so that the total number of securities, which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company under the refreshed Scheme Mandate Limit as refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the proposed refreshment of the Scheme Mandate Limit by the Shareholders at the AGM.

The Board proposes that the Scheme Mandate Limit be refreshed under Ordinary Resolution no. 7 at the forthcoming AGM.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit; and
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued under the refreshed Scheme Mandate Limit.

ANNUAL GENERAL MEETING

The AGM will be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Hong Kong on Thursday, 31 August 2017 at 10:00 a.m. The AGM Notice and the First Proxy Form have been dispatched to the Shareholders by the Company on 27 July 2017 and were also published on the website of the Stock Exchange and the Company's website.

The Supplementary Notice is set out on pages AGM-1 to AGM-3 of this supplementary circular, for the purpose of notifying the Shareholders the addition of a new resolution in relation to the refreshment of Scheme Mandate Limit to the agenda of the AGM. The resolutions originally proposed to be considered at the AGM and all other matters of the AGM contained in the AGM Notice remain unchanged. Please refer to the AGM Notice for details of the resolutions originally proposed to the AGM, the eligibility for attending the AGM, the appointment of proxy and other relevant matters.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to article 66(1) of the Articles of Association and Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. All resolutions put to the vote of the AGM will therefore be decided by poll.

ACTION TO BE TAKEN

The Second Proxy Form is enclosed with this supplementary circular for use at the AGM. Such Second Proxy Form is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hklistco.com/745>), respectively. Whether or not you intend to be present at the AGM, you are requested to complete the Second Proxy Form in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof.

Completion and return of the First Proxy Form and/or the Second Proxy Form will not preclude you from attending and voting in person at the AGM if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Special arrangements about completion and submission of the Second Proxy Form are set out in the Supplementary Notice. Shareholders who have appointed or intended to appoint proxy(ies) to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

RECOMMENDATIONS

The Directors believe that the proposed resolution for the refreshment of Scheme Mandate Limit is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the above-mentioned resolution to be proposed at the AGM.

Yours faithfully,
for and on behalf of
China National Culture Group Limited
SUN Wei
Executive Director

SUPPLEMENTARY NOTICE OF ANNUAL GENERAL MEETING

CNCG

CHINA NATIONAL CULTURE GROUP LIMITED

中國國家文化產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 745)

This notice is supplemental to the notice of annual general meeting (the “AGM Notice”) published on 27 July 2017 by China National Culture Group Limited (the “Company”) to convene annual general meeting (the “AGM”) at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 31 August 2017 at 10:00 a.m..

Details of the proposed resolutions to be considered at the AGM were set out in the AGM Notice. Unless otherwise defined, terms defined herein shall have the same meanings as those defined in the supplementary circular of the Company dated 16 August 2017. Apart from the amendments set out below, all the information contained in the AGM Notice remains valid and effective.

The following resolution shall be added to the AGM Notice as additional resolution numbered 7:

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

subject to and conditional upon the listing committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares falling to be issued pursuant to the exercise of any options granted under the Refreshed Scheme Mandate Limit (as hereafter defined), the refreshment of the scheme mandate limit on the grant of options under the Share Option Scheme adopted on 29 August 2014 and any other schemes of the Company up to 10% of the number of shares of the Company in issue as at the date of passing this resolution (the “Refreshed Scheme Mandate Limit”) be and is hereby approved and all the Directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the shares of the Company pursuant to the exercise of any options and to take all such steps as they may consider necessary or expedient.”

By order of the Board
China National Culture Group Limited
SUN Wei
Executive Director

Hong Kong, 16 August 2017

SUPPLEMENTARY NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Please refer to the Company's circular dated 27 July 2017 and the AGM Notice for detailed information in respect of other resolutions to be put forward at the AGM, eligibility for attending the AGM, appointment of proxy and other relevant matters.
2. Since the proxy form enclosed with the Circular and the AGM Notice (the "First Proxy Form") does not contain the additional resolution as set out in this supplementary notice, a new proxy form (the "Second Proxy Form") has been prepared and is enclosed with this supplementary notice. The Second Proxy Form is also published on the respective websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.hklistco.com/745>).
3. Shareholders of the Company (the "Shareholder(s)") who intend to appoint a proxy to attend the AGM but are yet to lodge the First Proxy Form with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, should complete the accompanying Second Proxy Form in accordance with the instructions printed thereon and return it to Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). In this case, the First Proxy Form should no longer be lodged with the Company's Hong Kong branch share registrar.
4. Shareholders who have already lodged the First Proxy Form with the Company's Hong Kong branch share registrar should note that:
 - (i) If no Second Proxy Form is lodged with the Company's Hong Kong branch share registrar, the First Proxy Form, if duly completed, will be treated as a valid proxy form lodged by the Shareholder. In addition to the resolutions as set out in the AGM Notice and the First Proxy Form, the proxy duly appointed by the Shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolution properly submitted to the AGM, including the additional resolution as set out in this supplementary notice;
 - (ii) If the Second Proxy Form is lodged with the Company's Hong Kong branch share registrar of not less than 48 hours before the time appointed for holding the AGM, the Second Proxy Form, whether duly completed or not, will revoke and supersede the First Proxy Form previously lodged by the Shareholder. The Second Proxy Form, if duly completed, will be treated as a valid proxy form; and
 - (iii) If the Second Proxy Form is lodged with the Company's Hong Kong branch share registrar of less than 48 hours appointed for holding the AGM, the Second Proxy Form will be treated as an invalid proxy form and the First Proxy Form previously lodged by the Shareholder will not be revoked. The First Proxy Form, if duly completed, will be treated as a valid proxy form. In addition to the resolutions as set out in the AGM Notice and the First Proxy Form, the proxy duly appointed by the Shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolution properly submitted to the AGM, including the additional resolution as set out in this supplementary notice.
5. Shareholders are reminded that completion and return of the First Proxy Form and/or the Second Proxy Form will not preclude them from attending and voting in person at the AGM or any adjourned meeting thereof should they so wish.
6. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in the AGM Notice and this supplementary notice will be decided by way of a poll.

SUPPLEMENTARY NOTICE OF ANNUAL GENERAL MEETING

7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date hereof, the Board of Directors comprises Ms. SUN Wei and Mr. YAN Zhilei as Executive Directors and Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie as Independent Non-Executive Directors.