

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

ANNOUNCEMENT

COMPLETION OF THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF THE TARGET COMPANY

Reference is made to the announcement of National Arts Entertainment and Culture Group Limited (the “**Company**”) dated 29 January 2021 (the “**Announcement**”) in relation to the acquisition by the Company of the entire issued shares of Majestic Bravo Limited (the “**Target Company**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board is pleased to announce that all Conditions have been satisfied and Completion took place on 24 March 2021.

Upon Completion, the Target Company has become a direct wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Company’s consolidated financial statements.

At Completion, the Consideration being HK\$90,000,000 (Hong Kong Dollars Ninety Million Only), has been settled by the allotment and issue of 900,000,000 new Shares by the Company to the Seller under the General Mandate at the issue price of HK\$0.10 each. As at the date of the Announcement (i.e. 29 January 2021), the closing price and the 5-day average price of the Share were HK\$0.076 and HK\$0.0754 respectively. The issue price of HK\$0.10 each represents a premium of approximately 31.58% and 32.63% to the closing price and the 5-day average price respectively. The Board consider that is in the interest of the Company to settle the Consideration by issue of the New Shares as the Company can retain the cash for its business operation and development.

THE BACKGROUND INFORMATION OF THE SELLER

The Seller is a resort operator operating Gold Coast Morib in Morib for more than a decade including the provision of hospitality services to local tourists, air crew members of airlines and has been organizing a lot of tourism promotional activities such as international kite flying festivals, wedding and banquet on the sand in Malaysia. The Seller has also collaborated with Impiana Hotel & Resort Management Sdn Bhd with expertise in hotel management, and clientele network in hooking up with more high net worth customers. Pursuant to the Agreement, the Seller will lease the Target Apartments from the Company for its operations. During the leasing period, the Company can gain more understanding about the hotel environment and marketing operation in Malaysia. It could enable the Company to get into oversea market in the future.

ASSETS ACQUIRED

Pursuant to the Agreement, the Company acquired the 100% shares of the Target Company which owns the beneficial interest of the Target Apartments at Completion.

The developer of the Target Apartments and the Seller bear all the construction costs and outstanding payments before handing over vacant possession of the Target Apartments to SPV 4. At the same time, SPV 4 has no obligation to settle any outstanding payments including but not limited to any compensation or legal claims prior to the date on which Target Apartments are handed over to SPV 4.

The Seller undertakes to indemnify and keep SPV 4 indemnified and save SPV 4 harmless against all claims, suits, proceedings, demands, liabilities, losses, fines, charges, expenses and costs suffered or incurred by SPV 4 in relation to the Target Apartments.

INFORMATION OF THE TARGET COMPANY AND THE TARGET APARTMENTS

The Target Company is a company incorporated in British Virgin Islands. At Completion, the Target Company via SPV 4 owns the beneficial interest of the Target Apartments.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of Company immediately upon Completion:

	Immediately upon Completion	
	<i>No. of Shares</i>	<i>%</i>
Director		
Sin Kwok Lam (“ Mr. Sin ”) and his associate (<i>Note</i>)	1,584,147,296	19.03%
Chow Kai Weng	39,254,139	0.47%
Chui Chi Yun Robert	3,000,000	0.04%
Li Kit Chee	4,480,000	0.05%
Seller	900,000,000	10.81%
Public Shareholders	5,792,986,934	69.60%
Total	<u>8,323,868,369</u>	<u>100.00%</u>

Note:

As at the date of this announcement, Mr. Sin beneficially owns 1,529,983,985 Offeror Shares. Ms. Law Po Yee, being the spouse of Mr. Sin, beneficially owns 54,163,311 Shares. Under Part XV of the SFO, each of Mr. Sin and Ms. Law Po Yee is deemed to be interested in 1,584,147,296 Shares.

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, 24 March 2021

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.