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If you have sold or transferred all your shares in China National Culture Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)**

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an EGM of China National Culture Group Limited to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong at 11:00 a.m. on Monday, 18 September 2023 is set out on pages 14 to 15 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of China National Culture Group Limited in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

18 August 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Announcement”	the announcement of the Company dated 27 July 2023 regarding the proposed Share Consolidation
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961), of the Cayman Islands as consolidated and revised
“Company”	China National Culture Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.4 each in the share capital of the Company upon the Share Consolidation becoming effective
“Consolidated Preference Share(s)”	the non-voting convertible preference share(s) of par value HK\$1.40 each in the share capital of the Company upon the Share Consolidation becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Consolidation shall become effective

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.04 each in the share capital of the Company before the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	collectively, the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“Preference Share(s)”	the non-voting convertible preference shares of par value HK\$0.14 each in the share capital of the Company before the Share Consolidation becoming effective
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, the address of which is at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Share(s)”	the Existing Share(s) and/or the Preference Share(s) and/or the Consolidated Share(s) and/or the Consolidated Preference Share(s), as the case may be

DEFINITIONS

“Share Consolidation”	the proposed consolidation of (i) every ten (10) issued and unissued Existing Shares of par value HK\$0.04 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.4 each; and (ii) every ten (10) issued and unissued Preference Shares of par value HK\$0.14 each in the share capital of the Company into one (1) Consolidated Preference Share of par value HK\$1.40 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 29 August 2014
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Date

Latest date and time for lodging transfer documents
in order to qualify for attending and
voting at EGM 4:00 p.m. on Wednesday, 13 September 2023

Closure of register of members for determining
the entitlement to attend and vote at the EGM
(both dates inclusive) Thursday, 14 September 2023 to
Monday, 18 September 2023

Latest date and time for lodging the proxy
form for the EGM 11:00 a.m. on Saturday, 16 September 2023

Record date for EGM Monday, 18 September 2023

Date and time of the EGM 11:00 a.m. on Monday, 18 September 2023

Announcement of results of the EGM Monday, 18 September 2023

The following events are conditional upon the results of the EGM and therefore the dates are tentative only.

Effective date of the Share Consolidation Wednesday, 20 September 2023

First day of free exchange of existing share certificates
into new share certificates for Consolidated Shares Wednesday, 20 September 2023

Dealings in Consolidated Shares commence 9:00 a.m. on Wednesday, 20 September 2023

Original counter for trading in Shares
in board lots of 10,000 Existing Shares
(in the form of existing share certificates)
temporarily closes 9:00 a.m. on Wednesday, 20 September 2023

Temporary counter for trading in
Consolidated Shares in temporary board lot
of 1,000 Consolidated Shares (in the form
of existing share certificates) opens 9:00 a.m. on Wednesday, 20 September 2023

EXPECTED TIMETABLE

Date

Original counter for trading in Consolidated Shares
in board lot of 10,000 Consolidated Shares
(in the form of new share certificates for
Consolidated Shares) re-opens 9:00 a.m. on Thursday, 5 October 2023

Parallel trading in the Consolidated Shares
(in the form of existing share certificates and
new share certificates) commences 9:00 a.m. on Thursday, 5 October 2023

Designated broker starts to stand in the market to
provide matching services for sale and purchase
of odd lots of Consolidated Shares 9:00 a.m. on Thursday, 5 October 2023

Designated broker ceases to stand in the market
to provide matching services for sale and
purchase of odd lots of Consolidated Shares 4:00 p.m. on Thursday, 26 October 2023

Temporary counter for trading in Consolidated Shares
in temporary board lot of 1,000 Consolidated Shares
(in the form of existing share certificates) closes . . . 4:10 p.m. on Thursday, 26 October 2023

Parallel trading in Consolidated Shares (in the form
of new share certificates for Consolidated Shares
and existing share certificates) ends 4:10 p.m. on Thursday, 26 October 2023

Last day for free exchange of existing share certificates
into new share certificates for Consolidated Shares Monday, 30 October 2023

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

Ms. Man Qiaozhen

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

Hong Kong Principal Place of Business:

Unit A, 29/F

United Centre

95 Queensway, Admiralty

Central District

Hong Kong

18 August 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The Company has announced on 27 July 2023 regarding the proposed Share Consolidation. The purpose of this circular is to provide you with information regarding the proposed Share Consolidation and the notice of EGM for the purpose of considering and, if thought fit, approving the resolutions to be proposed.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that (i) every ten (10) issued and unissued Existing Shares of par value HK\$0.04 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value HK\$0.4 each in the

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share capital of the Company; and (ii) every ten (10) issued and unissued Preference Shares of par value HK\$0.14 each in the share capital of the Company will be consolidated into one (1) Consolidated Preference Share of par value HK\$1.40 each in the share capital of the Company.

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,490,000,000 divided into 25,000,000,000 Existing Shares of par value HK\$0.04 each and 3,500,000,000 Preference Shares of par value HK\$0.14 each, of which 781,221,520 Existing Shares have been issued and are fully paid or credited as fully paid and no Preference Shares have been issued.

Immediately upon the Share Consolidation becoming effective, and assuming no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to and including the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK\$1,490,000,000 divided into 2,500,000,000 Consolidated Shares of par value HK\$0.4 each and 350,000,000 Consolidated Preference Shares of par value HK\$1.40 each, of which 78,122,152 Consolidated Shares will have been issued and will be fully paid or credited as fully paid and no Consolidated Preference Shares will have been issued.

Upon the Share Consolidation becoming effective, all the Consolidated Shares will rank pari passu in all respects with each other and all the Consolidated Preference Shares will rank pari passu in all respects with each other each in accordance with the Memorandum and the Articles.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

1. the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
3. the compliance with the relevant procedures and requirements under the Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 20 September 2023, being one clear Business Day immediately after the date of the EGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the past six months, the share price of the Company has been trading below HK\$0.1, and the closing price of the Existing Shares on the date of the Announcement was HK\$0.044. The existing board lot value has been less than HK\$2,000.

The Directors consider that the proposed Share Consolidation will increase the board lot value of the Existing Shares and would bring about a corresponding upward adjustment in the expected value per board lot. As such, it would enable the Company to comply with the trading requirements under the Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

It is believed that the adjusted share price as a result of the Share Consolidation would maintain the trading amount for each board lot at a reasonable level and will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company. The Directors also believe that the Share Consolidation will provide greater opportunity for and more flexibility in the Company’s possible equity fund raising in the future.

LETTER FROM THE BOARD

Up to the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

In view of the above reasons, the Company considers the proposed Share Consolidation is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Application for the listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the share options.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares and Preference Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares and Consolidated Preference Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 20 September 2023, being one clear Business Day immediately after the date of the EGM, Shareholders may between 9:00 a.m. and 4:00 p.m. on any Business Day during the period from Wednesday, 20 September 2023 to Monday, 30 October 2023 (both days inclusive), submit

LETTER FROM THE BOARD

share certificates for the Existing Shares (in orange colour) to the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong to exchange for new share certificates for the Consolidated Shares (in purple colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher.

After 4:10 p.m. on Thursday, 26 October 2023, trading will only be in Consolidated Shares which share certificates will be issued in purple colour. Existing share certificates in orange colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Board lot size

As at the Latest Practicable Date, the Existing Shares were traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will continue to be 10,000 Consolidated Shares.

Based on the closing price of HK\$0.031 per Existing Share (equivalent to the theoretical closing price of HK\$0.31 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the value of each existing board lot of 10,000 Existing Shares is HK\$310 and the estimated theoretical value of each board lot of 10,000 Consolidated Shares would be HK\$3,100 assuming that the Share Consolidation becomes effective.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed an agent to provide matching services, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

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Shareholders who wish to take advantage of this facility should contact Suncorp Securities Limited at Room 2305, 23/F, The Center, 99 Queen's Road Central, Central, Hong Kong (telephone number: (852) 3899 1828) from 9:00 a.m. on Thursday, 5 October 2023 to 4:00 p.m. on Thursday, 26 October 2023.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Assuming that there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date on which the Share Consolidation become effective, the share capital structure of the Company will be as follows:

	As of the Latest Practicable Date	Immediately upon the Share Consolidation becoming effective
Par value	HK\$0.04 per Existing Share and HK\$0.14 per Preference Share	HK\$0.40 per Consolidated Share and HK\$1.40 per Consolidated Preference Share
Amount of authorised share capital	HK\$1,490,000,000	HK\$1,490,000,000
Number of authorised Shares	25,000,000,000 Existing Shares and 3,500,000,000 Preference Shares	2,500,000,000 Consolidated Shares and 350,000,000 Consolidated Preference Shares
Number of issued Shares	781,221,520 Existing Shares	78,122,152 Consolidated Shares
Amount of issued share capital	HK\$31,248,860.80	HK\$31,248,860.80

After the completion of the proposed Share Consolidation, the size of each board lot of the Consolidated Shares will remain the same as that of the Existing Shares, being 10,000 Consolidated Shares per board lot. The Consolidated Shares will rank pari passu in all respects with each other and the Consolidated Preference Shares will rank pari passu in all respects with each other each in accordance with the Memorandum and the Articles.

Other than the expenses to be incurred in relation to the Share Consolidation which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Share Consolidation will not alter the underlying assets, business

LETTER FROM THE BOARD

operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Directors are of the view that the Share Consolidation will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

ADJUSTMENTS TO OUTSTANDING SHARE OPTIONS

According to the rules of the Share Option Scheme, if there is any alteration in the capital structure of the Company whether by way of, among others, consolidation, subdivision or reduction of the share capital of the Company, while any options remains exercisable, corresponding alteration shall be made to the subscription price of the options. The aforementioned alteration is conditional on the confirmation in writing by the auditors of the Company or the independent financial adviser appointed by the Company that the alteration is made on the basis that the proportion of the issued share capital of the Company to which a participant of the Share Option Scheme is entitled after such alteration shall remain the same as that to which he or she was entitled before such alteration. No such alteration shall be made to the effect of which would be to enable any Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any option in full being increased.

Upon the Share Consolidation become effective, pursuant to the terms and conditions of the Share Option Scheme, the exercise price and the number of the outstanding share options granted under the Share Option Scheme will be adjusted in the following manner:

Date of grant	Before Adjustments		After Adjustments	
	Exercise price per outstanding share option granted <i>HK\$</i>	Number of Existing Shares to be allotted and issued upon full exercise of the outstanding share options granted	Exercise price per outstanding share option granted <i>HK\$</i>	Number of Consolidated Shares to be allotted and issued upon full exercise of the outstanding share options granted
21 August 2019	0.40	49,070,000	4.00	4,907,000
18 August 2020	0.076	9,814,000	0.76	981,400
11 August 2021	0.161	23,552,000	1.61	2,355,200
12 August 2022	0.159	<u>73,100,000</u>	1.59	<u>7,310,000</u>
		<u>155,536,000</u>		<u>15,553,600</u>

LETTER FROM THE BOARD

Save as aforesaid, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

ACTIONS TO BE TAKEN

Set out on pages 14 to 15 of this circular is a notice convening the EGM at which an ordinary resolution will be proposed to approve the proposed Share Consolidation.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the proposed resolution as set out in the notice of EGM will be voted by poll. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATIONS

The Board considers that the resolution in respect of the proposed Share Consolidation to be proposed at the EGM is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolution at the EGM.

By Order of the Board of
China National Culture Group Limited
Sun Wei
Executive Director

NOTICE OF EXTRAORDINARY 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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of China National Culture Group Limited (the “Company”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong at 11:00 a.m. on Monday, 18 September 2023 to consider and, if thought fit, pass with or without amendments (as applicable), the following resolution:

ORDINARY RESOLUTION

1. **“THAT**, subject to and conditional upon the fulfilment of all the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in the circular of the Company dated 18 August 2023 (the “Circular”), a copy of which has been tabled at the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification, with effect from the second business day (as defined in the articles of association of the Company) immediately following the date on which this resolution is passed or these conditions are fulfilled (whichever is the later):
 - (a) every ten (10) issued and unissued ordinary shares of par value HK\$0.04 each (the “Existing Shares”) in the share capital of the Company be consolidated into one (1) ordinary share of par value HK\$0.4 each (the “Consolidated Share(s)”) in the share capital of the Company; and every ten (10) issued and unissued non-voting convertible preference shares of par value HK\$0.14 each in the share capital of the Company be consolidated into one (1) non-voting convertible consolidated preference share of par value HK\$1.40 each (the “Consolidated Preference Share(s)”) in the share capital of the Company (the “Share Consolidation”); and
 - (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Share Consolidation on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to, implement and complete the Share Consolidation.”

By Order of the Board of
China National Culture Group Limited
Sun Wei
Executive Director

Hong Kong, 18 August 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares (“Shares”) of the Company, more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or person authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (“Registrar”) of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM or any adjournment thereof.
4. For the purpose of determining members who are qualified for attending and voting at the EGM, the register of members of the Company will be closed from Thursday, 14 September 2023 to Monday, 18 September 2023, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Registrar at the address stated in note 3 above not later than 4:00 p.m. on Wednesday, 13 September 2023 for registration.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the proposed resolution set out in this notice will be taken by a poll.
7. If a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted, or a black rainstorm warning signal or “extreme conditions” caused by super typhoons is in force in Hong Kong at any time after 9:00 a.m. on 18 September 2023, the EGM will be proposed to be adjourned to a date to be determined. The Company will make a separate announcement on this.
8. All times and dates specified herein refer to Hong Kong local times and dates.
9. As at the date of this notice, the executive Directors are Ms. Sun Wei and Ms. Man Qiaozhen, and the independent non-executive Directors are Mr. Liu Kwong Sang, Ms. Wang Miaojun and Ms. Wang Yujie.