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## **China Bright Culture Group**

**煜盛文化集團\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1859)**

### **ANNOUNCEMENT IN RESPECT OF PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcement of China Bright Culture Group (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated 31 March 2021 in relation to, among others, delay in publication of 2020 annual results (the “**2020 Annual Results**”).

The Company failed to publish the announcement of the 2020 Annual Results within 3 months after the end of the financial year of the Company (i.e. on or before 31 March 2021). The board of directors of the company (the “**Board**”) has been actively communicating with the auditor of the Company (the “**Auditor**”) regarding the audit work on the 2020 Annual Results.

In order to keep the shareholders of the Company (the “**Shareholders**”) and the public informed of the Group’s financial performance and position, the Board wishes to set forth below the preliminary unaudited financial information of the Group.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

for the year ended 31 December 2020

*(Expressed in Renminbi (“RMB”))*

	<b>2020</b> <b>RMB’000</b>	2019 <i>RMB’000</i>
<b>Revenue</b>	<b>505,848</b>	475,566
Cost of sales	<u>(228,154)</u>	<u>(208,385)</u>
<b>Gross profit</b>	<b>277,694</b>	267,181
Other net income	<b>1,392</b>	1,636
Selling and marketing expenses	<b>(16,009)</b>	(9,581)
General and administrative expenses	<b>(73,314)</b>	(59,029)
Impairment losses on trade and other receivables	<u><b>(141,703)</b></u>	<u>(4,513)</u>
<b>Profit from operations</b>	<b>48,060</b>	195,694
Net finance expenses	<b>(21,792)</b>	(9,140)
Fair value changes on investments measured at fair value through profit or loss	<u><b>3,754</b></u>	<u>—</u>
<b>Profit before income tax</b>	<b>30,022</b>	186,554
Income tax	<u><b>(25,260)</b></u>	<u>(38,686)</u>
<b>Profit for the year</b>	<u><b>4,762</b></u>	<u>147,868</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>4,762</b>	147,868
Non-controlling interests	—	—
<b>Profit for the year</b>	<u><b>4,762</b></u>	<u>147,868</u>
<b>Earnings per share</b>		
Basic and diluted (RMB)	<u><b>0.003</b></u>	<u>0.131</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

(Expressed in RMB)

	2020 RMB'000	2019 RMB'000
<b>Profit for the year</b>	<b>4,762</b>	147,868
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation into presentation currency of the Group	(35,073)	1,997
<b>Other comprehensive income for the year</b>	<b>(35,073)</b>	1,997
<b>Total comprehensive income for the year</b>	<b>(30,311)</b>	149,865
<b>Attributable to:</b>		
Equity shareholders of the Company	(30,311)	149,865
Non-controlling interests	—	—
<b>Total comprehensive income for the year</b>	<b>(30,311)</b>	149,865

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

(Expressed in RMB)

	31 December 2020 RMB'000	31 December 2019 RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	796	1,427
Right-of-use assets	7,118	16,928
Deferred tax assets	40,251	8,512
	<u>48,165</u>	<u>26,867</u>
<b>Current assets</b>		
Short-term investments	437,659	—
Program copyrights	362,461	356,103
Trade receivables	701,535	491,254
Prepayments and other receivables	64,609	23,257
Restricted bank deposit	1,220	34,881
Cash and cash equivalents	1,292	8,982
	<u>1,568,776</u>	<u>914,477</u>
<b>Current liabilities</b>		
Bank loans and other borrowings	36,000	111,000
Contract liabilities	22,745	16,506
Trade payables	28,439	33,724
Accruals and other payables	105,042	144,914
Lease liabilities	1,903	4,392
Current taxation	98,991	46,108
	<u>293,120</u>	<u>356,644</u>
<b>Net current assets</b>	<u>1,275,656</u>	<u>557,833</u>
<b>Total assets less current liabilities</b>	<u>1,323,821</u>	<u>584,700</u>

	31 December 2020 <i>RMB'000</i>	31 December 2019 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	5,312	12,416
Deferred Income	630	—
Other non-current liabilities	<u>10,000</u>	<u>—</u>
	<u>15,942</u>	<u>12,416</u>
<b>Net assets</b>	<u>1,307,879</u>	<u>572,284</u>
<b>Equity</b>		
Share capital	73	45
Reserves	<u>1,307,806</u>	<u>572,239</u>
<b>Equity attributable to the equity shareholders of the Company</b>	<u>1,307,879</u>	<u>572,284</u>
<b>TOTAL EQUITY</b>	<u>1,307,879</u>	<u>572,284</u>

In 2020, revenue of the Group amounted to RMB505.8 million, representing an increase of 6.4% compared with 2019; gross profit amounted to RMB277.7 million, representing an increase of 3.9% compared with 2019. The overall business scale and effectiveness maintained a growing trend. Due to an increase in the collection cycle of accounts receivable under the impact of the pandemic in the PRC in 2020, a provision for impairment of accounts receivable of RMB141.7 million was made in 2020, representing a significant increase compared with 2019. With the improvement in the pandemic situation and the recovery of domestic economy, the management expects to gradually recover accounts receivable in 2021.

The Board wishes to emphasize that the preliminary unaudited financial information set out above is extracted directly from the latest unaudited management accounts of the Group and subject to, among others, further review by the Company and any potential adjustments and has not been reviewed or audited by the Auditor. The preliminary unaudited financial information above is based on information currently available for the audit committee of the Board and the Company. The Board cannot guarantee the preliminary unaudited financial information set out above truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Shareholders and potential investors should exercise extreme caution when considering the preliminary unaudited financial information disclosed above and when dealing in the shares of the Company.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company has been suspended on the Stock Exchange with effect from 9:00 a.m. on 1 April 2021 until the Company publishes the announcement in relation to the 2020 Annual Results.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.**

By order of the Board of  
**China Bright Culture Group**  
**LIU Mu**  
*Chairman*

Beijing, the PRC, 15 April 2021

*As at the date of this announcement, executive Directors are Mr. LIU Mu and Mr. XIA Rui; and independent non-executive Directors are Ms. RAN Hua, Mr. ZHANG Yiwu, Mr. YANG Chengjia and Ms. YAO Li.*

\* *for identification purposes only*