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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)

QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION

This announcement is made by China Bright Culture Group (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the provisions on disclosure of inside information under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 30 March 2023, 24 May 2023, 21 September 2023, 2 January 2024, 8 February 2024, 21 March 2024 and 3 April 2024 (collectively, the “**Announcements**”), in relation to, among others, (i) suspension of trading in the shares of the Company; (ii) the letters received from the Stock Exchange setting out the guidance and additional guidance for the resumption of trading in the shares of the Company on the Stock Exchange; (iii) the publication of annual results of the Company for the 2022 Annual Results; (iv) quarterly update on recent development of suspension; and (v) update on recent development of suspension. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATIONS

The Group is principally engaged in the business of video content operation and eCommerce promotion services.

The business operations of the Group are continuing as usual in all material respects notwithstanding the suspension of trading of the shares of the Company since March 2023. The Board will continue to assess and monitor the impact (if any) of the suspension of trading in the shares of the Company on the operations and financial performance of the Group and make appropriate measures, including publication of announcement(s) in relation to the business operations of the Group, as and when appropriate.

The Group has been actively exploring and pursuing opportunities to further expand its video content operation business. In respect of its drama series operation, the Group is actively striving to obtain all required licenses and permits with a view to distribute and broadcast its drama series which it has previously invested to major TV stations and video platforms to generate additional revenue for the Group. In respect of its reality show operation, with a view to leverage on the Group's competitive edge in producing reality shows, the Group is in discussion with relevant entities to produce a reality show that is focused on youth academy for football. The Group is also actively considering and exploring potential opportunities in PRC movie production, including but not limited to screenwriting, film production as well as promotion and distribution works. Due to adjustments in national policies, the Group is also re-evaluating its cooperation with Oriental Song and Dance Troup of China Oriental Performing Arts Group on street dance training and competition, and the parties are also exploring the feasibility of other collaborations.

UPDATE ON RESUMPTION OF TRADING

The Company would like to provide the following update to its shareholders and potential investors in respect of the latest progress for the fulfillment of the Resumption Guidance and the Additional Resumption Guidance issued by the Stock Exchange.

A. Resumption Guidance as set out in the letter from the Stock Exchange on 19 May 2023

Resumption Guidance

(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications

Latest Progress

On 21 September 2023, the Company published the 2022 Annual Results as required under Rule 13.49 and 13.46(1) of the Listing Rules.

As set out in the Announcement dated 21 March 2024, the publication of the 2022 Annual Report, the 2023 Interim Results and the 2023 Interim Report will be delayed until further notice as there has been ongoing discussion and negotiation between the Company and the Auditor on the payment terms of the audit fee for the financial year ended 31 December 2022. As at the date of this announcement, no consensus with the Auditor has been reached in relation to the payment terms of the said audit fees.

Furthermore, as set out in the Announcement dated 21 March 2024, the Company is currently taking active steps to investigate certain Allegations received by the Auditor concerning, among others, the authenticity of certain receivables owed by a Chinese state-owned enterprise to Zhongguang Yusheng, a wholly-owned subsidiary of the Company, with steps taken including engaging an independent professional firm (“**Independent Investigator**”) to conduct an independent investigation on the Allegations (the “**Investigation**”). In view of the time required for the Company to investigate the Allegations, the publication of the 2022 Annual Report, the 2023 Interim Results and 2023 Interim Report are expected to be further delayed.

Similarly, taking into account the lack of consensus on the audit fees between the Company and the Auditor and the time required to investigate the Allegations, the publication of the annual results for the year ended 31 December 2023 (the “**2023 Annual Results**”) will also be delayed until further notice.

The Company will make further announcement(s) to inform the Shareholders and potential investors of the Company in relation to the publication of the 2022 Annual Report, the 2023 Interim Results, 2023 Interim Report and 2023 Annual Results and any material development on the Investigation as and when appropriate.

(b) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules

The Board is of the view that the Company is in compliance with Rule 13.24 of the Listing Rules. The Company is preparing a written submission to the Stock Exchange to demonstrate its compliance and shall submit the same to the Stock Exchange as and when appropriate.

(c) re-comply with Rule 3.28 of the Listing Rules

As disclosed in the announcement of the Company dated 19 May 2023, Mr. Yung has been appointed as the company secretary of the Company with effect from 19 May 2023. The Company is therefore in compliance with Rule 3.28 of the Listing Rules as required by the Resumption Guidance.

(d) announce all material information for the Company's shareholders and investors to appraise its position

Since the suspension of trading of the shares in the Company, the Company has kept its shareholders and potential investors informed of all material information in relation to the Resumption Guidance, Additional Resumption Guidance and any relevant updates and progress by way of announcements.

The Company will continue to keep its shareholders and potential investors abreast of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

B. Additional Resumption Guidance as set out in the letter from the Stock Exchange on 26 March 2024

Additional Resumption Guidance

Latest Progress

(a) conduct an appropriate independent investigation into the Allegations, announce the findings and take appropriate remedial actions

As set out in the Announcement dated 21 March 2024 and above, the Company is currently taking active steps to investigate the Allegations, including engaging the Independent Investigator to conduct the Investigation. The Company will continue to provide all necessary assistance to the Independent Investigator to expedite the Investigation. Whilst the Independent Investigator is aiming to conclude the Investigation as soon as possible, the expected completion date of the Investigation is subject to further assessment of the Independent Investigator.

The Company will take appropriate remedial actions and announce the relevant findings as and when appropriate upon completion of the Investigation or any major stage(s) thereof.

(b) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence

It is currently expected that upon completion of the above Investigation, the Company will be in a position to make submission(s) to the Stock Exchange to demonstrate that there is no reasonable regulatory concern about management integrity, and/or integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence.

The Company will aim to make the relevant submission(s) to the Stock Exchange as soon as possible after the Investigation has been completed.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (Stock Code: 1859) on the Stock Exchange has been suspended with effect from 9:00 a.m. on 31 March 2023 and will remain suspended until the Company fulfils the Resumption Guidance and the Additional Resumption Guidance. The Company will make further announcement(s) in due course to inform the Shareholders and potential investors of any information update.

The Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
China Bright Culture Group
SU Lei
Chairman

Hong Kong, 8 April 2024

As at the date of this announcement, the executive Directors are Mr. SU Lei and Mr. MA Hongsen, the non-executive Directors are Mr. WANG Daotie and Ms. WU Yaping, and the independent non-executive Directors are Dr. LU Di, Mr. TO Siu Lun and Mr. HAN Hao.

* *For identification purpose only*