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China Bright Culture Group **燦盛文化集團***

(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, 3 April 2024, 8 April 2024 and 1 July 2024 in relation to, among others, (i) suspension of trading in the shares of the Company; (ii) the letter received from the Stock Exchange on 19 March 2023 setting out the guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Initial Resumption Guidance**”); (iii) the publication of annual results of the Company for the 2022 Annual Results; (iv) quarterly update on recent development of suspension; (v) update on recent development of suspension; (vi) the letter received from the Stock Exchange on 26 March 2024 setting out additional guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Additional Resumption Guidance**”); and (vii) the letter received from the Stock Exchange on 27 June 2024 setting out additional guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Further Additional Resumption Guidance**”, together with the Initial Resumption Guidance and the Additional Resumption Guidance, the “**Resumption Guidances**”) (collectively, the “**Announcements**”), as well as the 2022 Annual Report published on 26 June 2024. 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 Guidances issued by the Stock Exchange.

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

Resumption guidance	Progress
<i>(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications</i>	<p>The Company has published its 2022 Annual Results on 21 September 2023 and its 2022 Annual Report on 26 June 2024.</p> <p>As disclosed in the announcement of the Company dated 3 July 2024, McMillan Woods (Hong Kong) CPA Limited has resigned as the auditor of the Company on 2 July 2024 and ZHONGHUI ANDA CPA Limited has been appointed as the new auditor of the Company with effect from 3 July 2024.</p>

Resumption guidance

Progress

(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 soon as practicable.

(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 Kai Wing 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.

(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 Guidances 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

Resumption guidance

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

(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*

Progress

The Company has engaged an independent investigator to conduct an independent investigation on the Allegations. It is currently expected that the final draft of the independent investigation report will be sent to the audit committee of the Company in the second week of July 2024. The Company will make an announcement to inform the Shareholders and potential investors of the key findings of the independent investigation as soon as possible after the report is finalized.

See paragraph C(a) below for details on remedial actions.

Having considered the findings of the independent investigation, the Company will make a submission 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, as soon as possible.

C. Further Additional Resumption Guidance as set out in the letter from the Stock Exchange on 27 June 2024

Resumption guidance

- (a) *conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules*

Progress

The Company has engaged an independent internal control consultant to conduct an internal control review on Zhongguang Yusheng. As at the date of this announcement, the first phase of the internal control review has been completed. The Company is currently taking the remedial actions as recommended by the internal control consultant. It is currently expected that the internal control consultant will complete its follow-up review in July 2024.

The Company will make an announcement to inform the Shareholders and potential investors of the key findings of the internal control review as soon as practicable after the review is 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 Guidances for the resumption of trading in the shares of the Company on the Stock Exchange. The Company will make further announcement(s) in due course to inform shareholders and potential investors of any information update.

Shareholders and potential investors of the Company 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, 4 July 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 Mr. TO Siu Lun, Mr. HAN Hao and Mr. SHAN Yiqi.

* *For identification purpose only*