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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)

**CLARIFICATION ANNOUNCEMENT IN RELATION TO
THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

Reference is made to the interim results announcement for the six months ended June 30, 2021 dated August 31, 2021 (the “**Interim Results Announcement**”) and interim report for the six months ended June 30, 2021 (the “**Interim Report**”) of China Bright Culture Group (the “**Company**”, together with its subsidiaries, the “**Group**”) published on September 30, 2021. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Interim Results Announcement and the Interim Report.

It is noted that there were differences between certain information in the Interim Results Announcement and the Interim Report. The Company wishes to clarify as follows:

1. Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 3 of the Interim Results Announcement

	For the six months ended June 30, 2021		
	Per Interim Results Announcement	Per Interim Report	Difference
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	57,812	57,812	–
Other comprehensive (expense)/income for the period (after tax and reclassification adjustments)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation into presentation currency of the Group	3,259	(3,258)	(6,517)
Other comprehensive (expense)/income for the period	3,259	(3,258)	(6,517)
Total comprehensive income attributable to equity shareholders of the Company for the period	<u>61,071</u>	<u>54,554</u>	<u>(6,517)</u>

The difference in exchange differences on translation into presentation currency of the Group was due to inadvertent clerical errors which also led to the difference in total comprehensive income attributable to equity shareholders of the Company for the period.

2. Consolidated statement of cash flows on page 18 of the Interim Results Announcement

	For the six months ended June 30, 2021		
	Per Interim Results Announcement	Per Interim Report	Difference
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Net cash used in operating activities	(488,140)	(397,347)	90,793
Net cash generated from/(used in) investing activities	436,846	436,846	–
Net cash (used in)/generated from financing activities	(24,232)	(32,225)	(7,993)
Net increase/(decrease) in cash and cash equivalents	<u>(75,526)</u>	<u>7,274</u>	<u>82,800</u>

The paragraphs headed “Net Cash Used in Operating Activities” and “Net Cash Used in Financing Activities” on page 18 of the Interim Results Announcement shall read as follows:

Net Cash Used in Operating Activities

In the first half of 2021, the net cash used in operating activities was approximately RMB397.3 million, primarily due to the increase in program production expenses.

Net Cash Used in Financing Activities

In the first half of 2021, the net cash used in financing activities was approximately RMB32.2 million, primarily due to the increase in the Group’s repayment of borrowings.

The adjustment in net cash used in operating activities and net cash used in financing activities was due to removal of impairment losses on trade and other receivables, a non-cash item, of approximately RMB82.8 million, which were inadvertently included in net cash used in operating activities previously and reclassification of repayment to a related party of approximately RMB8.0 million, which was inadvertently included in net cash used in operating activities previously, to net cash used in financing activities.

Save for the above clarification, all information in the Interim Results Announcement remains unchanged.

Shareholders and potential investors of the Company should exercise caution when dealing in the Company’s securities.

By Order of the Board
China Bright Culture Group
Liu Mu
Chairman

Beijing, the PRC, 30 September 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*