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Values Cultural Investment Limited
新石文化投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1740)

PROFIT WARNING

This announcement is made by Values Cultural Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby informs the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Reporting Period**”), it is expected that the Group will record a net loss ranging from approximately RMB38.0 million to RMB45.0 million for the Reporting Period, as compared to the Group’s net profit amounting to approximately RMB1.2 million for the year ended 31 December 2020. The Board believes that the expected deterioration of the Group’s financial performance was mainly due to: (i) the decrease in revenue mainly resulting from the change of broadcasting plan or postponement in broadcasting of certain self-produced and purchased TV series and the decision to defer investments in new TV series considering the market condition and macro-economic environment; and (ii) the increase in provision for impairment of financial assets due to the long-aged trade receivables from certain customers.

As at the date of this announcement, the Company is still in the course of preparing and finalizing the annual results of the Group for the Reporting Period. The information contained in this announcement is only based on the information currently available to the Group and a preliminary review by the Board of the Group’s unaudited consolidated management accounts for the Reporting Period, which have not been audited or reviewed by the Company’s independent auditor or reviewed by the Company’s audit committee and the relevant content is subject to further adjustments and finalization. Shareholders of the Company and potential investors are advised to refer to the detailed information in the annual results announcement of the Company for the Reporting Period, which is expected to be published in late March 2022.

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

By order of the Board
Values Cultural Investment Limited
Liu Naiyue
Chairman and executive Director

Hong Kong, 7 March 2022

As at the date of this announcement, the Board comprises Mr. Liu Naiyue, Ms. Liu Peiyao, Ms. Wei Xian, Ms. Li Fang, Mr. Xu Jun and Mr. Qu Guohui as executive Directors; Mr. Shao Hui and Ms. Shen Yi as non-executive Directors; Mr. Xian Guoming, Mr. Xu Zongzheng, Mr. Zhong Mingshan and Ms. Liu Jingping as independent non-executive Directors.