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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 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 six months ended 30 June 2022 (the “**Reporting Period**”), it is expected that the Group will record a net loss ranging from approximately RMB11.0 million to RMB16.0 million for the Reporting Period, as compared to the Group’s net loss amounting to approximately RMB27.9 million for the six months ended 30 June 2021. The Board believes that the net loss was mainly due to the impact of the COVID-19 pandemic during the Reporting Period which led to the change of distribution plans of certain self-produced TV series. As a result, the expected future distribution income decreased and the Company wrote down inventories to net realizable value which led to an increase in cost. The amount of net loss for the Reporting Period decreased as compared to that for the six months ended 30 June 2021 mainly due to: (i) the increase in income resulting from the sale of certain purchased TV series; and (ii) the decrease in impairment losses on financial assets due to the repayment of some long-aged trade receivables by customers during the Reporting Period.

As at the date of this announcement, the Company is still in the course of preparing and finalizing the interim 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 interim results announcement of the Company for the Reporting Period, which is expected to be published in late August 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, 11 August 2022

*As at the date of this announcement, the Board comprises Mr. Liu Naiyue, Ms. Cai Xiaoxin, Ms. Li Fang, Mr. Qu Guohui, Mr. Xu Jun and Ms. Liu Peiyao 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.*