

*Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated 30 December 2019 (the “**Prospectus**”) issued by Values Cultural Investment Limited (the “**Company**”).*

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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)

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILISING ACTIONS AND END OF STABILISATION PERIOD

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 7 February 2020 in respect of an aggregate of 37,500,000 Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) to facilitate the return to BLW Investment Limited of the borrowed Shares under the Stock Borrowing Agreement which were used to cover over-allocations under the International Placing. Such Over-allotment Shares are subject to a lock-up of six months from the Listing Date pursuant to the respective agreements, undertaking letter and rules as disclosed in the Prospectus. The Over-allotment Shares will be allotted and issued by the Company at HK\$0.50 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that the stabilisation period in connection with the Global Offering ended on 7 February 2020, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

The stabilising actions undertaken by Zhongtai International Securities Limited, the Stabilising Manager, or any person acting for it during the stabilisation period are set out below:

- (i) over-allocation of an aggregate of 37,500,000 Offer Shares in the International Placing, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii) borrowing of an aggregate of 37,500,000 Shares by the Stabilising Manager from BLW Investment Limited, a controlling shareholder of the Company, pursuant to the Stock Borrowing Agreement to cover over-allocation in the International Placing; and
- (iii) full exercise of the Over-allotment Option by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 7 February 2020, in respect of an aggregate of 37,500,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price of HK\$0.50 per Share, to facilitate the return in full to BLW Investment Limited of the 37,500,000 borrowed Shares which were used to cover the over-allocation in the International Placing.

There has been no purchase or sale of any Shares on the market for the purpose of price stabilisation by the Stabilising Manager during the stabilisation period.

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 7 February 2020 in respect of an aggregate of 37,500,000 Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) to facilitate the return to BLW Investment Limited of the borrowed Shares under the Stock Borrowing Agreement which were used to cover over-allocations under the International Placing. Such Over-allotment Shares are subject to a lock-up of six months from the Listing Date pursuant to the respective agreements, undertaking letter and rules as disclosed in the Prospectus. The Over-allotment Shares will be allotted and issued by the Company at HK\$0.50 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on 10 February 2020.

Shareholding Structure of the Company upon the Full Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and after the completion of the allotment and issue of the Over-allotment Shares pursuant to the Over-allotment Option is as follows:

	Immediately before the allotment and issue of the Over-allotment Shares		Immediately after the allotment and issue of the Over-allotment Shares	
	Number of issued Shares	Approximate % of total issued share capital ⁽¹⁾	Number of issued Shares	Approximate % of total issued share capital ⁽¹⁾
BLW Investment Limited	239,002,500 ⁽²⁾	23.90%	239,002,500	23.04%
Suiyong Int'l Co., Limited	110,010,000	11.00%	110,010,000	10.60%
SDJZ Investment Limited	90,622,500	9.06%	90,622,500	8.74%
JMJ Group Limited	86,872,500	8.69%	86,872,500	8.37%
SYTY Investment Limited	80,002,500	8.00%	80,002,500	7.71%
Jinping Holding Limited	54,997,500	5.50%	54,997,500	5.30%
LHW Investment Limited	30,000,000	3.00%	30,000,000	2.89%
ZLLL Investment Limited	17,497,500	1.75%	17,497,500	1.69%
LWQ Investment Limited	15,997,500	1.60%	15,997,500	1.54%
Xieting Holding Limited	15,000,000	1.50%	15,000,000	1.45%
SLZW Investment Limited	9,997,500	1.00%	9,997,500	0.96%
Other public shareholders	<u>250,000,000</u>	<u>25.00%</u>	<u>287,500,000</u>	<u>27.71%</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,037,500,000</u></u>	<u><u>100.00%</u></u>

Notes:

- (1) The percentage figures are subject to rounding adjustments.
- (2) Inclusive of the 37,500,000 Shares borrowed by Zhongtai International Securities Limited under the Stock Borrowing Agreement.

Use of Proceeds

The Company estimates that it will receive additional net proceeds of approximately HK\$17.2 million from the issue of the Over-allotment Shares, after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the Over-allotment Option. The Company intends to apply the additional net proceeds for the same purposes as set out in the paragraph headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that the stabilisation period in connection with the Global Offering ended on 7 February 2020, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

The stabilising actions undertaken by Zhongtai International Securities Limited, the Stabilising Manager, or any person acting for it during the stabilisation period are set out below:

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- (ii) borrowing of an aggregate of 37,500,000 Shares by the Stabilising Manager from BLW Investment Limited, a controlling shareholder of the Company, pursuant to the Stock Borrowing Agreement to cover over-allocation in the International Placing; and
- (iii) full exercise of the Over-allotment Option by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 7 February 2020, in respect of an aggregate of 37,500,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price of HK\$0.50 per Share, to facilitate the return in full to BLW Investment Limited of the 37,500,000 borrowed Shares which were used to cover the over-allocation in the International Placing.

There has been no purchase or sale of any Shares on the market for the purpose of price stabilisation by the Stabilising Manager during the stabilisation period.

PUBLIC FLOAT

Immediately following the allotment and issue of the Over-allotment Shares, the Company will continue to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules.

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

Hong Kong, 7 February 2020

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