
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Values Cultural Investment Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW
SHARES AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS,
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company (the “**AGM**”) to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on 30 May 2025 (Friday) at 11:00 a.m. is set out on pages 20 to 24 of this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Hong Kong, 29 April 2025

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* *The English translations of terms or names in Chinese which are marked with “*” are for identification purpose only.*

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on 30 May 2025 (Friday) at 11:00 a.m., or where the context so admits, any adjournment thereof
“Articles of Association”	the second amended and restated articles of association of the Company currently in force
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)
“Company”	Values Cultural Investment Limited, an exempted company incorporated in the Cayman Islands on 11 March 2019 with limited liability with its Shares listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issuing Mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuing Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares (including any sale or transfer of Treasury Shares out of treasury) not exceeding 20% of the total number of the issued Shares (excluding Treasury Shares) as at the date of the passing of the relevant resolution at the AGM
“Latest Practicable Date”	22 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China which shall, for the purpose of this Circular, exclude Hong Kong, Macau and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them during the relevant period to repurchase Shares, the total number of which shall not exceed 10% of the total number of the issued Shares (excluding Treasury Shares) of the Company as at the date of passing the relevant resolution at the AGM, and to determine such Shares repurchased shall be held as Treasury Shares by the Company or otherwise be cancelled
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of US\$0.000005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by SFC, as amended, supplemented or otherwise modified from time to time
“Treasury Shares”	has the meaning as defined under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Liu Naiyue (*Chairman*)

Ms. Cai Xiaoxin

Ms. Liu Peiyao

Ms. Li Fang

Mr. Qu Guohui

Mr. Liu Tieqiang

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Non-executive Director:

Mr. Shao Hui

*Headquarters and principal place of
business in Hong Kong:*

Room 1503, 15/F, Olympia Plaza

255 King's Road, North Point

Hong Kong

Independent Non-executive Directors:

Mr. Xian Guoming

Mr. Zhong Mingshan

Mr. Xu Zongzheng

Ms. Liu Jingping

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW
SHARES AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS,
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information on the resolutions to be proposed at the AGM regarding (a) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions of the Shareholders passed on 30 May 2024; (b) the re-election of the retiring Director and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

LETTER FROM THE BOARD

PROPOSED GRANT OF ISSUING MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 30 May 2024 (the “**2024 AGM**”), the ordinary resolutions were passed for granting the Directors (a) a general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the total number of the issued Shares of the Company on the date of passing of the relevant ordinary resolution; and (b) a general and unconditional mandate to repurchase Shares with an aggregate number not exceeding 10% of the total number of the issued Shares of the Company on the date of passing of the relevant ordinary resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the total number of the issued Shares repurchased by the Company pursuant to the mandate to repurchase securities referred to in (b) above.

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Issuing Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares (including any sale or transfer of Treasury Shares out of treasury) not exceeding 20% of the total number of the issued Shares (excluding Treasury Shares) of the Company on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase the Shares not exceeding 10% of the total number of the issued Shares (excluding Treasury Shares) of the Company on the date of passing of such resolution, and to determine such Shares repurchased shall be held as Treasury Shares by the Company or otherwise be cancelled; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issuing Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The full text of the above resolutions is set out in the resolutions numbered 4 to 6 in the notice of the AGM contained on pages 20 to 24 of this circular.

Each of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Act or the Articles of Association to be held; or (c) when the mandate given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to article 84(1) of the Articles of Association, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years.

Accordingly, Ms. Liu Peiyao, Mr. Xu Zongzheng, Ms. Cai Xiaoxin and Mr. Liu Tieqiang shall retire from office by rotation, and all are eligible to offer themselves for re-election at the AGM.

The nomination committee of the Company will review the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, skills, knowledge and experience, and potential time commitment for the board and/or committee responsibilities), with due regard for the benefits of diversity as set out under the board diversity policy of the Company.

Mr. Xu Zongzheng, the retiring independent non-executive Director, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Company had considered and nominated the above retiring Director to the Board for it to propose to the Shareholders for re-election at the AGM.

Mr. Xu Zongzheng has extensive experience in the field of film and television production industry. The Board is of the view that his perspectives, skills and experiences will contribute effectively to the Board including the diversity of the Board.

Accordingly, with the recommendation of the nomination committee of the Company, the Board has proposed that each of the above retiring Directors, namely Ms. Liu Peiyao, Mr. Xu Zongzheng, Ms. Cai Xiaoxin and Mr. Liu Tieqiang stand for re-election as Directors by way of separate resolutions at the AGM.

Particulars of each of the retiring Directors proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

A notice of the AGM is set out on pages 20 to 24 of this circular.

At the AGM, resolutions will be proposed to the Shareholders to be considered at the AGM, including: (a) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions of the Shareholders passed on the 2024 AGM; and (b) the re-election of the retiring Directors.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you intend to attend the AGM in person, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The Company reminds all Shareholders that attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing proxy forms with voting instructions, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board (including all independent non-executive Directors) considers that the proposed resolutions set out in the notice of the AGM including (a) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions of the Shareholders passed on the 2024 AGM; and (b) the re-election of the retiring Directors, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
Values Cultural Investment Limited
LIU Naiyue
Chairman and Executive Director

Hong Kong, 29 April 2025

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase shares on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the SFC subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 1,037,500,000 Shares in issue (excluding Treasury Shares).

The Repurchase Mandate will enable the Directors to repurchase the Shares not exceeding 10% of the total number of the issued Shares (excluding Treasury Shares) of the Company on the date of passing the relevant ordinary resolution at the AGM, and to determine such Shares repurchased shall be held as Treasury Shares by the Company or otherwise be cancelled. Subject to the passing of the proposed resolution granting the Repurchase Mandate and assuming that no further Shares will be issued or repurchased by the Company, the Directors will be authorised under the Repurchase Mandate to repurchase a maximum of 103,750,000 Shares.

The Repurchase Mandate, unless revoked or varied by way of an ordinary resolution of the Shareholders in general meeting, will expire at the conclusion of the next annual general meeting of the Company, which is expected to be convened on or before 30 June 2026.

FUNDING OF REPURCHASE

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association, the Listing Rules and the applicable laws of the Cayman Islands, which may include distributable profits of the Company.

REASONS FOR REPURCHASES

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders as a whole. Such repurchases may, depending on circumstances, result in an increase in the net assets and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. On the other hand, Shares repurchased and held by the Company as Treasury Shares may be resold on the market at market prices to raise funds for the Company, or transferred or used

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

for other purposes, subject to compliance with the Listing Rules, the memorandum of association of the Company as amended from time to time, the Articles of Association, and the applicable laws of the Cayman Islands.

EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the most recent published audited accounts, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

In the event that the Company repurchases any Shares, the Company may cancel such repurchased Shares and/or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of such repurchase.

Shares repurchased by the Company may be held by the Company as Treasury Shares or cancelled as determined by the Directors, depending on the market conditions and the Group's capital management needs at the relevant time of the repurchase. For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to the Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

CONNECTED PERSONS

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates had a present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person had notified the Company that he/she/it had a present intention to sell Shares to the Company, or had undertaken not to do so if the Repurchase Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a repurchase of Shares, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Number of Shares held	Capacity and nature of interest	Approximate percentage of shareholding in the Company	
			As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
BLW Investment Limited (Note 1)	239,002,500	Beneficial owner	23.04%	25.60%
Mr. Bai Yang (Note 1)	239,002,500	Interest of a controlled corporation	23.04%	25.60%
Ms. Xie Jinhong (Note 2)	239,002,500	Interest of spouse	23.04%	25.60%
Ms. Liu Peiyao (Note 1)	239,002,500	Interest of a controlled corporation	23.04%	25.60%
Mr. Wu Tao (Note 1)	239,002,500	Interest of a controlled corporation	23.04%	25.60%
Ms. Chen Ying (Note 3)	239,002,500	Interest of spouse	23.04%	25.60%
Mr. Liu Naiyue (Note 1)	239,002,500	Interest of a controlled corporation	23.04%	25.60%
Ms. Wei Xian (Note 1)	239,002,500	Interest of a controlled corporation	23.04%	25.60%
Suiyong Int'l Co., Limited (Note 4)	110,010,000	Beneficial owner	10.60%	11.78%
Suiyong Holdings Company Limited* (穗甬控股有限公司) (Note 4)	110,010,000	Interest of a controlled corporation	10.60%	11.78%
SDJZ Investment Limited (Note 5)	100,622,500	Beneficial owner	9.69%	10.78%
Hangzhou Baihuiquan Equity Investment Fund Partnership (Limited Partnership)* (杭州百會全股權投資基金合夥企業 (有限合夥))(Note 5)	100,622,500	Interest of a party to an agreement regarding interest in the Company	9.69%	10.78%
Tibet Langrun Investment Management Co., Ltd.* (西藏朗潤投資管理 有限公司)(Note 5)	100,622,500	Interest of a party to an agreement regarding interest in the Company	9.69%	10.78%
Mr. Shao Hui (Note 5)	100,622,500	Interest of a controlled corporation	9.69%	10.78%
Ms. Lu Min (Note 6)	100,622,500	Interest of spouse	9.69%	10.78%

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Name	Number of Shares held	Capacity and nature of interest	Approximate percentage of shareholding in the Company	
			As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
JMJ Group Limited	86,872,500	Beneficial owner	8.37%	9.30%
Mr. Xu Jun (<i>Note 7</i>)	86,872,500	Interest of a controlled corporation	8.37%	9.30%
Ms. Zhang Hui (<i>Note 8</i>)	86,872,500	Interest of spouse	8.37%	9.30%
SYTY Investment Limited	70,002,500	Beneficial owner	6.74%	7.50%
Mr. Sun Xianliang (<i>Note 9</i>)	70,002,500	Interest of a controlled corporation	6.74%	7.50%
Ms. Yu Jinmei (<i>Note 10</i>)	70,002,500	Interest of spouse	6.74%	7.50%
Jinping Holding Limited	54,997,500	Beneficial owner	5.30%	5.89%
Ms. Jin Ping (<i>Note 11</i>)	54,997,500	Interest of a controlled corporation	5.30%	5.89%
Mr. Yao Changhui (<i>Note 12</i>)	54,997,500	Interest of spouse	5.30%	5.89%

Notes:

- The issued shares of BLW Investment Limited are owned as to approximately 43.44%, 23.17%, 15.44%, 9.65% and 8.30% by Mr. Bai Yang, Ms. Liu Peiyao, Mr. Wu Tao, Mr. Liu Naiyue and Ms. Wei Xian (the “**Core Shareholders**”) respectively. Pursuant to the deed of acting in concert dated 27 August 2021, each of the Core Shareholders confirmed that they would continue to act in concert with each other in exercising their controls in BLW Investment Limited until otherwise terminated by them. Accordingly, each of Mr. Bai Yang, Ms. Liu Peiyao, Mr. Wu Tao, Mr. Liu Naiyue and Ms. Wei Xian is deemed, or taken to be interested in the Shares beneficially owned by BLW Investment Limited.
- Ms. Xie Jinhong is the spouse of Mr. Bai Yang. Under the SFO, she is taken to be interested in the Shares in which Mr. Bai Yang is interested.
- Ms. Chen Ying is the spouse of Mr. Wu Tao. Under the SFO, she is taken to be interested in the Shares in which Mr. Wu Tao is interested.
- The issued shares of Suiyong Int’l Co., Limited (“**Suiyong Int’l**”) are wholly owned by Suiyong Holdings Company Limited* (穗甬控股有限公司)(“**Suiyong Holdings**”). Under the SFO, Suiyong Holdings is deemed, or taken to be interested in the Shares beneficially owned by Suiyong Int’l.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

5. The issued shares of SDJZ Investment Limited are owned as to approximately 91.00%, 2.02%, 3.88% and 3.10% by Mr. Shao Hui, Mr. Dai Honggang, Mr. Jin Huiguang and Ms. Zhao Lijuan respectively. SDJZ Investment Limited was incorporated by Mr. Shao Hui, our non-executive Director, Mr. Jin Huiguang, Ms. Zhao Lijuan and Mr. Dai Honggang (the “**Selected Partners**”), each of them is the limited partner of Hangzhou Baihuiquan Equity Investment Fund Partnership (Limited Partnership)* (杭州百會全股權投資基金合夥企業(有限合夥)) (“**Hangzhou Baihuiquan**”). Pursuant to an agreement dated 21 May 2019 between Hangzhou Baihuiquan and the Selected Partners, Hangzhou Baihuiquan made entrustment arrangements with the Selected Partners regarding the distribution of the earnings generated from SDJZ Investment Limited’s holding of the issued share capital in our Company. Furthermore, Hangzhou Baihuiquan is a limited equity investment fund partnership established in the PRC, the general partner of which is Tibet Langrun Investment Management Co., Ltd.* (西藏朗潤投資管理有限公司). Accordingly, each of Mr. Shao Hui, Hangzhou Baihuiquan and Tibet Langrun Investment Management Co., Ltd.* (西藏朗潤投資管理有限公司) is deemed to be interested in such number of Shares held by SDJZ Investment Limited.
6. Ms. Lu Min is the spouse of Mr. Shao Hui. Under the SFO, she is taken to be interested in the Shares in which Mr. Shao Hui is interested.
7. The issued shares of JMJ Group Limited are owned as to approximately 97.84% by Mr. Xu Jun. Under the SFO, Mr. Xu Jun is deemed, or taken to be interested in the Shares beneficially owned by JMJ Group Limited.
8. Ms. Zhang Hui is the spouse of Mr. Xu Jun. Under the SFO, she is taken to be interested in the Shares in which Mr. Xu Jun is interested.
9. The issued shares of SYYT Investment Limited are owned as to approximately 40.62% by Mr. Sun Xianliang. Under the SFO, Mr. Sun Xianliang is deemed, or taken to be interested in the Shares beneficially owned by SYYT Investment Limited.
10. Ms. Yu Jinmei is the spouse of Mr. Sun Xianliang. Under the SFO, she is taken to be interested in the Shares in which Mr. Sun Xianliang is interested.
11. Jinping Holding Limited is wholly owned by Ms. Jin Ping. Under the SFO, Ms. Jin Ping is deemed, or taken to be interested in the Shares beneficially owned by Jinping Holding Limited.
12. Mr. Yao Changhui is the spouse of Ms. Jin Ping. Under the SFO, he is taken to be interested in the Shares in which Ms. Jin Ping is interested.

On the basis of the aforesaid increase of shareholding held by the Shareholders set out above, the Directors are not aware of any consequences of such repurchases of Shares that would result in any Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full.

The Directors will not repurchase the Shares if the repurchase would result in the number of the listed securities (excluding the Treasury Shares) which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

SHARE REPURCHASE MADE BY THE COMPANY

Saved as disclosed herein, the Company had not repurchased any Shares in the six months period preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to and including the Latest Practicable Date are as follows:

	Share Price	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2024		
April	0.132	0.100
May	0.120	0.096
June	0.137	0.104
July	0.130	0.091
August	0.116	0.097
September	0.115	0.066
October	0.149	0.078
November	0.095	0.074
December	0.093	0.076
2025		
January	0.103	0.070
February	0.073	0.060
March	0.086	0.058
April (up to the Latest Practicable Date)	0.085	0.065

GENERAL

The Directors will exercise the power to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. The Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

The particulars of Directors who are subject to re-election at the AGM and which are required to be disclosed under the Listing Rules are set out below:

Executive Directors

Ms. Liu Peiyao (“Ms. Liu”)(劉佩瑤), aged 32, was appointed as a Director in March 2019 and was redesignated as an executive Director in June 2019. She is responsible for overseeing the financial affairs and assisting in the overall management and operations of the Group. Ms. Liu is the daughter of Mr. Liu Naiyue and Ms. Wei Xian, who is a substantial shareholder of the Company.

Ms. Liu joined the Group as a director of Values Culture Media Co., Ltd.* (海寧原石文化傳媒股份有限公司)(“**Values Culture**”) since June 2015, responsible for overseeing the financial affairs and assisting in the overall management. In addition, Ms. Liu has been the director and manager of two wholly-owned subsidiaries of the Company, YS Cultural Investment Limited (“**YS Cultural**”) and Fanta Culture Co., Limited (泛泰文化有限公司) since March 2019 and April 2019 respectively.

Ms. Liu obtained a bachelor’s degree in finance from Michigan State University in the United States of America in December 2014.

As at the Latest Practicable Date, Ms. Liu had a corporate interest in 239,002,500 Shares representing approximately 23.04% of the issued Shares within the meaning of Part XV of the SFO.

Ms. Liu, Mr. Liu Naiyue, Ms. Li Fang, Mr. Shao Hui and Ms. Wei Xian are the directors of Values Culture. Ms. Li Fang is also the deputy general manager and Ms. Yan Bei is the chief publicity and marketing officer of Values Culture. Ms. Liu, Mr. Shao Hui and Ms. Wei Xian are also a director of YS Cultural.

Ms. Liu entered into a service contract with the Company. Her appointment is for a fixed term of three years, which is subject to retirement by rotation and re-election in accordance with the Articles of Association and the Listing Rules. Ms. Liu is entitled to a remuneration of RMB8,120 per month as an executive Director, a director of Values Culture and YS Cultural which has been reviewed by the remuneration committee of the Company and determined by the Board with reference to her duties and responsibilities with the Company and the prevailing market situation.

Save as disclosed above, as at the Latest Practicable Date, Ms. Liu (i) does not hold other positions with the Company or any other members of the Group; (ii) does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders (having the meaning ascribed to them under the Listing Rules); (iii) did not have other experience including (a) any other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and (b) any other major appointments and professional qualifications; and (iv) does not have any other interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Ms. Liu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Ms. Cai Xiaoxin (“Ms. Cai”)(蔡曉昕), aged 48, was appointed as the chief executive officer of the Group and the general manager of Haining Fanning Television Planning Company Limited* (海寧泛寧影視策劃有限公司)(“**Haining Fanning**”) an indirect wholly-owned subsidiary of the Company in August 2021 and an executive Director in June 2022 respectively. She is responsible for overseeing the daily management and operations and has over 20 years of experience in the legal and capital markets industry. Ms. Cai worked as a court clerk of the People’s Procuratorate of Shenzhen Municipality, Guangdong Province* (廣東省深圳市人民檢察院) from 1999 to 2003. Ms. Cai continued to progress with her career in China Securities Regulatory Commission* (中國證監會) and was assigned to work in Shenzhen Supervision Bureau of China Securities Regulatory Commission* (中國證監會深圳監管局) as an application examiner from 2004 to 2008. Ms. Cai then worked in Essence Securities Co., Ltd.* (安信證券股份有限公司) as the general manager of the compliance department, the general manager of the risk control department and the general manager of the human resources department from 2008 to 2013. Ms. Cai worked as the compliance director and the chief risk control officer of Founder Securities Financing Services Company Limited* (方正證券承銷保薦有限責任公司)(formerly known as China Minzu Securities Co., Ltd.* (中國民族證券有限責任公司)) from 2013 to 2016. Currently, Ms. Cai has served as the president of Suiyong Holdings Company Limited* (穗甬控股有限公司)(“**Suiyong Holdings**”), which is a substantial shareholder, and the chairman of Shenzhen Suiyong Huizhi Investment Management Co., Ltd.* (深圳穗甬匯智投資管理有限公司) concurrently.

Ms. Cai obtained a bachelor’s degree in laws from the China University of Political Science and Law in 1999, and a master’s degree in laws from Peking University in 2003. She also obtained an Executive Master of Business Administration (EMBA) degree from Cheung Kong Graduate School of Business in 2019.

Mr. Liu Naiyue is also a director of Haining Fanning.

The Company has entered into a service agreement with Ms. Cai in relation to her appointment as an executive Director. Her appointment is for an initial term of three years, which is subject to retirement by rotation and re-election in accordance with the Articles of Association and the Listing Rules. Ms. Cai is entitled to a remuneration of RMB420,000 per annum as an executive Director, the chief executive officer of the Company and the general manager of Haining Fanning, which has been reviewed by the remuneration committee of the Board and determined by the Board with reference to her duties and responsibilities with the company and the prevailing market situation.

Save as disclosed above, as at the Latest Practicable Date, Ms. Cai (i) does not hold other positions with the Company or any other members of the Group; (ii) does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders (having the meaning ascribed to them under the Listing Rules); (iii) did not have other experience including (a) any other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and (b) any other major appointments and professional qualifications; and (iv) does not have any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Ms. Cai that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Liu Tieqiang (“Mr. Liu”)(劉鐵強), aged 46, was appointed as an executive Director in April 2023. Mr. Liu is qualified as a lawyer and a registered accountant in the PRC and has over 18 years of experience in the capital market and the corporate finance industry. From October 2006 to the present, Mr. Liu has been in the managerial positions in various investment banks in the PRC.

Mr. Liu obtained a bachelor’s degree in economics from Jilin University (吉林大學) in 2001 and a master’s degree in laws from East China University of Political Science and Law (華東政法大學) in 2008.

The Company has entered into a service agreement with Mr. Liu in relation to his appointment as an executive Director. His appointment is for an initial term of three years, which is subject to retirement by rotation and re-election in accordance with the Articles of Association and the Listing Rules. Mr. Qu is not entitled to any director’s fee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Liu (i) does not hold other positions with the Company or any other members of the Group; (ii) does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders (having the meaning ascribed to them under the Listing Rules); (iii) did not have other experience including (a) any other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and (b) any other major appointments and professional qualifications; and (iv) does not have any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Mr. Liu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Independent Non-Executive Director

Mr. Xu Zongzheng (“Mr. Xu”)(徐宗政), aged 51, was appointed as an independent non-executive Director in December 2019. He is a chairman of the Remuneration Committee and a member of the Nomination Committee and the Audit Committee.

Mr. Xu has around 20 years of experience in the field of film and television production industry. Mr. Xu has produced and directed over 20 productions since 2004, including the award winning production Where have all the flower gone (那時花開) in 2006, Red Dawn (紅色黎明) in 2011, Ordinary Person Character (凡人的品格) in 2017 and Mr. Nanny (月嫂先生) in 2018.

Mr. Xu obtained a diploma in performing arts from the People’s Liberation Army Arts College* (人民解放軍藝術學校) in July 1998. He has been a member of the China Television Director Committee* (中國聯合會電視劇導演委員會) since 2011.

Mr. Xu entered into a letter of appointment with the Company. His appointment is for a fixed term of three years, which is subject to retirement by rotation and re-election in accordance with the Company’s articles of association and the Listing Rules. Mr. Xu is entitled to a fixed director’s fee of HK\$120,000 per annum as an independent non-executive Director which has been reviewed by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Save as disclosed above, as at the Latest Practicable Date, Mr. Xu (i) does not hold other positions with the Company or any other members of the Group; (ii) does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders (having the meaning ascribed to them under the Listing Rules); (iii) did not have other experience including (a) any other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and (b) any other major appointments and professional qualifications; and (iv) does not have any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. Mr. Xu has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Mr. Xu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

NOTICE OF AGM

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Values Cultural Investment Limited (the “**Company**”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on 30 May 2025 (Friday), at 11:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements of the Company, the report of the directors of the Company (the “**Directors**”) and the report of the auditors of the Company for the year ended 31 December 2024.
2.
 - (a) To re-elect Ms. Liu Peiyao as an executive Director.
 - (b) To re-elect Ms. Cai Xiaoxin as an executive Director.
 - (c) To re-elect Mr. Liu Tieqiang as an executive Director.
 - (d) To re-elect Mr. Xu Zongzheng as an independent non-executive Director.
 - (e) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young as auditors of the Company and to authorise the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company (including any sale or transfer of treasury shares (which shall have the meaning ascribed to it under the Listing Rules) out of treasury if permitted under the Listing Rules) and to make or grant offers, agreements and options

NOTICE OF AGM

(including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares in the capital of the Company to be issued either during or after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) (or transferred out of treasury) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or (iv) a specific authority granted by the shareholders of the Company (the “**Shareholders**”) in general meeting, shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to the Directors by this resolution; and

NOTICE OF AGM

“**Rights Issue**” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in the ordinary resolution set out in paragraph 4(d)) of all powers of the Company to repurchase shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose and to determine whether such shares repurchased shall be held as treasury shares by the Company or otherwise be cancelled, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the total number of shares of the Company which the Company is authorised to repurchase pursuant to the approval in the paragraphs above during the Relevant Period (as defined in the ordinary resolution set out in paragraph 4(d)) shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly.”

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6. “**THAT** conditional upon the ordinary resolutions set out in paragraphs 4 and 5 of the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal in (including any sale or transfer of treasury shares out of treasury) any unissued shares pursuant to the ordinary resolution set out in paragraph 4 of the notice convening this meeting be and is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution set out in paragraph 5 of the notice convening this meeting, provided that such extended amount shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this resolution.”

By Order of the Board
Values Cultural Investment Limited
LIU Naiyue
Chairman and Executive Director

Hong Kong, 29 April 2025

Notes:

1. A member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. The Company reminds all Shareholders that attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing proxy forms with voting instructions, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any other matters for communication with the Board, they can contact the Company by email to valuescultural@163.com.

3. In order to be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the AGM or any adjournment thereof should he so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF AGM

4. The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to determine the eligibility of the Shareholders who are entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2025.
5. According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at general meeting of the Company must be taken by poll. Therefore, all proposed resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
6. With regard to the proposed resolutions numbered 2 and 4 to 6 in this notice, a circular giving details of the re-election of Directors and the general mandates to issue and to repurchase shares of the Company will be despatched to the Shareholders. The biographical details of the retiring Directors who are subject to re-election at the meeting are set out in Appendix II to the circular.
7. As at the date of this notice, the Board comprises Mr. Liu Naiyue, Ms. Cai Xiaoxin, Ms. Liu Peiyao, Ms. Li Fang, Mr. Qu Guohui and Mr. Liu Tieqiang as executive Directors; Mr. Shao Hui as non-executive Director; Mr. Xian Guoming, Mr. Zhong Mingshan, Mr. Xu Zongzheng and Ms. Liu Jingping as independent non-executive Directors.