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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)

RESIGNATION AND APPOINTMENT OF AUDITOR

The Board hereby announces that:

1. the Company's auditor, Ernst & Young, has tendered its resignation as the auditor of the Company with effect from 25 July 2025; and
2. BDO Limited has been appointed as the new auditor of the Company with effect from 25 July 2025 to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the next following annual general meeting of the Company.

RESIGNATION OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Values Cultural Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board hereby announces that as the Company's auditor, Ernst & Young (“**EY**”), and the Company have not been able to reach an agreement on the audit fee for the financial year ended 31 December 2025, EY has resigned as the auditor of the Company with effect from 25 July 2025.

The audit committee of the Company (the “**Audit Committee**”) has reviewed the audit fee proposal provided by EY and obtained and reviewed audit fee proposals provided by other professional accounting firms which were lower in comparison with EY's audit fee proposal. In view of the more competitive fee proposals provided by other professional accounting firms possessing the necessary capabilities and competence (including technical know-how, industry knowledge and track record, manpower and other resources) to perform its duties as the independent auditor, EY and the Board were not able to reach an agreement on the audit fee for the financial year ended 31 December 2025 and EY has tendered its resignation as the auditor of the Company with effect from 25 July 2025. The Board, with the recommendation of the Audit Committee, confirmed that the resignation of EY is in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

EY confirmed in its resignation letter dated 25 July 2025 that (i) it was appointed as the Company's auditors for the year ended 31 December 2025 at the Company's last annual general meeting held on 30 May 2025 (the "**AGM Appointment**"); (ii) after the AGM Appointment, EY has been communicating with the Company on the proposed audit fees for the year ended 31 December 2025, but has not reached a consensus with the Company. The Company received more competitive proposals provided by other professional accounting firms and has determined that a lower audit fee would allow the Company to implement more effective cost control measures and reduce overall operating expenses; (iii) EY was notified by the Company on 4 July 2025, that having considered EY's proposed audit fees for the year ended 31 December 2025, the Company decided to change its auditor; (iv) after due consideration, EY notified the Company of its resignation as the auditor of the Company which takes effect on 25 July 2025; (v) EY has not been formally engaged by the Company in respect of the annual audit of the Group for the year ended 31 December 2025 and it has not started any audit work for the year ended 31 December 2025; and (vi) there are no circumstances connected with its resignation which it considers should be brought to the attention of the Shareholders in relation to the change of the auditors of the Company. The Board and the Audit Committee have confirmed that save as disclosed above, there are no other disagreements or unresolved matters between EY and the Company, and that they are not aware of any other matter in connection with the resignation of EY that needs to be brought to the attention of the Shareholders. The Board also confirmed that as at the date of this announcement, EY has not yet commenced any audit work on the consolidated financial statements of the Group for the year ended 31 December 2025. The Board therefore is of the view that the change of auditor will not have any significant impact on the annual audit of the Group for the year ended 31 December 2025.

The Board would like to take this opportunity to express its gratitude to EY for their professional services rendered to the Company in the past years.

APPOINTMENT OF AUDITOR

The Board is pleased to announce that BDO Limited ("**BDO**") has been appointed as the new auditor of the Company with effect from 25 July 2025 to fill the casual vacancy following the resignation of EY and to hold office until the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of BDO as the new auditor of the Company, including but not limited to (i) the service proposal of BDO; (ii) its experience, knowledge and technical competence in providing audit work for many companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its market reputation and track record; (v) its resources and capability including but not limited to manpower and time; (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**AFRC**"); and (vii) the AFRC's Guidance Notes on Change of Auditors.

Based on the above, the Audit Committee has assessed and considered that BDO is eligible and suitable to act as the new auditor of the Company for the audit work on the consolidated financial statements of the Group for the year ended 31 December 2025. The Board and the Audit Committee are of the view that the appointment of BDO is in the interest of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to extend its welcome to BDO as the new auditor of the Company.

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

Hong Kong, 25 July 2025

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