

# Values Cultural Investment Limited

## 新石文化投资有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1740



# 2025

## INTERIM REPORT

# CONTENTS

Corporate Information	2
Financial Highlights	4
Management Discussion and Analysis	5
Other Information	13
Interim Condensed Consolidated Statement of Profit or Loss	24
Interim Condensed Consolidated Statement of Other Comprehensive Income	25
Interim Condensed Consolidated Statement of Financial Position	26
Interim Condensed Consolidated Statement of Changes in Equity	28
Interim Condensed Consolidated Statement of Cash Flows	29
Notes to the Interim Condensed Consolidated Financial Information	31

\* The English translation of terms or names in Chinese which are marked with “\*” is for identification purpose only

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. LIU Naiyue (*Chairman*)

Ms. CAI Xiaoxin

Ms. LIU Peiyao

Ms. LI Fang

Mr. QU Guohui

Mr. LIU Tieqiang

### Non-Executive Director

Mr. SHAO Hui

### Independent Non-Executive Directors

Mr. XIAN Guoming

Mr. ZHONG Mingshan

Mr. XU Zongzheng

Ms. LIU Jingping

## AUDIT COMMITTEE

Mr. ZHONG Mingshan (*Chairman*)

Mr. XIAN Guoming

Mr. XU Zongzheng

## REMUNERATION COMMITTEE

Mr. XU Zongzheng (*Chairman*)

Mr. ZHONG Mingshan

Mr. XIAN Guoming

## NOMINATION COMMITTEE

Mr. XIAN Guoming (*Chairman*)

Mr. XU Zongzheng

Mr. ZHONG Mingshan

## JOINT COMPANY SECRETARIES

Mr. AU YEUNG Ming Yin Gordon

Ms. WANG Haiting

## AUTHORISED REPRESENTATIVES

Mr. LIU Naiyue

Mr. AU YEUNG Ming Yin Gordon

## AUDITOR

BDO Limited

(*Appointed with effect from 25 July 2025*)

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

25/F, Wing On Centre

111 Connaught Road Central

Hong Kong

Ernst & Young

(*Resigned with effect from 25 July 2025*)

(*Certified Public Accountants*)

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

## LEGAL ADVISERS

*As to Hong Kong law:*

Hastings & Co.

11/F, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

*As to PRC law:*

Beijing Dhh Law Firm

11-12/F., Tower C, Yintai Centre

No. 2 Jianguomenwai Avenue

Chaoyang District

Beijing, PRC

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1503, 15/F

Olympia Plaza

255 King's Road

North Point, Hong Kong

## PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716

17/F, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

## PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

China Zheshang Bank Company Limited

(Beijing Branch)

## STOCK CODE

1740

## COMPANY'S WEBSITE

[www.yuanshimedia.com](http://www.yuanshimedia.com)

## FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 increased by approximately 113.4% to approximately RMB11.4 million from approximately RMB5.4 million for the six months ended 30 June 2024.
- The Group recorded a gross profit of approximately RMB1.3 million for the six months ended 30 June 2025, as compared with a gross loss of approximately RMB1.6 million for the six months ended 30 June 2024.
- Net loss for the six months ended 30 June 2025 was approximately RMB6.5 million, as compared with the Group's net loss amounting to approximately RMB15.0 million for the six months ended 30 June 2024.
- The Board does not recommend the payment of interim dividends in respect of the six months ended 30 June 2025 (the six months ended 30 June 2024: nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Values Cultural Investment Limited (the “**Company**” or “**Values Cultural**”, together with its subsidiaries, the “**Group**”), is pleased to present the unaudited consolidated interim results of the Group for the six months ended 30 June 2025 (the “**Reporting Period**”).

## BUSINESS AND OPERATION REVIEW AND PROSPECTS

The Group is principally engaged in the business of (i) licensing of broadcasting rights of TV series or web series; (ii) investing in TV series and web series as non-executive producer; and (iii) acting as distribution agent of TV series or web series. The Group is also expanding its business in the production of web series in view of their growing popularity. During the Reporting Period, the Company recorded a total revenue of approximately RMB11.4 million, which increased by approximately 113.4% as compared with approximately RMB5.4 million for the corresponding period of last year. During the Reporting Period, our revenue was primarily generated from licensing of broadcasting rights of web series and distribution of web series.

Net loss for the Reporting Period was approximately RMB6.5 million as compared with the Group’s net loss amounting to approximately RMB15.0 million for the corresponding period of last year. The Board believes that the net loss was mainly due to the continuing downturn of the web series and TV series markets in the PRC, which has caused (i) the result that the revenue generated from the web series broadcast during the Reporting Period was lower than the revenue as expected by the Group and (ii) the postponement of the broadcasting plan of self-produced TV series.

During the Reporting Period, the Group acted as a distribution agent for web series, in particular, short web series, in which it has invested as a non-executive producer. The Group developed promotional trailers for these short web series, which were showcased on online video platforms. This strategy aimed to attract viewers and encourage them to pay for access to the full series. Revenue generated from audience subscriptions was shared between the Group and the executive producers of the short web series.

During the Reporting Period, the Group has been continuing to negotiate with TV stations in relation to the broadcasting schedule of a self-produced TV series. Regarding a TV series that the Group has decided to invest as a non-executive producer, the Group has obtained government approval for this TV series during the Reporting Period. Moreover, the Group continued to generate revenue from the licensing of broadcasting rights of several TV series in its inventory during the Reporting Period.

During the Reporting Period, a total of eight web series and short web series that the Group either acted as an executive producer or non-executive producer were broadcast. Regarding another web series that the Group has invested in as non-executive producer, the Group has been obtaining government approval for it and has been continuing to negotiate with the online video platform for the broadcasting schedule.

Regarding the film trilogy that the Group acts as executive producer, the Group has been continuing to negotiate with the movie channel of CCTV with respect to the terms of licensing and one of the films has been undergoing review by the movie channel of CCTV.

### **Prospects and Future Plans**

Looking forward, the market condition is expected to remain difficult. The Group is cautiously optimistic about the business of production of and investment in TV series and web series. The Group will closely monitor the market conditions, especially the opportunities of conducting business with first-tier TV stations and major online video platforms, as well as second-tier and third-tier TV stations. The Group will also adhere to prudent financial management in project selection and cost control, resume more active business operation and explore opportunities mainly in the business of web series, including short web series, and TV series.

## **FINANCIAL REVIEW**

### **Revenue**

During the Reporting Period, the Group recorded revenue of approximately RMB11.4 million (30 June 2024: approximately RMB5.4 million), representing an increase of approximately 113.4% when compared with the corresponding period of last year. The increase in revenue was primarily due to the increase in revenue generated from licensing of broadcasting rights of web series. During the Reporting Period, our revenue was generated primarily from licensing of broadcasting rights of web series and distribution of web series.

### **Cost of Sales and Gross Profit**

During the Reporting Period, the cost of sales of our operations increased from approximately RMB7.0 million for the six months ended 30 June 2024 to approximately RMB10.2 million for the six months ended 30 June 2025, representing an increase of 45.7%. The increase in the cost of sales was mainly due to the increase in the revenue generated from licensing of broadcasting rights of web series.

During the Reporting Period, the Group recorded a gross profit of approximately RMB1.3 million, as compared with a gross loss of approximately RMB1.6 million for the corresponding period of last year. The increase in gross profit was mainly due to the increase in revenue during the Reporting Period.

### **Other Income and Gains**

During the Reporting Period, the other income and gains were approximately RMB0.9 million (30 June 2024: approximately RMB0.2 million).

### **Selling and Distribution Expenses**

During the Reporting Period, the selling and distribution expenses increased to approximately RMB2.7 million, representing an increase of approximately 337.4% as compared with approximately RMB0.6 million for the six months ended 30 June 2024. The increase is mainly due to increase in advertising expenses.



### **Administrative Expenses**

During the Reporting Period, the administrative expenses were approximately RMB5.2 million, representing a decrease of approximately 29.2% as compared with approximately RMB7.3 million for the corresponding period of last year.

### **Impairment losses on financial assets**

The impairment losses on financial assets represent the impairment provision on long ageing trade and other receivables. The impairment losses on financial assets for the Reporting Period was recognised as approximately RMB0.8 million as compared with the recognition of impairment losses on financial assets of approximately RMB5.1 million for the corresponding period of last year. The impairment loss was due to the ageing of trade receivable for the six months ended 30 June 2025.

### **Finance Costs**

During the Reporting Period, our finance costs were approximately RMB10,000, as compared to RMB0.2 million for the corresponding period of last year. The decrease is mainly due to the fact that the Group did not have fixed rate of return investment agreement with investors for TV series in this Reporting Period, in which such investor income is recognized as the Group's finance costs.

### **Loss for the Reporting Period**

During the Reporting Period, the loss attributable to owners of the parent was approximately RMB6.5 million, as compared with approximately RMB15.0 million loss attributable to owners of the parent for the corresponding period of last year. The decrease in the loss for the Reporting Period was primarily due to increase in gross profit and decrease in the impairment losses on financial assets.

## Liquidity, Financial Resources and Capital Structure

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations and proceeds from the shares of the Company (the "**Shares**") which were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the listing date (i.e. 16 January 2020) (the "**Listing Date**"), comprising 250,000,000 new Shares issued at the offer price of HK\$0.50 per Share (the "**Global Offering**"). On 7 February 2020, the over-allotment option was fully exercised to issue further 37,500,000 new Shares (the "**Over-Allotment Shares**").

As of 30 June 2025, the Group had total cash and cash equivalents (including bank deposits and cash) of approximately RMB13.5 million (31 December 2024: approximately RMB20.7 million), and total net current assets of approximately RMB73.8 million (31 December 2024: approximately RMB80.2 million). The Group monitors capital using a gearing ratio, which is total debt (of which debt is defined to include interest bearing payables) divided by total equity multiplied by 100% as at the date indicated. As at 30 June 2025, the gearing ratio of the Group was 0.54% (31 December 2024: 0.98%).

As at 30 June 2025, the equity attributable to the owners of the parent was approximately RMB71.7 million, of which share capital was approximately RMB36,000, the capital reserve was approximately RMB312.8 million, the statutory surplus reserve was approximately RMB15.2 million, exchange fluctuation reserve was approximately negative RMB0.2 million and retained earnings were approximately negative RMB256.1 million. The equity attributable to the owners of the parent decreased by approximately 8.4% from approximately RMB78.3 million as at the end of 2024, which was mainly attributable to the loss during the Reporting Period.

After taking into consideration of the available financial resources, including cash flow from operating activities, the Group has enough working capital to meet the capital demand for its business development.

## Pledge of Assets and Contingent Liabilities

As at 30 June 2025, the Group did not have pledged assets.

As at 30 June 2025, the Group did not have material contingent liabilities.

## EMPLOYEES, REMUNERATION POLICY AND TRAINING

As at 30 June 2025, the Group had a total of 22 full-time employees, excluding Directors, who are all located in the PRC.

For the Reporting Period, the cost of employees of the Group amounted to approximately RMB1.8 million.

The Group offers employees competitive salaries, discretionary bonus and other incentives (e.g. the share option scheme). Our recruitment policy is based on a number of factors including the level of knowledge and experience we require of our staff. The Group provides introductory training at the time when members of our staff first join us and thereafter regular on-the-job training, depending on his or her role. In addition, it is our policy to provide training to our staff on a needed basis to enhance their technical and industry knowledge. The Group believes such initiatives have contributed to increased employee productivity. As required by the PRC regulations, we participate in various employee benefit plans (the “**Retirement Benefit Scheme**”) that are organised by local governments, including housing, pension and social insurance. The Group is required under PRC laws to make contributions to the employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local governments from time to time. Contributions to the Retirement Benefit Scheme vest immediately. The Group enters into a standard employment contract with all our employees which set out terms such as remuneration and confidentiality requirements.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employee(s) employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

There was no forfeited contribution under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

During the Reporting Period, the Group organised a series of trainings on licensing and producing of TV series.

The Group believes that it maintains a positive working relationship with its employees.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

The Group did not have material acquisition or disposals of subsidiaries and associated companies during the Reporting Period.

## **SIGNIFICANT INVESTMENTS DURING THE REPORTING PERIOD**

During the Reporting Period, the Group did not hold any significant investment in equity interest in any other company (for the six months ended 30 June 2024: nil). The Company currently does not have other future plans for material investments or capital assets, nor any material acquisitions and disposals of subsidiaries, associates and joint ventures as at 30 June 2025.

## **FOREIGN EXCHANGE EXPOSURE**

The Group operates in the PRC with all of the transactions settled in RMB in the Reporting Period. Therefore, the Group considers the risk exposure to foreign currency fluctuation would be essentially in line with the performance of the exchange rate of RMB. During the Reporting Period, the Group did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

## **SIGNIFICANT LITIGATION**

As at the date of this report, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## **RISK MANAGEMENT**

During the Reporting Period, the Group regularly reviewed the risk and credit control systems of its profit centers in order to improve the overall controlling system and mitigate credit risk.

This also ensures that the Group is capable of effectively conducting business operations and facilitates further development. There have been no significant changes in the Group's risk management policy since the end of last year.

## **INTERIM DIVIDEND**

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend for the Reporting Period (30 June 2024: nil).



## OTHER INFORMATION

### EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Reporting Period up to the date of this report.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed its listed securities.

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company’s corporate governance practices enabling its shareholders to evaluate, and the CG Code has been applied to the Company with effect from the Listing Date on which the shares of the Company were listed (the “**Listing**”) on the Stock Exchange. Save as disclosed below, the Company has complied with all the applicable code provisions set out in the CG Code during the Reporting Period and up to the date of this report.

Code Provision C.1.5 of part 2 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. The non-executive Director, Mr. Shao Hui, and independent non-executive Directors, Mr. Xu Zongzheng, Ms. Liu Jingping and Mr. Xian Guoming, did not attend the annual general meeting of the Company held on 30 May 2025 due to other commitments.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors’ securities transactions. Having made specific enquiries, all Directors confirmed that they have fully complied with the Model Code throughout the Reporting Period.

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors have confirmed their responsibility for preparing financial statements of the Company. The financial information set out in this report is unaudited.

## APPOINTMENT OF CHIEF OPERATING OFFICER AND CHIEF MARKETING OFFICER

Mr. Liu Tieqiang ("**Mr. Liu**"), an executive Director, has been appointed as the Chief Operating Officer of the Company with effect from 22 July 2025. Following his appointment, Mr. Liu will continue to serve as the executive Director.

Mr. Gui Xiaohua, has been appointed as the Chief Marketing Officer of the Company with effect from 22 July 2025.

## AUDITOR

As 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 Company's auditor with effect from 25 July 2025. EY has confirmed in writing that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders of the Company in relation to the change of the auditors of the Company. The Board and the audit committee of the Company 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 of the Company.

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 following annual general meeting of the Company.

Please refer to the announcement of the Company dated 25 July 2025 for more details in relation to the change in auditor of the Company.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at the date of this report, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Nature of interest/capacity	As at the date of this report	
		Number of shares held (L) (Note 1)	Approximate percentage of shareholding
Mr. Liu Naiyue	Interest of a controlled corporation (Note 2)	239,002,500	23.04%
Ms. Liu Peiyao	Interest of a controlled corporation (Note 2)	239,002,500	23.04%
Mr. Shao Hui	Interest of a controlled corporation (Note 3)	100,622,500	9.69%

## Other Information (Continued)

### Notes:

1. The letter "L" denotes long position in our Shares.
2. 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.
3. The issued shares of SDJZ Investment Limited are owned as to approximately 91.00% by Mr. Shao Hui. Under the SFO, Mr. Shao Hui is deemed, or taken to be interested in the Shares beneficially owned by SDJZ Investment Limited.

Save as disclosed above and to the best knowledge of the Directors, as at the date of this report, none of the Directors or the chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the date of this report, so far as the Board are aware, the following persons/entities (other than the Directors or chief executive) had an interest or a short position in the Shares or the underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	As at the date of this report	
		Number of Shares	Approximate percentage of shareholding
BLW Investment Limited (Note 1)	Beneficial owner	239,002,500	23.04%
Ms. Wei Xian (Note 1)	Interest of a controlled corporation	239,002,500	23.04%
Mr. Bai Yang (Note 1)	Interest of a controlled corporation	239,002,500	23.04%
Ms. Xie Jinhong (Note 2)	Interest of spouse	239,002,500	23.04%
Mr. Wu Tao (Note 1)	Interest of a controlled corporation	239,002,500	23.04%
Ms. Chen Ying (Note 3)	Interest of spouse	239,002,500	23.04%
Suiyong Int'l Co., Limited (Note 4)	Beneficial owner	110,010,000	10.60%
Suiyong Holdings Company Limited (穗甬控股有限公司) (Note 4)	Interest of a controlled corporation	110,010,000	10.60%
SDJZ Investment Limited (Note 5)	Beneficial owner	100,622,500	9.69%



Other Information (Continued)

Name	Capacity/Nature of interest	As at the date of this report	
		Number of Shares	Approximate percentage of shareholding
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)	Interest of a party to an agreement regarding interest in the Company	100,622,500	9.69%
Tibet Langrun Investment Management Co., Ltd. (西藏朗潤投資管理有限公司) (Note 5)	Interest of a party to an agreement regarding interest in the Company	100,622,500	9.69%
Ms. Lu Min (Note 6)	Interest of spouse	100,622,500	9.69%
JMJ Group Limited	Beneficial owner	86,872,500	8.37%
Mr. Xu Jun (Note 7)	Interest of a controlled corporation	86,872,500	8.37%
Ms. Zhang Hui (Note 8)	Interest of spouse	86,872,500	8.37%
SYYT Investment Limited	Beneficial owner	70,002,500	6.74%
Mr. Sun Xianliang (Note 9)	Interest of a controlled corporation	70,002,500	6.74%
Ms. Yu Jinmei (Note 10)	Interest of spouse	70,002,500	6.74%
Jinping Holding Limited	Beneficial owner	54,997,500	5.30%
Ms. Jin Ping (Note 11)	Interest of a controlled corporation	54,997,500	5.30%
Mr. Yao Changhui (Note 12)	Interest of spouse	54,997,500	5.30%

*Notes:*

- (1) 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.
- (2) 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.
- (3) 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.
- (4) The issued shares of Suiyong Int’l Co., Limited are wholly owned by Suiyong Holdings Company Limited (穗甬控股有限公司). Under the SFO, Suiyong Holdings Company Limited (穗甬控股有限公司) is deemed, or taken to be interested in the Shares beneficially owned by Suiyong Int’l Co., Limited.
- (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.

## Other Information (Continued)

- (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, which is disclosed in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" on page 15 of this report.
- (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.

Save as disclosed herein, as at the date of this report, the Board is not aware of any persons (other than the Directors or chief executive) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

## CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of Directors and chief executives of the Company during the Reporting Period and up to the date of this report are as follows:

Name of Directors	Particulars	Effective date
Dr. Wong Sze Lok	Appointed as alternate to Mr. Liu Naiyue	27 May 2025
Dr. Wong Sze Lok	Ceased as alternate to Mr. Liu Naiyue	30 May 2025

## SHARE OPTION SCHEME

A share option scheme was conditionally adopted on 12 December 2019 (the “**Share Option Scheme**”), which became effective on the Listing Date. The Share Option Scheme is a share incentive scheme and is established to reward the contributions that the eligible participants (as defined in the Prospectus) (including but not limited to any employee, director, supplier, customer, adviser, consultant, shareholder, partner or joint-venture partner of the Group or any entity in which any member of the Group holds an equity interest) had or may have made to the Group. Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 100,000,000 Shares) unless approved by the Shareholders and the total number of the Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being unless approved by the Shareholders. Subject to early termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. The remaining life of the Share Option Scheme is approximately 4 years and 4 months. An option may be accepted by a participant within 21 days from the date of the offer of a grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

The period within which the options must be exercised will be specified by the Company at the date of grant. This period must expire no later than 10 years from the relevant date of grant (being the business day on which the Board resolves to make an offer to the relevant grantee). Unless otherwise determined by the Board at its sole discretion, the Share Option Scheme does not require a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised.

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share. Further details of the Share Option Scheme are set out in the section headed "Share Option Scheme" in Appendix IV to the Prospectus.

No share options had been granted, agreed to be granted, exercised, cancelled, expired or lapsed under the Share Option Scheme as at the date of this report. The Company did not have any outstanding share options, warrants and convertible instruments into shares as at the date of this report. The total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme was 100,000,000 Shares, representing approximately 9.64% of the issued share capital of the Company as at the date of this report.

## **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.



## REVIEW BY AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Company has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025. The unaudited condensed consolidated interim financial statements of the Group have not been audited or reviewed by the Company’s external auditors. The Audit Committee is of the opinion that such financial information complies with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhong Mingshan (Chairman), Mr. Xu Zongzheng and Mr. Xian Guoming.

By Order of the Board

**Values Cultural Investment Limited**

**Liu Naiyue**

*Chairman and executive Director*

Hong Kong, 29 August 2025

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>REVENUE</b>	4	<b>11,446</b>	5,364
Cost of sales		(10,155)	(6,970)
Gross profit/(loss)		<b>1,291</b>	(1,606)
Other income and gains		<b>901</b>	231
Selling and distribution expenses		(2,690)	(615)
Administrative expenses		(5,156)	(7,284)
Impairment losses on financial assets, net		(803)	(5,096)
Finance costs		(10)	(226)
Share of losses of an associate		–	(438)
<b>LOSS BEFORE TAX</b>	5	<b>(6,467)</b>	(15,034)
Income tax expense	6	–	–
<b>LOSS FOR THE PERIOD</b>		<b>(6,467)</b>	(15,034)
Attributable to:			
Owners of the parent		(6,467)	(15,034)
<b>LOSS PER SHARE</b>			
Basic and diluted	8	<b>(RMB0.62 cents)</b>	(RMB1.45 cents)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>LOSS FOR THE PERIOD</b>	<b>(6,467)</b>	(15,034)
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operation	1,158	(541)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	(1,236)	615
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(78)</b>	74
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(6,545)</b>	(14,960)
Attributable to:		
Owners of the parent	(6,545)	(14,960)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	44	72
Prepayments, other receivables and other assets		9	19
Right-of-use assets		505	884
Investments in an associate		–	–
Total non-current assets		558	975
<b>CURRENT ASSETS</b>			
Inventories		48,005	47,470
Trade receivables	10	15,910	10,108
Prepayments, other receivables and other assets		23,640	20,772
Cash and cash equivalents		13,503	20,705
Total current assets		101,058	99,055
<b>CURRENT LIABILITIES</b>			
Trade payables	11	10,147	2,829
Other payables and accruals		9,160	7,384
Tax payable		7,578	7,900
Lease liabilities		386	766
Total current liabilities		27,271	18,879
<b>NET CURRENT ASSETS</b>		73,787	80,176

## Interim Condensed Consolidated Statement of Financial Position (Continued)

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>74,345</b>	81,151
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals		2,617	2,878
Total non-current liabilities		2,617	2,878
Net assets		71,728	78,273
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	12	36	36
Reserves		71,692	78,237
Total equity		71,728	78,273



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent					Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	
At 1 January 2025 (audited)	36	312,834	15,233	(170)	(249,660)	78,273
Loss for the period	-	-	-	-	(6,467)	(6,467)
Other comprehensive loss for the period:						
Exchange differences on translation of functional currency to presentation currency	-	-	-	(78)	-	(78)
Total comprehensive loss for the period	-	-	-	(78)	(6,467)	(6,545)
At 30 June 2025 (unaudited)	36	312,834	15,233	(248)	(256,127)	71,728

	Attributable to owners of the parent					Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	
At 1 January 2024 (audited)	36	312,834	15,233	(328)	(151,344)	176,431
Loss for the period	-	-	-	-	(15,034)	(15,034)
Other comprehensive income for the period:						
Exchange differences on translation of functional currency to presentation currency	-	-	-	74	-	74
Total comprehensive loss for the period	-	-	-	74	(15,034)	(14,960)
At 30 June 2024 (unaudited)	36	312,834	15,233	(254)	(166,378)	161,471

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(6,467)	(15,034)
Adjustments for:			
Share of losses of an associate		–	438
Finance costs		10	226
Write-down of inventories to net realisable value	5	–	80
Impairment of trade receivables	5	803	5,096
Reversal of prepayments under the co-investment arrangement with copyrights	5	(740)	–
Depreciation of right-of-use assets		379	398
Amortisation of long-term deferred expenses		10	9
Depreciation of property, plant and equipment	9	28	46
		(5,977)	(8,741)
(Increase)/decrease in trade and note receivables		(6,605)	8,375
Increase in prepayments, other receivables and other assets		(2,128)	(4,093)
Increase in inventories		(535)	(2,172)
Decrease in financial liabilities at fair value through profit or loss		–	(290)
Increase in contract liabilities		–	1,219
Increase/(decrease) in trade payables		7,318	(5,324)
Increase/(decrease) in other payables and accruals		1,515	(613)
Cash used in operations		(6,412)	(11,639)
Income tax paid		(322)	(118)
<b>Net cash flows used in operating activities</b>		<b>(6,734)</b>	<b>(11,757)</b>

# Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of items of property, plant and equipment	—	—
<b>Net cash flows used in investing activities</b>	—	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(10)	(706)
Repayment of other borrowings	—	(2,000)
Principal portion of lease liabilities	(380)	(375)
<b>Net cash flows used in financing activities</b>	(390)	(3,081)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(7,124)	(14,838)
Cash and cash equivalents at beginning of period	20,705	42,673
Effect of foreign exchange rate changes, net	(78)	74
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	13,503	27,909
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	13,503	27,909
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	13,503	27,909

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amendments to HKFRS Accounting Standards (which include individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed below.

### **Adoption of amendments to HKFRS Accounting Standards – effective on 1 January 2025**

In the current period, the Group has applied for the first time the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial statements for the annual financial period beginning on 1 January 2025.

Amendments to HKAS 21 and *Lack of Exchangeability*  
HKFRS 1

The adoption of this amendment to HKFRS Accounting Standards has no significant impact on the Group's interim condensed consolidated financial statements.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

#### Geographical information

During the year, the Group operated within one geographical segment because all of the Group's revenue was generated from customers located in Mainland China. All of the non-current assets of the Group were located in Mainland China.

### 4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue from contracts with customers	11,440	2,909
<i>Revenue from other sources</i>		
Net licence fee received from investments in TV or web series as non-executive producer	6	2,455
Total revenue	11,446	5,364

#### 4. REVENUE (continued)

##### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>Type of goods or service</b>		
Licensing of broadcasting rights of TV series	5,056	2,909
Distribution of web series	6,384	–
	<b>11,440</b>	<b>2,909</b>

##### Geographical markets

All of the Group's revenue was generated from customers located in Mainland China during the period.

##### Timing of revenue recognition

All of the Group's revenue was recognised at a point in time during the period.



## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Cost of inventories sold	10,155	6,890
Depreciation of property, plant and equipment	28	46
Depreciation of right-of-use assets	379	398
Minimum lease payments under lease exemption	526	130
Government grants	(155)	(107)
Bank interest income	(6)	(29)
Share of loss of an associate	—	438
Write-down of inventories to net realisable value	—	80
Impairment of trade receivables	803	5,096
Reversal of prepayments under the co-investment arrangement with copyrights	(740)	—

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense during the Reporting Period are:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Current – Mainland China Charge for the period	–	–
Total tax charge for the period	–	–

## 7. DIVIDENDS

The Board did not declare any interim dividend for the Reporting Period (six months ended 30 June 2024: nil).

## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of approximately RMB6,467,000 (six months ended 30 June 2024: approximately RMB15,034,000), and the weighted average number of ordinary shares of 1,037,500,000 (30 June 2024: 1,037,500,000) shares in issue during the Reporting Period. The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2025 and 2024.

## 9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Carrying amount at beginning of period/year	72	163
Depreciation provided during the period/year	(28)	(91)
Carrying amount at end of period/year	44	72

## 10. TRADE RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables	174,292	167,687
Impairment	(158,382)	(157,579)
	15,910	10,108

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	8,752	142
3 to 6 months	39	—
6 to 12 months	—	—
1 to 2 years	4,428	7,603
2 to 3 years	2,691	2,363
	15,910	10,108

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	7,318	75
3 to 6 months	—	—
6 to 12 months	—	—
1 to 2 years	—	128
2 to 3 years	2,829	2,626
	<b>10,147</b>	<b>2,829</b>

## 12. SHARE CAPITAL

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Authorised:		
10,000,000,000 ordinary shares of US\$0.000005 each		
US\$'000	50	50
RMB'000	336	336
Issued and fully paid:		
1,037,500,000 ordinary shares of US\$0.000005 each		
US\$'000	5	5
RMB'000	36	36

## 13. CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## 14. COMMITMENTS

As at 30 June 2025 and 2024, the Group had no outstanding contracted capital commitments.



## 15. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Short-term employee benefits	607	726
Pension scheme contributions	98	63
Total compensation paid to key management personnel	705	789

## 16. EVENTS AFTER THE REPORTING PERIOD

There was no event causing significant impact on the Group since 30 June 2025.