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乐华娱乐
YUE HUA
ENTERTAINMENT

YH Entertainment Group
乐华娱乐集团

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2306)

CONTINUING CONNECTED TRANSACTION
BUSINESS COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on March 28, 2025, Yuehua Limited (a wholly-owned subsidiary of the Company) and Hunan Yueying entered into the Business Cooperation Framework Agreement, pursuant to which Yuehua Limited (together with its subsidiaries) will cooperate with Hunan Yueying in relation to the production and management services of variety programs.

Hunan Yueying is a company established in the PRC with limited liability. It is principally engaged in the production and management of variety programs, events and market planning and performance management. Hunan Yueying is a wholly-owned subsidiary of Horgos Yuehua, which is owned as to 51% and 49% by our executive Directors, Ms. DU Hua and Mr. SUN Yiding, respectively. Therefore, Hunan Yueying is connected person of the Company. Accordingly, transactions under the Business Cooperation Framework Agreement with Hunan Yueying constituted connected transactions for the Company and are subject to Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (calculated with reference to Rule 14.07 of the Listing Rules) in respect of this transaction is expected to be, on an annual basis, more than 0.1% but less than 5%, such transaction will constitute continuing connected transaction of the Company subject to the reporting, announcement and annual review requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on March 28, 2025, Yuehua Limited (a wholly-owned subsidiary of the Company) entered into a business cooperation framework agreement with Hunan Yueying (the “**Business Cooperation Framework Agreement**”), pursuant to which Hunan Yueying will provide Yuehua Limited (for itself and on behalf of its subsidiaries) with production and management services of variety programs.

BUSINESS COOPERATION FRAMEWORK AGREEMENT

A summary of the principal terms of the Business Cooperation Framework Agreement is set out below:

Date: March 28, 2025

Parties: (1) Yuehua Limited (for itself and on behalf of its subsidiaries)
(2) Hunan Yueying

Term: March 28, 2025 to December 31, 2025

Separate underlying agreements will be entered into between the parties to set out the detailed terms, including details of engagements, milestone payment schedules and other rights and obligations of the parties, based on the principles and within the parameters provided under the Business Cooperation Framework Agreement. The definitive terms of each of such underlying agreements will be determined on a case-by-case basis and on fair and reasonable basis after arm’s length negotiation between the parties.

The Business Cooperation Framework Agreement will commence from March 28, 2025 to December 31, 2025, and such term would be renewed for a term of no more than three years subject to the parties’ negotiation and applicable laws and regulations.

Pricing Policy

The fees paid by Yuehua Limited to Hunan Yueying shall be determined after arm’s length negotiation between parties with reference to various related commercial factors, including (i) the forms of promotion activities and promotion period; (ii) the cost and expenses of the production of variety programs; (iii) the popularity of the managed artist who participated in the variety programs to be produced; (iv) the prevailing market rates of engagement fees for providing production and management services of variety programs; (v) the quality and impacts of the relevant engagement; and (vi) the workload and duration of the relevant engagement. The aforesaid factors setting the engagement fees shall not be higher than those offered by the Independent Third Parties to the Group.

Historical Figures

For the year ended December 31, 2024, the aggregate fees paid by Yuehua Limited to Hunan Yueying for the cooperation was approximately RMB2.48 million.

ANNUAL CAP AND BASIS OF DETERMINATION

The proposed annual cap for the related fees payable by Yuehua Limited to Hunan Yueying pursuant to the Business Cooperation Agreement for the period from March 28, 2025 to December 31, 2025 is RMB15.0 million.

The proposed annual cap above is determined with reference to:

- (i) the historical rates of engagement fees and the historical amounts incurred in 2024 in connection with our cooperation with Hunan Yueying;
- (ii) the historical rates of engagement fees for similar services paid to Hunan Yueying as those included in our cooperation with Hunan Yueying; and
- (iii) the expected cooperation with Hunan Yueying from the date of the Business Cooperation Agreement to December 31, 2025.

INFORMATION OF THE PARTIES

Yuehua Limited

Yuehua Limited, is a limited liability company established in the PRC on July 3, 2009 and is wholly-owned subsidiary of the Company. Yuehua Limited is principally engaged in artist management and copyrights management businesses.

The Company is an established artist management company in China and has grown into a culture and entertainment platform comprising three complementary businesses of artist management, music IP production and operation, and pan-entertainment business since its establishment in 2009.

Hunan Yueying

Hunan Yueying is a company established in the PRC with limited liability. It is principally engaged in the production and management of variety programs, events and market planning and performance management. Hunan Yueying is a wholly owned subsidiary of Horgos Yuehua, which is owned as to 51% and 49% by our executive Directors, Ms. DU Hua (杜華) and Mr. SUN Yiding (孫一丁), respectively. Therefore, Hunan Yueying is connected person of the Company. Accordingly, transactions under the Business Cooperation Framework Agreement with Hunan Yueying constituted connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios (calculated with reference to Rule 14.07 of the Listing Rules) in respect of this transaction is expected to be, on an annual basis, more than 0.1% but less than 5%, such transaction will constitute continuing connected transaction of the Company subject to the reporting, announcement and annual review requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. DU Hua and Mr. SUN Yiding are considered having a material interest and therefore abstained from voting on the Board resolution for considering and approving the Business Cooperation Framework Agreement and transactions thereunder so as to avoid the perception of a conflict of interest. Mr. MENG Jun, being our non-executive Director, voluntarily abstained from voting on such Board resolution. Save as disclosed above, none of the other Directors (other than Ms. DU Hua and Mr. SUN Yiding) was regarded as having a material interest in the Business Cooperation Framework Agreement and transactions thereunder and no Director (other than Ms. DU Hua, Mr. SUN Yiding and Mr. MENG Jun) abstained from voting on the relevant Board resolution.

INTERNAL CONTROL MEASURES FOR THE TRANSACTIONS

As part of the Group's internal approval and monitoring procedures relating to the transactions with Hunan Yueying, the Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department for monitoring the annual cap of the relevant transactions. Our connected transaction task force (consisting of key members from finance department, internal control department, investor relations department and legal department) will continually review and monitor transactions conducted under the Business Cooperation Framework Agreement with Hunan Yueying on a regular basis, so as to strictly comply with the requirements under Chapter 14A of the Listing Rules and the terms set out in the aforementioned agreement.

The independent non-executive Directors will review the continuing connected transactions contemplated under the aforementioned agreements each year so as to confirm that the relevant terms have been entered into in the ordinary and usual course of business of the Group and are fair and reasonable, on normal commercial terms or better than those offered to or by the Independent Third Parties and in the interests of the Company and the Shareholders as a whole. The auditor of the Company will provide a letter to the Board every year to confirm as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreement governing the transactions in all material respects or have exceeded the annual cap.

REASONS FOR AND BENEFITS OF THE BUSINESS COOPERATION AGREEMENT

Given that Hunan Yueying has accumulated experience in the production and management of variety programs in the PRC, the Group can leverage on the cooperation with Hunan Yueying to further expand our footprint in the pan-entertainment industry and enhance our managed artists and artist groups' public exposure through their participation across various variety programs. Furthermore, the cooperation is expected to empower us with more opportunity to establish business relationships with our business partners such as business promotional activities.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the transactions under the Business Cooperation Framework Agreement are conducted by the Group on normal commercial terms and in its ordinary and usual course of business, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the annual cap in respect of the continuing connected transactions under the Business Cooperation Framework Agreement is also fair and reasonable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors of the Company
“Chairlady”	the chairlady of the Board
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”, “our Company”, “the Company” or “YH Entertainment”	YH Entertainment Group (乐华娱乐集团), an exempted company incorporated in Cayman Islands with limited liability on June 10, 2021
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Horgos Yuehua”	Horgos Yuehua Picture Limited (霍爾果斯樂華影業有限公司), a limited liability company established in the PRC on January 6, 2016 and owned as to 51% and 49% by our executive Directors, Ms. DU Hua and Mr. SUN Yiding, respectively
“Hunan Yueying”	Hunan Yueying Huayi Entertainment Co., Ltd. (湖南樂影華億文化傳播有限公司), a limited liability company established in the PRC on December 5, 2023, an wholly owned subsidiary of Horgos Yuehua
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.0001 each
“Shareholder(s)”	shareholder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yuehua Investment”	Tianjin Yuehua Investment Co., Ltd. (天津樂華投資有限公司), a limited liability company established in the PRC on September 24, 2021 and an indirect wholly-owned subsidiary of our Company in the PRC

“Yuehua Limited”

YueHua Entertainment Co., Ltd. (北京樂華圓娛文化傳播有限公司), a limited liability company established in the PRC on July 3, 2009 and a non-wholly owned subsidiary of Yuehua Investment

“%”

Percentage

In this announcement, the terms “affiliate,” “associate,” “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules unless the context otherwise requires.

By order of the Board
YH Entertainment Group
DU Hua

*Executive Director, Chairlady of the Board and
Chief Executive Officer*

Hong Kong, March 28, 2025

As of the date of this announcement, the Board comprises Ms. DU Hua, Mr. SUN Yiding and Mr. SUN Le as executive Directors, Mr. MENG Jun, as non-executive Director, and Mr. FAN Hui, Mr. LU Tao and Mr. HUANG Jiuling as independent non-executive Directors.