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**YH Entertainment Group**  
**乐华娱乐集团**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2306)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO**  
**(I) CONTINUING CONNECTED TRANSACTIONS UNDER**  
**BUSINESS COOPERATION FRAMEWORK AGREEMENT WITH**  
**HUNAN YUEYING;**  
**(II) CONTINUING CONNECTED TRANSACTIONS RELATING TO**  
**IP PROMOTION AND OPERATION;**  
**AND**  
**(III) CONTINUING CONNECTED TRANSACTIONS RELATING TO**  
**MARKETING SERVICES**

Reference is made to the announcement (the “**Announcement**”) of the Company dated January 30, 2026. Unless otherwise defined, capitalized terms herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the Shareholders and potential investors of the Company with supplemental information in relation to the pricing mechanism, reasons and benefits and the internal control measures in relation to the continuing connected transactions as contained in the Announcement as follows.

**FURTHER INFORMATION OF THE PRICING MECHANISM**

Other than the estimated transaction volume, the fees charged/payable by us to the corresponding party under the each of the Business Cooperation Framework Agreement with Hunan Yueying, the IP Promotion and Operation Agreements with Hunan Yueying and the Marketing Service Agreements with Shenyang Qiaoqiao will be determined through arm's length negotiations between the parties taking into account the factors as set out below.

In respect of the variety programs production and management services payable by us under the Business Cooperation Framework Agreement with Hunan Yueying:

- (i) *forms and duration of promotional activities* – The parties will take into account the types, scope and intensity of the promotional activities, as well as the duration and level of execution effort required, as these factors directly affect the resources committed to the project.
- (ii) *program production cost structure* – The fee will reflect the anticipated production costs, including planning, venue arrangements, technical support, filming and post-production. Projects with higher technical requirements or more complex production arrangements will accordingly involve higher pricing.
- (iii) *commercial value of participating artists* – The popularity, public recognition and promotional impact of the participating artists will be considered, as artists with higher popularity and public exposure are expected to contribute more significantly to the program's influence and market appeal.
- (iv) *prevailing market rates* – In determining the pricing basis, reference will be made to quotations obtained from three to four comparable independent service providers from time to time for variety program production and management services to ensure that the pricing terms are consistent with normal commercial terms and reflect the Company's business requirements for the relevant business cooperation.
- (v) *expected promotional effect* – The price setting will also take into account the distribution channel and target audience. Projects that are expected to achieve broader exposure or stronger promotional results may lead to a higher fee.
- (vi) *workload and project duration* – The fee will also take into account the manpower needed, the level of on-site coordination, the number of filming or rehearsal days, and the overall management work involved, as these factors affect how much work the project requires and therefore the fee.

In respect of the artist engagement fees charged by us under the Business Cooperation Framework Agreement with Hunan Yueying:

- (i) *forms and duration of promotional activities* – The parties will consider the nature and scope of the engagement, including whether it involves promotional appearances, live events, filming or online activities, as well as the time and coordination required, as these factors affect the overall resources involved.
- (ii) *popularity of the artists* – The artist's public recognition, following on social media platforms and commercial appeal will be taken into account, as artists with stronger influence generally contribute to higher promotional value for the engagement.

- (iii) *prevailing market rates for comparable artists* – The engagement fee will be benchmarked against market rates charged by us for comparable events attended by our managed artists, ensuring that the pricing reflects industry norms and remains consistent with what service providers who are Independent Third Parties would charge.
- (iv) *expected promotional impact* – The expected outcome of the engagement, including its likely exposure, audience reach and contribution to brand or program visibility, will be considered, particularly where the engagement is expected to generate stronger promotional effects.
- (v) *workload and duration of the engagement* – The overall workload, including preparation, travel, filming or rehearsal time, and on-site participation, will also be assessed, given that these factors determine the level of efforts required from the artist and the supporting team.

In respect of the promotion and operation service fees payable by us under the IP Promotion and Operation Agreements with Hunan Yueying:

- (i) *form and term of the operation service* – The fee rate reflects the type of service provided (for example, operational support, content operation or platform management) and duration of service. Different service types and longer service periods usually require more ongoing work and resources, which will be reflected in the price.
- (ii) *costs and expenses of the operation activities* – The fee will take into account the expected costs of delivering the services, including staffing, systems or platform usage, coordination and technical support, as well as other necessary operating expenses. Where the work requires more resources or higher professional input, the fee will be adjusted accordingly.
- (iii) *prevailing market rates* – The parties will compare the quotations provided by service providers who are Independent Third Parties for similar operation services in comparable circumstances. Taking into account any necessary adjustment based on the specific business requirements together with the prevailing market rates, this approach ensures the fee rate is in line with normal commercial terms and common industry practice.
- (iv) *quality and influence of the cooperation* – The fee will also reflect the effect of the cooperation expected to be, for example, whether it can help improve performance of the pop toys, enhance visibility and popularity, or create clear operational benefits. If it is expected to achieve better results, the fee may be increased accordingly.
- (v) *workload and duration of the cooperation* – The amount of work involved, such as daily support needs, hours required, level of coordination, and overall time commitment, will also be assessed. More work and longer timelines generally require more resources and may increase the fee.

In respect of the marketing services fees payable by us under the Marketing Service Agreements with Shenyang Qiaoqiao:

- (i) *forms and duration of the marketing activities* – The parties will consider the type of marketing activities to be carried out, such as online promotion, offline campaigns, social media marketing, event-related publicity or cross-platform exposure, together with the duration of such activities. Different marketing approaches and longer promotional periods require varying levels of planning, coordination and execution, which will be reflected in the service fee.
- (ii) *overall cost and expenses of the marketing activities* – The fee will take into account the expected costs required to deliver the marketing services, including staffing, creative development, media placement, technical support, content production and other operational expenses. Projects involving higher production requirements or more specialized resources may involve higher fees.
- (iii) *prevailing market rates for comparable marketing services* – In determining the pricing basis, reference will be made to quotations obtained from three to four comparable independent service providers from time to time for similar types of marketing activities or campaigns services to ensure that the pricing is in line with industry norms and normal commercial terms, and reflect the Company's business requirements for the marketing and relevant events under the business cooperation.
- (iv) *impact of the marketing activities* – The fee will also reflect the expected effectiveness of the marketing activities, including anticipated reach, visibility, audience engagement and overall promotional impact. Marketing projects expected to deliver stronger exposure or clearer promotional value may lead to a higher fee.
- (v) *workload and duration of the marketing activities* – The overall workload involved, such as the level of planning, daily coordination, content preparation, on-site implementation (if any) and the general time commitment required for the project, will also influence the service fee. Activities requiring more extensive work or longer campaign periods may result in higher charges.

## **FURTHER INFORMATION OF REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Board has reviewed the pricing policies, historical transaction amounts (where applicable) and proposed annual caps disclosed in the Announcement, and is of the view that the fees under (i) the Business Cooperation Framework Agreement with Hunan Yueying; (ii) the IP Promotion and Operation Agreements with Hunan Yueying; and (iii) the Marketing Service Agreements with Shenyang Qiaoqiao are fair and reasonable, are on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

The Board notes that the fees we shall pay or charge to the contractual party under respective transaction is determined after arm's length negotiation with reference to clear commercial factors, including, among others, the form and term of the relevant services, cost inputs, market rates for comparable services, expected quality and impact, workload and duration, so as to ensure that pricing is driven by market benchmarks and measurable inputs rather than preferential terms. The policies further require that terms be no less favorable than those available from Independent Third Parties under comparable transactions.

The Board also considered the historical transaction amounts (if any) and the basis for annual caps for each of the continuing connected transactions as disclosed in the Announcement, which were set by reference to historical fee rates and transaction amounts (if any) and expected transaction volumes during the term. This approach sets clear boundaries on the Company's risk by ensuring all fees and commitments follow the pricing policies and remain within the approved annual caps.

Based on the foregoing, and with ongoing internal controls to monitor adherence to pricing policy and utilization of annual caps, the Board is of the view that the transactions will continue to be conducted on normal commercial terms and will support the Group's core operations and commercialization initiatives, thereby serving the interests of the Company and all Shareholders as a whole.

## **FURTHER INFORMATION OF INTERNAL CONTROL MEASURES FOR MONITORING AND MANAGING THE CONTINUING CONNECTED TRANSACTIONS**

The Company has adopted the following internal control measures to monitor the pricing policies and annual caps of the continuing connected transactions under the Business Cooperation Framework Agreement with Hunan Yueying, the IP Promotion and Operation Agreements with Hunan Yueying and the Marketing Service Agreements with Shenyang Qiaoqiao and ensure that all transactions thereunder comply with the requirements of the Listing Rules:

- The Company has established a dedicated connected transaction task force comprising key members from the finance department, internal control department, investor relations department and legal department to perform regular monitoring of the continuing connected transactions. Its responsibilities include: (i) pre-transaction review to ensure compliance with the Listing Rules; (ii) maintenance and timely review of the connected persons list; (iii) ongoing monitoring of transaction amounts against the disclosed annual caps; and (iv) periodic assessments of the fairness of the pricing policies and the adequacy of annual caps. In the event that the accumulated transaction amount of any continuing connected transaction reaches 75% of the relevant annual cap(s), the internal control department and the finance department will notify the legal department and investor relations department with a view to revisiting the ongoing transaction volume and, if necessary, updating the initial annual cap(s). Where appropriate, the working

group will submit proposed revisions to annual caps and related supporting information to the Board (including the independent non-executive Directors) for consideration to ensure continued compliance with the Listing Rules.

- The Group has adopted and implemented its connected transactions management policy as an integral component of its internal control system. The policy sets out clear procedures for the identification, approval, disclosure and supervision of connected transactions and provides operational guidance for relevant activities. Pursuant to this policy, the connected transaction task force conducts at least semi-annual reviews and analyses of the transaction amounts incurred under the relevant agreements, so as to maintain a stable monitor of the continuing connected transactions regularly.
- The Directors (including the independent non-executive Directors) will at least annually review all continuing connected transaction agreements and the transactions proposed or conducted thereunder, and confirm that the applicable terms are on normal commercial terms or better, are fair and reasonable, and do not deviate from the prevailing market prices.
- The independent non-executive Directors and the auditor of the Company will, in accordance with the Listing Rules, conduct the required annual review of the continuing connected transactions, and provide the necessary annual confirmations to ensure that such transactions have complied with the Listing Rules during the year.
- The Directors (including the independent non-executive Directors) may, where appropriate, seek independent professional advice from external advisors (including legal advisors and the auditors) in relation to specific connected transactions to ensure a comprehensive and independent assessment of terms and compliance.
- The Company organizes regular training for Board members and senior management on the Listing Rules requirements relating to connected transactions and other applicable laws and regulations, in order to enhance their compliance awareness and execution capability on a continuous basis.

By order of the Board  
**YH Entertainment Group**  
**DU Hua**

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

Hong Kong, February 16, 2026

*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.*