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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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2025 together with the comparative figures for the same period in 2024:

**FINANCIAL HIGHLIGHTS**

	<b>For the year ended</b>		<b>Year-on-Year change</b>
	<b>December 31,</b>	<b>2024</b>	
	<b>2025</b>		
	<i>(RMB in thousands, except for percentages)</i>		
Revenue	<b>906,972</b>	764,538	18.6%
Gross profit	<b>223,190</b>	156,051	43.0%
Gross profit margin	<b>24.6%</b>	20.4%	20.6%
Operating profit	<b>84,470</b>	54,641	54.6%
Profit before income tax	<b>96,053</b>	70,243	36.7%
Profit for the year	<b>71,841</b>	44,317	62.1%
Non-IFRS measures:			
Adjusted net profit for the year	<b>81,629</b>	100,046	(18.4%)

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

We are an established artist management company in China. Since our establishment in 2009, through years of development, we have grown into a culture and entertainment platform comprising four complementary businesses, including artist management, music IP production and operation, IP commercialization business and pop toys operation.

During the Reporting Period, despite the complicated market environment, we made endeavors to maintain and develop our connection and cooperation with our suppliers, customers and other business partners.

Based on our full-fledged professional artist management system, we have been continually exploring diversified career path and training scheme for our managed artists and trainees. As of December 31, 2025, we had 64 managed artists and 55 trainees enrolled in our trainee program. Leveraging their positive public images and popularity, our managed artists have played important roles in various popular productions, such as the movies “Gift from a Cloud (有朵雲像你),” “We Girls (向陽•花)” and “Love List (分手清單),” drama series “Those Days (四喜),” “All Rise (即刻上場),” “Midnight Snow (三更雪),” “Moonlit Reunion (子夜歸),” “Deep Affection Eyes (深情眼),” “The Best Thing (愛你),” “Glory (玉茗茶骨)” and “Light of Dawn (人之初),” documentary reality show “Exploring the Unknown Season 2 (探索新境第二季),” and the variety programs “The Top Racer (風馳賽車手),” “We Are the Champions Season 4 (戰至巔峰第四季),” “MULTISUB (我贊紅人),” “Taste For You (味你而來),” “Go Live! Young Merchandisers (開播吧! 青春採銷),” “Detective Academy (名偵探學院),” “My Little One (我家那小子),” “Run for Time (全員加速中)” and “Daughters and Mothers Season 2 (是女兒是媽媽第二季).”

During the Reporting Period, several of our managed artists or managed artist groups successfully held their concerts, including Mr. Huang Minghao (黃明昊)’s “Justin’s Imaginary World (賈想世界)” concert in Beijing and Chengdu, Mr. Zhu Zhengting (朱正廷)’s “ZT27 Universe – Realm of Freedom (ZT27宇宙自由之境)” concert, Mr. Wang Xi (王晰)’s solo tour concert “I (吾),” managed artist group NAME’s 4th anniversary audience meeting in Beijing, Mr. Bi Wenjun (畢雯珺)’s “Bi’s Land Birthday Concert (畢達之地生日演唱會),” Mr. Tang Jiuzhou (唐九洲)’s JOJOLAND tour concerts and Mr. Li Wenhan (李汶翰)’s premiere concert for the newly released digital single “Litopia (理想國).”

We are also dedicated to the development of our music IP production and operation business. During the Reporting Period, we successfully released 36 digital singles and 9 digital albums covering a diverse range of genres, which enjoyed widespread popularity.

During the Reporting Period, we continued to leverage our longstanding expertise in IP commercialization to further diversify and strengthen our IP operations. The Group's IP commercialization business comprises artist photocards, artist-related merchandise and artist concerts, each contributing to the enhancement of our IP value and commercial ecosystem. Through continuous optimization of our content offerings and closer integration between IP development and commercial execution, the Group further strengthened the monetization efficiency and sustainability of its IP assets.

Within the IP commercialization business, artist-related merchandise and artist concerts continued to deliver stable contributions during the Reporting Period. Artist photocards, as an integral component of artist-related merchandise, benefited from curated promotional initiatives and selective exclusive releases, supporting steady audience engagement and sales performance, and made a meaningful contribution to the overall performance of the segment. Artist concerts generated revenue primarily through ticket sales and, in addition to their direct financial contribution, serve as one of Yuehua's key branded activities, enhancing artist visibility, strengthening audience engagement and loyalty, and bringing sustained commercial value to the Group.

In parallel with the IP commercialization business, the Group continued to develop its pop toys operation, which achieved favorable market response and solid commercial performance during the Reporting Period. Through strengthened business partnerships and ongoing enhancements in IP incubation, product development, and commercial execution, the Group improved its ability to respond to consumer trends and to scale its pop toys offerings effectively.

Pop toy IPs such as WAKUKU, together with other brands under the Group's portfolio, are characterized by distinctive aesthetic positioning and collectible appeal, which continued to resonate with young consumers. This resulted in a number of successful product launches and increased brand exposure across both online and offline channels. Looking ahead, the Group expects to continue incubating and developing additional pop toy IPs in response to evolving market demand. The progress achieved during the Reporting Period contributed positively to business diversification and laid a solid foundation for the sustainable growth of the pop toys operation.

Our total revenue increased from RMB764.5 million for the year ended December 31, 2024 to RMB907.0 million during the Reporting Period, primarily due to the increase of revenue generated from artist management. We recorded a profit of RMB71.8 million during the Reporting Period, compared to a profit of RMB44.3 million for the year ended December 31, 2024, primarily attributable to the decrease in equity settled share-based payments and the increase in revenue generated from artist management business during the Reporting Period.

As we enter the fourth year since our Listing on the Stock Exchange, we remain focused on unlocking long-term value across our core business segments. Drawing on the industry expertise and brand equity we have built through years of development and innovation in the entertainment sector, we will continue to execute our integrated development strategies with discipline and agility. Looking ahead, we will continue to focus on strengthening our market competitiveness across these business areas, while proactively adapting to evolving industry dynamics and emerging business models under the new operating environment. By fostering creativity, strengthening execution, and deepening collaboration, we aim to enhance the value of our content and brand assets while continuously adjusting our business strategies in response to market demand and expanding our presence in both domestic and international markets. We remain committed to building a resilient and adaptable entertainment business that captures evolving opportunities and delivers long-term value.

## BUSINESS ANALYSIS BY BUSINESS LINE

We generated revenue from (i) artist management, (ii) music IP production and operation, (iii) IP commercialization business and (iv) pop toys operation during the Reporting Period. The table below sets forth a breakdown of our revenue by business line for the years indicated.

	For the year ended December 31,				Year-on-Year change
	2025		2024		
	Amount	% of total revenue	Amount	% of total revenue	
Artist management*	748,514	82.5%	665,647	87.1%	12.4%
Music IP production and operation	55,191	6.1%	42,212	5.5%	30.7%
IP commercialization business	66,133	7.3%	56,679	7.4%	16.7%
Pop toys operation	37,134	4.1%	N/A	N/A	N/A
<b>Total Revenue</b>	<b>906,972</b>	<b>100.0%</b>	<b>764,538</b>	<b>100.0%</b>	<b>18.6%</b>

Note:

- \* During the Reporting Period, the Group adjusted its revenue categorization for presentation purposes. Revenue generated from artist concerts previously included in the artist management segment has been reclassified to the IP commercialization business segment. Accordingly, the comparative figures for the year ended December 31, 2024 have been restated, with no impact on total revenue for any period.

## **Artist Management**

We continued to reinforce our leading position in China's artist management market during the Reporting Period. We continuously identify candidates with high artistic potential to build a robust pipeline of trainees and provide comprehensive and high-quality training classes for such trainees.

During the Reporting Period, we primarily generated revenue from providing services to our customers, including corporate customers, media platforms, content producers and advertising agencies, by arranging our managed artists to participate in commercial activities and provide entertainment content services.

We arrange for our managed artists to participate in various commercial activities at the request of our customers, including endorsement deals, business promotion activities and other commercial activities. During the Reporting Period, our managed artists attended various high-profile business promotion activities and other commercial activities, underscoring their substantial commercial value. Meanwhile, our managed artists have starred in a wide selection of movies, drama series, variety programs and public performances, and have gained wide popularity.

The revenue we generated from artist management business increased by 12.5% from RMB665.6 million for the year ended December 31, 2024 to RMB748.5 million during the Reporting Period, primarily due to an increase of revenue generated from commercial activities participated in by our managed artists.

The gross profit for artist management increased by 47.2% from RMB115.8 million for the year ended December 31, 2024 to RMB170.4 million during the Reporting Period. The gross profit margin for our artist management business increased from 17.4% for the year ended December 31, 2024 to 22.8% during the Reporting Period, primarily due to the revenue growth in the artist management segment outpacing the growth in related costs.

Going forward, we will continue to pursue a balanced, quality-focused approach in developing our artist management business, with a view to optimizing both the quality and scale of our managed artist and trainee portfolio. Leveraging our established trainee program, we intend to identify and develop trainees with artistic potential in a targeted and tailored manner while maintaining disciplined growth aligned with our overall strategy. We will also continue to strengthen our artist operation capabilities to support the sustainable development and commercial value of our managed artists, alongside ongoing marketing and promotional efforts.

## **Music IP Production and Operation**

We continued to develop our music IP production and operation business during the Reporting Period.

We maintain an extensive library of original and licensed music IPs, which is continuously expanding. As of December 31, 2025, we had built an extensive music IP library comprising more than 1,240 musical works we produced for our managed artists. During the Reporting Period, we released 36 digital singles and 9 digital albums, comprising 81 songs in total.

During the Reporting Period, we generated revenue from licensing our music IPs to music streaming platforms and other music service providers, and selling digital and physical copies of our music IPs. We granted license on the music IPs in our music IP library to a wide selection of music service providers, including major music streaming platforms for licensing fees and royalties.

The revenue we generated from music IP production and operation business increased by 30.8% from RMB42.2 million for the year ended December 31, 2024 to RMB55.2 million during the Reporting Period, primarily due to an increase in revenue generated from music streaming platforms.

The gross profit for our music IP production and operation business increased by 48.3% from RMB14.9 million for the year ended December 31, 2024 to RMB22.1 million during the Reporting Period. The gross profit margin for our music IP production and operation business increased from 35.4% for the year ended December 31, 2024 to 40.0% during the Reporting Period, primarily due to the revenue growth in the music IP production and operation segment outpacing the growth in related costs.

In the future, we will further develop our music IP production and operation business in response to the rapidly growing digital music market in China. We will continue to produce digital singles and albums for our managed artists who have developed a music career. We also intend to further expand our music IP library by acquiring the copyrights of quality musical works from copyright holders.

## **IP Commercialization Business**

In addition to artist management and music IP production and operation, during the Reporting Period, our IP commercialization business continued to develop as a more structured and diversified segment, encompassing multiple sub-verticals, further enriching the breadth and depth of our pan-entertainment strategy. The IP commercialization business comprises artist-related merchandise, artist photocards and artist concerts, which collectively reflect the Group's ongoing efforts to enhance the commercial value of its creative assets through diversified content formats and differentiated audience engagement strategies.

The business of artist-related merchandise covers a broad range of physical and digital products derived from our talent portfolio, while the artist photocard business operated as an independent and content-driven offering targeting core audience communities. Supported by disciplined product development, curated promotional initiatives and selective releases, these sub sectors maintained stable audience engagement and demonstrated scalability as repeat-consumption monetization channels. In parallel, artist concerts remained an important component of the IP commercialization business, generating revenue primarily through ticket sales and also serving as a key branded activity to enhance artist visibility, deepen audience engagement and support the long-term commercial value of our IP portfolio.

The revenue we generated from IP commercialization business increased by 16.6% from RMB56.7 million for 2024 to RMB66.1 million for 2025, primarily due to an increase in revenue generated from artist related merchandise.

The gross profit for our IP commercialization business decreased by 44.7% from RMB25.3 million for 2024 to RMB14.0 million during the Reporting Period. The gross profit margin for our IP commercialization business decreased from 44.6% for 2024 to 21.2% during the Reporting Period, primarily due to the cost growth in the IP commercialization segment outpacing revenue growth.

Looking ahead, we will continue to strengthen its IP commercialization business by further refining the development of individual sub sectors, exploring new content formats and cross industry collaboration opportunities, and enhancing the integration between creative development and commercial execution. We aim to build a resilient and scalable IP commercialization framework that supports long-term growth while maintaining flexibility to adapt to evolving market conditions and consumer preferences.

### **Pop Toys Operation**

During the Reporting Period, we continued to advance pop toys operation as an independently operated business line, achieving favorable market response and solid commercial performance. The business focuses on the incubation, development and commercialization of pop toy IPs through strengthened business partnerships, disciplined product execution and multi channel distribution, enhancing the breadth of our IP ecosystem and supporting diversified revenue streams.

Operationally, we deepened collaboration with industry partners to strengthen capabilities in IP incubation, product design, manufacturing coordination and retail operations. Pop toy IPs such as WAKUKU, together with other brands in our portfolio, continued to resonate with young consumers through distinctive aesthetics and collectible appeal. In our retail operations, YH TOYS ROBO SHOP successfully integrated IP-driven pop toys with new retail scenarios. By creating an immersive offline experience through its robotic store format, the business extended the value of its entertainment content into the broader domain of trend-oriented lifestyle consumption. Targeted product launches and curated campaign releases improved sell through efficiency and increased brand exposure across online and offline channels, laying a firmer foundation for scalable, repeat consumption growth.

In light of the commencement and development of the pop toys operation business during the Reporting Period, we recorded revenue from pop toys operation of RMB37.1 million during the Reporting Period. The gross profit in this segment amounted to RMB16.7 million, representing a gross profit margin of 45.0%.

Looking ahead, the Group will continue to broaden its pop toys portfolio by incubating and developing additional pop toy IPs in response to evolving market demand and consumer preferences. The Group plans to further enhance operating efficiency through tighter partner collaboration, data driven product planning and more disciplined management of product launches, production volumes and product replacement cycles, while deepening omnichannel reach in both domestic and international markets. By maintaining a measured pace of innovation and execution, the Group aims to build a resilient and scalable pop toys business that supports long term, sustainable growth.

## **Our Global Footprint**

Building on our market-leading position in China, we actively promoted and marketed our managed artists and our Yuehua brand in Asian markets during the Reporting Period. When our managed artists published a musical work, we simultaneously published it on multiple music streaming platforms overseas. Our musical works have been published on various overseas music streaming platforms, including Apple Music, Spotify, YouTube and KKBox, leading Chinese pop music culture trend worldwide.

Yuehua Korea is an important part of our global strategy. During the Reporting Period, our managed artists in Yuehua Korea achieved sustained international exposure and commercial traction across multiple markets, strengthening our global footprint. Our managed artist group TEMPEST maintained a high level of music output with the release of several Korean mini digital albums and singles, alongside localized releases in China and Japan, supporting cross-market audience expansion. The managed artist group successfully conducted its *As I Am* concert tour in Asia and gained broader regional media exposure, reflecting growing regional brand recognition.

Following his return to the entertainment industry, Lee Do-hyun increased his engagement in film and drama series projects, while participating in related commercial events and gaining broader media exposure. YENA (Choi Yena) continued to diversify her music portfolio with the release of her fifth mini digital albums and singles, including cross-IP collaboration content, and was honored with the 2025 Asia Artist Awards – Best Musician (Solo). She held a solo concert tour, participated in KCON JAPAN, a global Korean culture convention and concert series, featuring live K-pop performances alongside Korean content, lifestyle, and cultural experiences. She was also featured in multiple premium fashion and lifestyle publications. Collectively, these activities contributed to broader international market penetration and enhanced the Company’s competitiveness across music, content, advertising, and fashion-related segments during the Reporting Period.

During the Reporting Period, we continued to explore the overseas markets and promote our managed artists globally. Movies starring Ms. Cheng Xiao (程瀟), such as “We Girls (向陽•花),” and “Love List (分手清單)” were distributed in Malaysia, Australia, the United Kingdom, New Zealand, Germany and Singapore and movies starring Mr. Huang Minghao, such as “A Place Called Silence (默殺)” were distributed in the United Kingdom, Ireland, Ecuador and Peru. TV series starring Ms. Cheng Xiao such as “Glory (玉茗茶骨)” were released across various countries including the United States, Singapore, Thailand, Indonesia and Vietnam. Variety programs featuring Ms. Cheng Xiao, such as “Daughters and Mothers Season 2 (是女兒是媽媽第二季)”, were made available on overseas platforms. These series, movies, shows and music works have been widely popular since their international distribution.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased by 18.6% from RMB764.5 million for the year ended December 31, 2024 to RMB907.0 million during the Reporting Period, primarily due to an increase in revenue generated from artist management.

The revenue we generated from artist management business increased by 12.5% from RMB665.6 million for the year ended December 31, 2024 to RMB748.5 million during the Reporting Period, primarily because an increase in revenue generated from commercial activities our managed artists participated in.

The revenue we generated from music IP production and operation business increased by 30.8% from RMB42.2 million for the year ended December 31, 2024 to RMB55.2 million during the Reporting Period, primarily due to an increase in revenue generated from music streaming platforms.

The revenue we generated from IP commercialization business increased by 16.6% from RMB56.7 million for the year ended December 31, 2024 to RMB66.1 million during the Reporting Period, primarily due to an increase in revenue generated from artist-related merchandise.

The revenue we generated from pop toys operation business amounted to RMB37.1 million during the Reporting Period.

### Cost of Revenue

The table below sets forth our cost of revenue by nature both in absolute amount and as percentages for the years indicated.

	For the year ended December 31,				Year-on-Year change
	2025		2024		
	Amount	%	Amount	%	
<i>(RMB in thousands, except for percentages)</i>					
Revenue sharing for artist management business	469,430	68.7%	423,319	69.6%	10.9%
Artist promotion costs	50,739	7.4%	54,734	9.0%	(7.3%)
Production costs of music content	28,446	4.2%	30,566	5.0%	(6.9%)
Employee benefits expenses	20,605	3.0%	14,987	2.5%	37.5%
Depreciation and amortisation	16,725	2.4%	6,701	1.1%	149.6%
Equity settled share-based payments <sup>(1)</sup>	14,560	2.1%	30,226	5.0%	(51.8%)
Production costs of concert	24,531	3.6%	24,558	4.0%	(0.1%)
Cost of pop toys operation	18,028	2.6%	N/A	N/A	N/A
Others <sup>(2)</sup>	40,718	6.0%	23,396	3.8%	74%
<b>Total</b>	<b>683,782</b>	<b>100.0%</b>	<b>608,487</b>	<b>100.0%</b>	<b>12.4%</b>

Notes:

- (1) Consisting primarily of expenses arising from granting restricted share units (“RSUs”) to eligible individuals under our Pre-IPO Share Incentive Plan. We adopted our Pre-IPO Share Incentive Plan on December 10, 2021. We granted 1,542,500 RSUs, 3,594,750 RSUs and 652,750 RSUs to eligible individuals on December 10, 2021, March 4, 2022 and December 20, 2022 respectively.
- (2) Consisting primarily of (i) expenses for training our trainees, (ii) travel and car rental expenses for artists and assistants to participate in various commercial activities, and (iii) costs for sales of artist-related merchandise on third-party e-commerce platforms.

Our cost of revenue increased by 12.4% from RMB608.5 million for the year ended December 31, 2024 to RMB683.8 million during the Reporting Period, primarily attributable to an increase in the cost incurred for artist management and pop toys operation businesses.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB156.1 million and RMB223.2 million in 2024 and 2025, respectively, and (ii) a gross profit margin of 20.4% and 24.6% in 2024 and in 2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by businesses for the years indicated.

	For the year ended December 31,			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB in thousands, except for percentages)</i>			
Artist management	170,366	22.8%	115,835	17.4%
Music IP production and operation	22,077	40.0%	14,925	35.4%
IP commercialization business	14,038	21.2%	25,291	44.6%
Pop toys operation	16,709	45.0%	N/A	N/A
<b>Total/Overall</b>	<b>223,190</b>	<b>24.6%</b>	<b>156,051</b>	<b>20.4%</b>

The gross profit for artist management increased by 47.2% from RMB115.8 million for the year ended December 31, 2024 to RMB170.4 million during the Reporting Period. The gross profit margin for our artist management business slightly increased from 17.4% for the year ended December 31, 2024 to 22.8% during the Reporting Period, primarily due to revenue growth in the artist management segment outpacing the growth in related costs.

The gross profit for our music IP production and operation business increased by 48.3% from RMB14.9 million for the year ended December 31, 2024 to RMB22.1 million during the Reporting Period. The gross profit margin for our music IP production and operation business increased from 35.4% for the year ended December 31, 2024 to 40.0% during the Reporting Period, primarily due to the revenue growth in the music IP production and operation segment outpacing the growth in related costs.

The gross profit for our IP commercialization business decreased by 44.7% from RMB25.3 million for the year ended December 31, 2024 to RMB14.0 million for the year ended December 31, 2025. The gross profit margin for our IP commercialization business decreased from 44.6% for the year ended December 31, 2024 to 21.2% during the Reporting Period, primarily due to the cost growth in the IP commercialization segment outpacing revenue growth.

During the Reporting Period, we recorded revenue from pop toys operation of RMB37.1 million. The gross profit in this segment amounted to RMB16.7 million, representing a gross profit margin of 45.0%.

### Selling and Marketing Expenses

Our selling and marketing expenses consist primarily of (i) employee benefits expenses, including salaries and benefits, for sales and marketing personnel, (ii) advertising and promotion expenses mainly in relation to general marketing and promotion of our managed artists, (iii) rental expenses, (iv) traveling expenses, and (v) equity settled share-based payments.

The table below sets forth a breakdown of our selling and marketing expenses in absolute amounts and as percentages of our selling and marketing expenses for the years indicated.

	For the year ended December 31,				Year-on-Year change
	2025		2024		
	Amount	%	Amount	%	
<i>(RMB in thousands, except for percentages)</i>					
Employee benefits expenses	31,113	50.6%	28,187	47.7%	10.4%
Advertising and promotion expenses	10,163	16.5%	17,031	28.8%	(40.3%)
Rental expenses	147	0.2%	2,236	3.9%	(93.4%)
Traveling expenses	273	0.4%	250	0.4%	9.2%
Equity settled share-based payments <sup>(1)</sup>	1,240	2.0%	2,109	3.6%	(41.2%)
Others <sup>(2)</sup>	18,559	30.3%	9,226	15.6%	101.2%
<b>Total</b>	<b>61,495</b>	<b>100.0%</b>	<b>59,039</b>	<b>100.0%</b>	<b>4.2%</b>

Notes:

- (1) Consisting primarily of expenses arising from granting RSUs to eligible individuals under our Pre-IPO Share Incentive Plan.
- (2) Consisting primarily of depreciation of property, plant and equipment and expenses for office supplies.

Our selling and marketing expenses increased by 4.2% from RMB59.0 million for the year ended December 31, 2024 to RMB61.5 million during the Reporting Period, primarily due to an increase in employee benefits expenses during the Reporting Period.

### General and Administrative Expenses

Our general and administrative expenses consist primarily of (i) employee benefits expenses, including salaries and benefits, for our management and administrative staff, (ii) depreciation and amortization, (iii) taxes and surcharges, (iv) professional and consulting fees, (v) traveling expenses, (vi) equity settled share-based payments and (vii) auditor's remuneration.

The table below sets forth a breakdown of our general and administrative expenses in absolute amounts and as percentages of our general and administrative expenses for the years indicated.

	For the year ended December 31,				Year-on-Year change
	2025		2024		
	Amount	%	Amount	%	
	<i>(RMB in thousands, except for percentages)</i>				
Employee benefits expenses	34,336	41.6%	31,155	33.1%	10.2%
Depreciation and amortization	14,369	17.4%	10,941	11.6%	31.3%
Taxes and surcharges	5,537	6.7%	7,115	7.6%	(22.2%)
Professional and consulting fees <sup>(1)</sup>	4,855	5.9%	8,875	9.3%	(45.3%)
Traveling expenses	1,541	1.9%	1,333	1.4%	15.6%
Equity settled share-based payments <sup>(2)</sup>	4,349	5.3%	18,997	20.2%	(77.1%)
Auditor's remuneration	1,831	2.2%	1,651	1.8%	10.9%
Others <sup>(3)</sup>	15,686	19.0%	14,080	15.0%	11.4%
<b>Total</b>	<b>82,504</b>	<b>100.0%</b>	<b>94,147</b>	<b>100.0%</b>	<b>(12.4%)</b>

Notes:

- (1) Consisting primarily of service fees for business, legal, tax and other consultants in connection with our business operations.
- (2) Consisting primarily of expenses arising from granting RSUs to eligible individuals under our Pre-IPO Share Incentive Plan.
- (3) Consisting primarily of rental expenses for short-term leases, office supplies and other miscellaneous expenses.

Our general and administrative expenses decreased by 12.4% from RMB94.1 million for the year ended December 31, 2024 to RMB82.5 million during the Reporting Period, primarily due to a decrease in share-based payments.

### **Impairment Losses on Financial Assets/Net Reversal of Impairment Losses**

Our impairment losses on financial assets are primarily related to the credit risk associated with our trade receivables and other receivables. For the year ended December 31, 2024, we recorded a net reversal of impairment losses on financial assets of RMB2.8 million, whereas impairment losses on financial assets increased to RMB7.0 million during the Reporting Period, primarily due to an increase in trade receivables.

### **Other Income**

Our other income consists of (i) government subsidies, and (ii) rental income from investment properties. The government subsidies were unconditional and granted by the local government in recognition of our contributions during the Reporting Period. There were no unfulfilled conditions or contingencies attached to these government grants during the Reporting Period. The rental income from investment properties was derived from rental income generated by buildings located in Korea and China.

The table below sets forth a breakdown of the components of our other income in absolute amounts and as a percentage of our total other income for the years indicated.

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Government subsidies	<b>2,684</b>	19,699
Rental income from investment properties	<b>414</b>	221
<b>Total</b>	<b><u>3,098</u></b>	<b><u>19,920</u></b>

### **Other Gains, Net**

Our other gains primarily comprise (i) fair value gains from wealth management products, (ii) fair value losses or gains from unlisted equity security, (iii) fair value gains from unlisted funds, (iv) net loss on disposal of an associate in relation to sale of our equity interest in an associate and (v) net exchange gains or losses. Our other gains, net in 2025 were RMB9.1 million, compared with net other gains of RMB29.0 million in 2024.

The table below sets forth a breakdown of our other gains, net for the years indicated.

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Fair value gains from wealth management products	–	303
Net exchange (losses)/gains	<b>(4,496)</b>	30,472
Fair value losses from a listed entity	<b>(1,011)</b>	–
Fair value gains/(losses) from unlisted entities	<b>3,602</b>	(8,090)
Fair value gains from unlisted funds	<b>8,184</b>	5,454
Net gains on disposal of property, plant and equipment	<b>69</b>	431
Net gains on early termination of right-of-use assets	–	1,033
Net loss on disposal of an associate	<b>(295)</b>	–
Net loss on disposal/redemption of unlisted entities	<b>(411)</b>	–
Others	<b>3,497</b>	(561)
	<b>9,139</b>	<b>29,042</b>

### **Finance Income, Net**

Our finance income consists of interest income from bank deposits and investments measured at amortized cost, while our finance costs comprise interest expenses on bank borrowings and lease liabilities. Our net finance income remained stable at approximately RMB17.6 million during the Reporting Period, representing a slight decrease compared with the year ended December 31, 2024, primarily due to lower interest income from bank deposits.

### **Share of Losses of Investment Accounted for Using the Equity Method**

Our share of losses of investment accounted for using the equity method is primarily related to our equity investment in our associates. Our share of losses of investment accounted for using the equity method increased from RMB2.0 million for the year ended December 31, 2024 to RMB6.0 million during the Reporting Period, primarily due to an increase in losses incurred by our associate companies.

## **Income Tax Expense**

Our income tax expense in 2025 was RMB24.2 million. Our effective tax rate was approximately 25.2% in 2025.

## **Profit for the year**

As a result of the foregoing, we recorded profit of RMB71.8 million in 2025, as compared to the profit of RMB44.3 million in 2024.

## **Non-IFRS Accounting Standards Measures**

To supplement our consolidated financial statements which are presented under IFRS Accounting Standards, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS Accounting Standards measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that such measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS Accounting Standards measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit as profit for the year adjusted for (i) equity settled share-based payments, (ii) fair value changes of financial instrument, (iii) net losses/gains on deregistration/disposal of associates, and (iv) loss on disposal of investments in unlisted entities. Equity settled share-based payments consist of non-cash expenses arising from granting RSUs to eligible individuals under our Pre-IPO Share Incentive Plan. We define adjusted net profit margin as adjusted net profit divided by revenue. The table below sets forth our adjusted net profit and adjusted net profit margin for the years indicated.

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands, except for percentages)</i>	
<b>Profit for the year</b>	<u><b>71,841</b></u>	<u>44,317</u>
Adjusted for:		
Equity settled share-based payments	<b>20,149</b>	51,332
Fair value changes of financial instruments	<b>(10,775)</b>	2,636
Net losses on deregistration/disposal of investments accounted for using equity method	<b>3</b>	1,761
Net loss on disposal/redemption of unlisted entities	<u><b>411</b></u>	<u>–</u>
<b>Non-IFRS measures: Adjusted net profit</b>	<u><b>81,629</b></u>	<u>100,046</u>
<b>Adjusted net profit margin</b>	<b>9.0%</b>	13.1%

### **Financial Assets at Fair Value Through Profit or Loss**

Our financial assets at fair value through profit or loss comprise our unlisted equity securities at fair value, unlisted funds at fair value and a listed equity security at fair value.

Our financial assets at fair value through profit or loss increased by 5.8% from RMB374.1 million as of December 31, 2024 to RMB395.9 million as of December 31, 2025, primarily due to our investment in financial assets during the Reporting Period.

### **Trade Receivables**

Our net trade receivables increased by 49.9% from RMB71.9 million as of December 31, 2024 to RMB107.8 million as of December 31, 2025, primarily due to an increase in revenue generated from artist management business, which led to a corresponding increase in trade receivables.

As of December 31, 2024 and 2025, we made allowance for impairment of trade receivables of approximately RMB12.7 million and RMB18.7 million, which we believe were sufficient as of the end of each year, respectively.

### **Prepayments and Other Receivables**

Our prepayments decreased from RMB40.2 million as of December 31, 2024 to RMB11.7 million as of December 31, 2025, primarily due to a reduction in our investment in film production during the Reporting Period.

Our other receivables increased by 31.6% from RMB35.8 million as of December 31, 2024 to RMB47.1 million as of December 31, 2025, primarily attributable to the prepaid investment payments during the Reporting Period.

### **Restricted Cash**

As of December 31, 2025, we did not have any restricted cash.

### **Trade Payables**

Our trade payables increased by 20.1% from RMB202.7 million as of December 31, 2024 to RMB243.4 million as of December 31, 2025, primarily due to higher business volume, which resulted in increased costs and hence higher trade payables.

### **Other Payables and Accruals**

Our other payables and accruals increased by 26.5% from RMB50.2 million as of December 31, 2024 to RMB63.5 million as of December 31, 2025, primarily due to an increase in employee benefit expenses.

### **Contract Liabilities**

Our contract liabilities decreased by 15.2% from RMB190.7 million as of December 31, 2024 to RMB161.7 million as of December 31, 2025, primarily due to the recognition of revenue upon the fulfilment of performance obligations.

## Financial Position, Liquidity and Capital Resources

We have historically funded our cash requirements principally from cash generated from our business operations. After the Global Offering, we finance our capital requirements through cash generated from our business operations, the net proceeds from the Global Offering, and other future equity or debt financings. We currently do not anticipate any material changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB386.1 million and RMB323.2 million as of December 31, 2024 and 2025, respectively.

Compared with the bank borrowings of RMB162.3 million as of December 31, 2024, the bank borrowings as of December 31, 2025 was RMB58.4 million, primarily due to the fact that the Group had fully settled all outstanding loan balances in China as of December 31, 2025. As of December 31, 2025, our borrowings in Korea were secured by certain property, plant and equipment and investment properties with floating interest rates of 2.76% to 5.23% per annum. Our Group does not have any interest rate hedging policy as of the date of this announcement.

We intend to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, our policy is to regularly monitor our liquidity risk and to maintain adequate liquid assets including cash and cash equivalents or to maintain adequate financing arrangements to meet our liquidity requirements.

## Gearing Ratio

Gearing ratio is calculated based on our total debt divided by our total equity as of the same dates and multiplied by 100%. Our gearing ratio reduced to 4.4% as of December 31, 2025, primarily due to the early repayment of certain loans, compared with the gearing ratio of 11.8% as of December 31, 2024.

## Significant Investments Held

### *December 2024 Subscription*

On December 23, 2024, the Company entered into the Subscription Agreement with the A1 Orient Investments Limited (the “**Fund**”), pursuant to which the Company agreed to subscribe for the Class B shares attributable to the Fund, at a total subscription amount of HK\$102 million (inclusive of subscription fee) (the “**December 2024 Subscription**”). For details of the December 2024 Subscription, please refer to the relevant announcements published by the Company on December 23, 2024 and January 14, 2025, respectively.

The December 2024 Subscription was officially closed in April 2025, with the fee for the Subscription fully settled by the Company and recognized by the Company as financial assets at fair value through profit or loss as of December 31, 2025. The principal purpose of the December 2024 Subscription is to diversify the investment portfolio of the Company with an aim to enhance its profitability. The December 2024 Subscription provides an opportunity for the Company to enhance return by utilizing the idle cash of the Company at acceptable risk level. In light of the above, the Directors are of the view that the terms of the Subscription and transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Set out below is a summary of information of the Fund during the Reporting Period:

Name of fund	Name of investment manager	Registered place	Business nature	Fund holdings	Investment cost	Fair value as of December 31, 2025	Percentage of the Group's total assets (%)
A1 Orient Investments Limited	Alpn Group Limited	British Virgin Islands	Approved fund established under the laws of the British Virgin Islands	10,000 Class B Shares in the Fund	HK\$102 million	HK\$105 million	4.75%

The performance of the Fund during the Reporting Period is set out below:

Name of fund	Unrealized gain for the year ended December 31, 2025 (HK\$'000)	Dividend received for the year ended December 31, 2025
A1 Orient Investments Limited	295	Nil

The investment objective of the Fund is to seek long-term growth of capital while preserving real value of client assets after inflation. The investment strategy of the Fund is to employ value investing and quantitative strategies to achieve its investment objective. The investment scope of the Fund includes but not limited to, equity financial products, fixed income financial products, OTC derivative financial products, cash financial products, etc.

### ***May 2025 Subscription***

On May 9, 2025, the Company entered into a limited partnership agreement, pursuant to which the Company's application to subscribe for the Class A Interest in the SPL New Economy LPF (星光新經濟產業有限合夥基金) (the "**SPL Fund**") as a Class A limited partner for a capital commitment of HK\$100 million (exclusive of a subscription fee of HK\$2 million) under the subscription agreement was accepted by the SPL Fund (the "**May 2025 Subscription**"). For details of the May 2025 Subscription, please refer to the relevant announcements published by the Company on May 9 and May 28, 2025, respectively. As of December 31, 2025, a total of HK\$10 million had been paid by the Company for the May 2025 Subscription pursuant to relevant subscription terms.

The principal purpose of the SPL Fund is to enable the partners to carry on the business of investing in, holding, managing and disposing of public and private equity, public and private debt, public and private convertible bonds, and/or through products including but not limited to structured notes and investment funds that are linked to aforesaid assets with the principal objective of creating capital growth, generating income and realizing capital gain.

As of the date of this announcement, the SPL Fund has not officially launched and is still at the stage of fundraising. Accordingly, the May 2025 Subscription would not constitute a significant investment held by the Group during the Reporting Period.

Save as disclosed in this announcement, our Group did not make or hold any significant investments during the Reporting Period.

### **Future Plans for Material Investments and Capital Assets**

Save as disclosed in this announcement, as of December 31, 2025, we did not have other plans for material investments and capital assets.

### **Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies**

Our Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the Reporting Period.

## Employee and Remuneration Policy

The following table sets forth the numbers of our employees dedicated to our business and operations categorized by function as of December 31, 2025.

<b>Function</b>	<b>Number of Employees</b>	<b>% of Total</b>
Artist operation	65	28.1%
Artist training	33	14.3%
Artist promotion	38	16.5%
Music and Pan-entertainment Business	56	24.2%
Administration	39	16.9%
<b>Total</b>	<b>231</b>	<b>100.0%</b>

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a PRC government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

Our Company also has a pre-IPO Share Incentive Plan under which eligible employees may participate. The total employee benefit expenses, including share-based payments to eligible individuals, during the Reporting Period were RMB106.2 million, as compared to RMB125.7 million for the year ended December 31, 2024, representing a year-on-year decrease of 15.5%.

## **Foreign Exchange Risk**

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the entities of our Group. The functional currency of our Company is HKD and our Company is exposed to foreign currency risk with respect to our Company's monetary assets and liabilities denominated in RMB. The functional currency of our subsidiaries that operate in the PRC is RMB and such PRC subsidiaries are exposed to foreign exchange risk arising from recognized assets and liabilities denominated in USD. Since balances denominated in USD are reasonably stable with the Hong Kong dollars under the Linked Exchange Rate System, our directors are of the opinion that our Company is not exposed to significant foreign exchange risk and that the exposure to fluctuation in exchange rates will only arise from the translation to RMB, the presentation currency of our Group. During the Reporting Period, our net exchange losses were RMB4.5 million, as compared to net exchange gains of RMB30.5 million for the year ended December 31, 2024. We currently have no hedging policy with respect to foreign exchange risks. Therefore, we have not entered into any hedging transactions to manage potential fluctuation in foreign currencies. We will closely monitor our foreign exchange risks and will utilize appropriate financial tools for hedging purposes when necessary to help reduce foreign exchange risk.

## **Pledge of Assets**

As of December 31, 2025, certain property, plant and equipment, investment properties and certificate of deposit of our Group with an aggregate carrying value of RMB90.1 million were pledged to secure the bank borrowings of our Group.

## **Treasury Policy**

Our Group adopts a prudent financial management approach for its treasury policy to ensure that our Group's liquidity structure comprising assets, liabilities and other commitments is able to always meet its capital requirements.

## **Contingent Liabilities**

As of December 31, 2025, we did not have any material contingent liabilities or guarantees.

## **Subsequent Events After the Reporting Period**

As of the date of this announcement, there were no other significant events that might have material impact on our Group since December 31, 2025.

## FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2025</b>	2024
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	4	<b>906,972</b>	764,538
Cost of revenue	5	<b>(683,782)</b>	(608,487)
<b>Gross profit</b>		<b>223,190</b>	156,051
Selling and marketing expenses		<b>(61,495)</b>	(59,039)
General and administrative expenses		<b>(82,504)</b>	(94,147)
Net impairment losses (provision)/reversal on financial assets		<b>(6,958)</b>	2,814
Other income	6	<b>3,098</b>	19,920
Other gains, net	7	<b>9,139</b>	29,042
<b>Operating profit</b>		<b>84,470</b>	54,641
Finance income	8	<b>20,552</b>	29,406
Finance costs	8	<b>(2,991)</b>	(11,760)
Finance income, net		<b>17,561</b>	17,646
Share of losses of investments accounted for using the equity method		<b>(5,978)</b>	(2,044)
<b>Profit before income tax</b>	5	<b>96,053</b>	70,243
Income tax expenses	9	<b>(24,212)</b>	(25,926)
<b>Profit for the year</b>	5	<b>71,841</b>	44,317

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income/(expense)</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		<b>2,569</b>	(6,882)
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		<b>(8,880)</b>	(11,939)
Other comprehensive expense for the year, net		<b>(6,311)</b>	(18,821)
<b>Total comprehensive income for the year</b>		<b>65,530</b>	25,496
Profit/(loss) attributable to:			
Owners of the Company		<b>64,168</b>	46,942
Non-controlling interests		<b>7,673</b>	(2,625)
		<b>71,841</b>	44,317
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		<b>57,978</b>	28,414
– Non-controlling interests		<b>7,552</b>	(2,918)
		<b>65,530</b>	25,496
Earnings per share ( <i>expressed in RMB per share</i> )			
	10		
Basic		<b>0.08</b>	0.06
Diluted		<b>0.08</b>	0.06

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		547,104	561,024
Right-of-use assets		2,981	1,960
Investment properties		49,742	64,312
Intangible assets		2,834	21,913
Investments accounted for using the equity method		574	8,947
Financial assets at fair value through profit or loss	12	148,414	129,413
Prepayments and other receivables		20,666	17,212
Deferred income tax assets		8,013	4,339
		<u>780,328</u>	<u>809,120</u>
<b>Current assets</b>			
Inventories		25,357	6,958
Trade receivables	13	107,825	71,912
Prepayments and other receivables		38,053	58,838
Other assets		30,709	23,151
Financial assets at fair value through profit or loss	12	247,457	244,653
Restricted cash		–	12,300
Term deposits		443,592	436,131
Cash and cash equivalents		323,228	386,063
		<u>1,216,221</u>	<u>1,240,006</u>
<b>Total assets</b>		<u>1,996,549</u>	<u>2,049,126</u>
<b>EQUITY</b>			
Share capital		587	587
Reserves		1,403,886	1,393,535
<b>Equity attributable to owners of the Company</b>		<u>1,404,473</u>	<u>1,394,122</u>
Non-controlling interests		17,251	446
<b>Total equity</b>		<u>1,421,724</u>	<u>1,394,568</u>

		<b>As at 31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		–	91,492
Contract liabilities		–	6,667
Lease liabilities		<b>1,241</b>	576
Deferred tax liabilities		<b>2,243</b>	553
		<u>3,484</u>	<u>99,288</u>
		<b>3,484</b>	<b>99,288</b>
<b>Current liabilities</b>			
Borrowings		<b>58,426</b>	70,831
Trade payables	14	<b>243,409</b>	202,652
Other payables and accruals		<b>63,486</b>	50,224
Contract liabilities		<b>161,663</b>	184,019
Current income tax liabilities		<b>42,073</b>	46,457
Lease liabilities		<b>2,284</b>	1,087
		<u>571,341</u>	<u>555,270</u>
		<b>571,341</b>	<b>555,270</b>
<b>Total liabilities</b>		<u><b>574,825</b></u>	<u>654,558</u>
		<b>574,825</b>	<b>654,558</b>
<b>Total equity and liabilities</b>		<u><b>1,996,549</b></u>	<u>2,049,126</u>
		<b>1,996,549</b>	<b>2,049,126</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

YH Entertainment Group (“**the Company**”) was incorporated in the Cayman Islands on 10 June 2021 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 19 January 2023, the Company completed the initial listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in artist management, music IP production and operation and IP commercialization business in the People’s Republic of China (the “**PRC**”) and Republic of Korea (“**Korea**”). The ultimate holding company of the Company is DING GUOHUA LIMITED, a company incorporated in the British Virgin Islands (“**BVI**”). The ultimate controlling shareholder is Ms. DU Hua (“**Ms. Du**” or the “**Controlling Shareholder**”).

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### (a) Amended standards adopted by the Group

For the current year, the Group has applied the amended standard effective for the financial year beginning on 1 January 2025. The adoption of the revised standard does not have any significant impact on the consolidated financial statements of the Group.

Amendments to IAS 21

Lack of Exchangeability

**(b) New and amended standards not yet adopted by the Group**

The following new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2025 and have not been early adopted by the Group in preparing the consolidated financial statements.

IFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these new and amendments to standards will have no material impact on the results and the financial position of the Group.

***IFRS 18 – Presentation and Disclosure in Financial Statements***

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made. IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

**3. SEGMENT INFORMATION**

The Group’s business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers, being the executive directors of the Group.

Information reported to the chief operating decision makers for the purpose of resource allocation and performance assessment focuses on the operating results of the Group as a whole.

As a result, the executive directors of the Group consider that the Group’s operations are operated and managed as a single segment. Accordingly, no segment information is presented.

As at 31 December 2025 and 2024, the Group's non-current assets other than investments accounted for using the equity method, financial instruments and deferred income tax assets were located in Mainland China and Korea as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Chinese Mainland	506,209	553,577
Korea	96,452	95,632
	<u>602,661</u>	<u>649,209</u>

#### 4. REVENUE

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Artist management	748,514	665,647
Music IP production and operation	55,191	42,212
IP Commercialization Business	66,133	56,679
Pop toys operation	37,134	–
	<u>906,972</u>	<u>764,538</u>

The timing of revenue recognition of the Group's revenue was as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue at a point in time	219,934	167,362
Revenue over time	687,038	597,176
	<u>906,972</u>	<u>764,538</u>

## 5. PROFITS FOR THE YEAR

Profits for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Directors' emoluments (excluding equity settled share-based payments)		
Director's fee	360	360
Wages, salaries and bonuses	3,386	3,404
Welfare, medical and other expenses	288	279
Contribution to pension plans	204	198
	<u>4,238</u>	<u>4,241</u>
Staff costs (excluding equity settled share-based payments)		
Wages, salaries and bonuses	65,604	53,829
Welfare, medical and other expenses	8,788	11,439
Contribution to pension plans	7,424	4,820
	<u>81,816</u>	<u>70,088</u>
Total staff costs (including director's emoluments and excluding equity settled share-based payments)	<u>86,054</u>	<u>74,329</u>
Share-based compensation expenses for eligible individuals	<u>20,149</u>	51,332
Revenue sharing for artist management business	469,430	423,319
Impairment loss of intangible assets	9,670	2,785
(Reversal)/write-off of inventories	(150)	1,520
Impairment loss of investments accounted for using the equity method	–	2,332
Amortisation of intangible assets	9,523	7,094
Depreciation of property, plant and equipment	29,854	20,724
Depreciation of right-of-use assets	1,632	5,980
Depreciation of investment properties	985	442
Auditor's remuneration	<u>1,831</u>	<u>1,651</u>

## 6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government subsidies ( <i>Note</i> )	2,684	19,699
Rental income from investment properties	414	221
	<u>3,098</u>	<u>19,920</u>

*Note:* During the years ended 31 December 2025 and 2024, the Group received unconditional subsidies which was granted by the local government in recognition of the Group's contributions.

## 7. OTHER GAINS, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value gains from wealth management products	–	303
Net exchange (losses)/gains	(4,496)	30,472
Fair value losses from investment in a listed entity	(1,011)	–
Fair value gains/(loss) from unlisted entities	3,602	(8,090)
Fair value gains from unlisted funds	8,184	5,454
Net gains on disposal of property, plant and equipment	69	431
Net gains on early termination of leases	–	1,033
Net loss on disposal of an associate	(295)	–
Net loss on disposal/redemption of unlisted entities	(411)	–
Others	3,497	(561)
	<u>9,139</u>	<u>29,042</u>

## 8. FINANCE INCOME AND FINANCE COST

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income		
– Interest income from bank deposits	20,552	26,518
– Interest income from investments measured at amortised cost	–	2,888
	<u>20,552</u>	<u>29,406</u>
Finance costs		
– Interest expenses on bank borrowing	(2,925)	(10,883)
– Interest expense on lease liabilities	(66)	(877)
	<u>(2,991)</u>	<u>(11,760)</u>

## 9. INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax:		
PRC corporate income tax	25,598	26,556
Hong Kong Profits Tax	58	52
Korean corporate income tax	–	148
	<u>25,656</u>	<u>26,756</u>
Underprovision in prior years:		
PRC corporate income tax	540	–
Deferred tax	<u>(1,984)</u>	<u>(830)</u>
Income tax expenses	<u><b>24,212</b></u>	<u><b>25,926</b></u>

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following:

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	64,168	46,942
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	<u>829,735,567</u>	<u>846,020,836</u>
Basic and diluted earnings per share (RMB)	<u><b>0.08</b></u>	<u><b>0.06</b></u>

For the purpose of computation of diluted earnings per share of the Company for the year ended 31 December 2025 and 2024, the Company did not adjust for the restricted share unit as the assumed exercise prices of those share awards were higher than the average market price for shares of the Company during the year.

Accordingly, diluted earnings per share for the years ended 31 December 2025 and 2024 is the same as basic earnings per share.

## 11. DIVIDENDS

The Board of Directors do not recommend the payment of final dividends for the year ended 31 December 2025 and 2024.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current portion</b>		
Investments in unlisted entities	142,359	244,653
Investments in unlisted funds	105,098	–
	<u>247,457</u>	<u>244,653</u>
<b>Non-current portion</b>		
Investments in unlisted funds	79,083	75,227
Investments in unlisted entities	55,412	39,256
Investment in listed entity	13,919	14,930
	<u>148,414</u>	<u>129,413</u>
	<u><u>395,871</u></u>	<u><u>374,066</u></u>

## 13. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	126,504	84,585
Less: allowance for impairment	(18,679)	(12,673)
	<u>107,825</u>	<u>71,912</u>

The Group normally allows nil to 30 days credit period to its customers. Aging analysis of trade receivables as at 31 December 2025 and 2024, based on the invoice dates, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	100,264	53,117
3 to 6 months	7,131	12,254
6 months to 1 year	4,194	10,291
1 to 2 years	7,714	2,838
2 to 3 years	2,627	1,685
Over 3 years	4,574	4,400
	<u>126,504</u>	<u>84,585</u>

#### 14. TRADE PAYABLES

Aging analysis of trade payables as at 31 December 2025 and 2024, based on date of recognition, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	187,397	143,029
3 to 6 months	30,594	40,500
6 months to 1 year	2,830	6,150
Over 1 year	22,588	12,973
	<u>243,409</u>	<u>202,652</u>

## **COMPLIANCE WITH THE CG CODE**

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of the Company. The Company has adopted the CG Code as its own code of corporate governance.

During the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairperson and chief executive officer of the Company are not separate and are both performed by Ms. DU Hua. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its own code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry to all the Directors, each of the Directors has confirmed that he/she has strictly complied with the required standards set out in the Model Code during the Reporting Period.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Company's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year ended December 31, 2025. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by the Company's auditor in this announcement.

## **REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE**

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. FAN Hui, Mr. LU Tao and Mr. HUANG Jiuling. Mr. FAN Hui, being the chairperson of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has, together with the Board and the auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 32,037,000 Shares on the Stock Exchange for an aggregate consideration of HK\$68,985,510 before expenses. All the repurchased Shares were held as treasury shares. The repurchased Shares were effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of purchase in 2025	No. of Shares purchased	No. of treasury shares	Purchase consideration per share		Aggregate consideration paid (HK\$)
			Highest price paid (HK\$)	Lowest price paid (HK\$)	
January	1,041,000	1,041,000	0.64	0.60	648,840
February	885,000	885,000	0.67	0.60	565,320
March	–	–	–	–	–
April	5,319,000	5,319,000	0.63	0.58	3,241,500
May	4,680,000	4,680,000	1.83	0.67	7,737,930
June	13,758,000	13,758,000	3.48	2.27	39,733,950
July	2,367,000	2,367,000	3.30	2.68	7,061,130
August	93,000	93,000	2.17	2.15	200,940
September	–	–	–	–	–
October	3,894,000	3,894,000	2.60	2.33	9,795,900
November	–	–	–	–	–
December	–	–	–	–	–
<b>Total</b>	<b><u>32,037,000</u></b>	<b><u>32,037,000</u></b>			<b><u>68,985,510</u></b>

The repurchased Shares reflected the confidence of the Board in the Company's long-term strategy and growth prospects. The Directors considered that the repurchased Shares were in the best interests of the Company and the Shareholders as a whole. The Company intends to use the treasury shares to resell on the market prices to raise additional funds for the Company, or transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the articles of association of the Company and the applicable laws of the Cayman Islands, which subject to market conditions and the Group's capital management needs.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares).

## **FINAL DIVIDEND**

The Board has resolved not to recommend payment of a final dividend for the year ended December 31, 2025.

## **ANNUAL GENERAL MEETING**

The AGM will be held on June 18, 2026. A notice convening the AGM will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.yuehuamusic.com](http://www.yuehuamusic.com).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, June 12, 2026. Shareholders whose names appear on the register of members of the Company at the record date on Monday, June 15, 2026 are entitled to attend and vote at the AGM.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.yuehuamusic.com](http://www.yuehuamusic.com). The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be published on the aforesaid websites in due course.

## DEFINITIONS AND GLOSSARY

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

“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“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, Macau 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
“Directors”	director(s) of the Company
“Fund”	A1 Orient Investments Limited, a British Virgin Islands business company incorporated
“Global Offering”	has the meaning ascribed to it in the Prospectus
“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)
“HK\$” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“IFRS Accounting Standards”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Korea”	The Republic of Korea
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on January 19, 2023
“Listing Date”	the date, namely January 19, 2023, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Macau”	The Macau Special Administrative Region of the PRC
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Pre-IPO Share Incentive Plan”	the share incentive plan that our Company adopted on December 10, 2021
“Prospectus”	the prospectus of the Company published on December 30, 2022
“Reporting Period”	the financial year ended December 31, 2025
“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)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement entered into between the Company and the Fund dated December 23, 2024 in relation to the Subscription

“US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“Yuehua Investment”	Tianjin Yuehua Management Consulting Co., Ltd. (天津樂華管理諮詢有限公司), formerly known as 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 Korea”	YH ENTERTAINMENT CO., LTD., a company incorporated in Korea with limited liability on August 28, 2014 and a non-wholly owned subsidiary of Yuehua Limited
“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

\* *the English translation of the Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name.*

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. Certain English names of films, drama series, artistic works, publications and variety programs referenced in this announcement are derived from publicly available sources and are provided for reference only. The official names shall be as expressed in their respective original languages.

By order of the Board  
**YH Entertainment Group**  
**DU Hua**  
*Executive Director, Chairlady of the Board  
and Chief Executive Officer*

Hong Kong, March 26, 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.*