The following is the text of a report set out on pages [I-1] to [I-2], received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[DRAFT]

[Letterhead of PricewaterhouseCoopers]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TAIHE MUSIC GROUP AND DEUTSCHE SECURITIES ASIA LIMITED AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Taihe Music Group (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-3] to [I-60], which comprises the consolidated balance sheets as at 31 December 2023, 2024 and 2025, the company balance sheets as at 31 December 2023, 2024 and 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-3] to [I-60] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to [Note 37] to the Historical Financial Information which states that no dividends have been paid by Taihe Music Group in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Consolidated statement of comprehensive income

		Year ended 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	6	860,594	1,419,081	1,300,308
Cost of revenue	9	(533,246)	(1,030,631)	(903,770)
Gross profit		327,348	388,450	396,538
Selling and marketing expenses	9	(121,043)	(132,466)	(123,005)
General and administrative expenses	9	(96,360)	(100,772)	(101,264)
Research and development expenses	9	(12,894)	(9,913)	(9,930)
Net impairment losses on financial assets	3.1(b)(iii)	(17,279)	(40,060)	(12,725)
Net impairment losses on non-financial assets	13	(6,279)	–	–
Other income	7	12,199	5,359	10,470
Other gains – net	8	1,820	6,953	18,178
Operating profit		87,512	117,551	178,262
Finance income		18,510	10,713	7,886
Finance costs		(3,691)	(4,286)	(2,895)
Finance income – net	11	14,819	6,427	4,991
Fair value changes of convertible redeemable preferred shares	3.3(a)(iii)	(54,957)	(35,369)	(14,045)
Share of net profit/(loss) of investments accounted for using the equity method	13	8,178	(218)	246
Profit before income tax		55,552	88,391	169,454
Income tax expense	14	(21,700)	(32,719)	(49,070)
Profit for the year		33,852	55,672	120,384
Profit /(Loss) attributable to:				
Owners of the Company		34,247	56,156	120,392
Non-controlling interests		(395)	(484)	(8)
		33,852	55,672	120,384

	Note	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Other comprehensive (loss)/income, net of tax				
Item that may be reclassified to profit or loss:				
Currency translation differences		(11,884)	(17,804)	28,038
Item that will not be reclassified to profit or loss:				
Currency translation differences		4,747	2,087	(1,916)
Changes in the fair value of equity investments at fair value through other comprehensive income	3.3(a)(iii)	(1,992)	339	69
Other comprehensive (loss)/income for the year, net of tax		(9,129)	(15,378)	26,191
Total comprehensive income for the year		24,723	40,294	146,575
Total comprehensive income/(loss) for the year is attributable to:				
Owners of the Company		25,118	40,778	146,583
Non-controlling interests		(395)	(484)	(8)
		24,723	40,294	146,575
Earnings per share for profit attributable to the ordinary equity holders of the Company:	15			
Basic earnings per share *(RMB)*		0.10	0.17	0.36
Diluted earnings per share *(RMB)*		0.10	0.17	0.33

Consolidated balance sheets

		As at 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Assets				
Non-current assets				
Property, plant and equipment	16	4,775	9,011	6,551
Right-of-use assets	17	16,620	22,639	17,479
Prepayments, non-current	23	16,002	2,186	2,405
Intangible assets	18	401,342	393,366	362,282
Deferred income tax assets	19	36,264	19,026	1,362
Investments accounted for using the equity method	13	32,969	17,383	18,129
Financial assets at fair value through profit or loss	21	9,712	9,487	10,778
Financial assets at fair value through other comprehensive income	3.3(a)(iii)	2,530	2,869	3,843
Total non-current assets		520,214	475,967	422,829
Current assets				
Inventories		1,139	2,087	1,951
Trade receivables	22	238,597	474,658	104,046
Prepayments and other current assets	23	86,655	76,215	180,362
Financial assets at fair value through profit or loss	21	179,601	165,825	615,570
Term deposits	24	215,828	1,215	2,660
Restricted cash	24	–	500	–
Cash and cash equivalents	24	547,040	778,664	590,503
Total current assets		1,268,860	1,499,164	1,495,092
Total assets		1,789,074	1,975,131	1,917,921

	Note	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Equity				
Equity attributable to owners of the Company				
Share capital	25	205	205	205
Treasury shares	26	(2,457)	(2,457)	(2,457)
Other reserves	26	825,457	764,812	791,003
Accumulated losses		(1,174,665)	(1,118,509)	(998,117)
		(351,460)	(355,949)	(209,366)
Non-controlling interests		(44,525)	258	–
Deficits on total equity		(395,985)	(355,691)	(209,366)
Liabilities				
Non-current liabilities				
Lease liabilities	17	5,671	16,672	11,202
Contract liabilities, non-current	6(b)	2,054	1,951	1,398
Total non-current liabilities		7,725	18,623	12,600
Current liabilities				
Borrowings	29	119,852	129,693	–
Trade payables	30	253,022	241,330	258,310
Other payables and accruals	31	158,767	214,161	207,529
Contract liabilities	6(b)	36,866	43,103	17,552
Current income tax liabilities		10,008	18,600	12,074
Lease liabilities	17	10,166	5,366	6,826
Convertible redeemable preferred shares	3.3(a)(iii)	1,574,934	1,634,138	1,611,676
Other current liabilities		13,719	25,808	720
Total current liabilities		2,177,334	2,312,199	2,114,687
Total liabilities		2,185,059	2,330,822	2,127,287
Total equity and total liabilities		1,789,074	1,975,131	1,917,921

Company balance sheets

		As at 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Non-current assets				
Amounts due from subsidiaries		993,884	1,060,544	1,168,447
Investments in subsidiaries	12	9	9	9
Total non-current assets		993,893	1,060,553	1,168,456
Current assets				
Prepayments and other current assets		259,167	263,127	257,562
Financial assets at fair value through profit or loss		179,601	165,825	184,366
Term deposits	24	215,828	–	–
Cash and cash equivalents	24	88,468	291,857	147,628
Total current assets		743,064	720,809	589,556
Total assets		1,736,957	1,781,362	1,758,012
Equity				
Share capital	25	205	205	205
Treasury shares	26	(2,457)	(2,457)	(2,457)
Other reserves	26	965,268	967,355	965,439
Accumulated losses		(817,999)	(835,385)	(836,102)
Total equity		145,017	129,718	127,085
Liabilities				
Non-current liabilities		–	–	–
Current liabilities				
Other payables and accruals		17,006	17,506	19,251
Convertible redeemable preferred shares	3.3(a)(iii)	1,574,934	1,634,138	1,611,676
Total current liabilities		1,591,940	1,651,644	1,630,927
Total liabilities		1,591,940	1,651,644	1,630,927
Total equity and total liabilities		1,736,957	1,781,362	1,758,012

Consolidated statement of changes in equity

		Attributable to owners of the Company						
	Note	**Share capital**	**Treasury shares**	**Other reserves**	**Accumulated losses**	**Sub-total**	**Non-controlling interests**	**Deficits on total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		205	(2,457)	837,263	(1,208,912)	(373,901)	(44,130)	(418,031)
Comprehensive income								
Profit for the year		–	–	–	34,247	34,247	(395)	33,852
Fair value changes on financial assets at fair value through other comprehensive income	3.3(a)(iii)	–	–	(1,992)	–	(1,992)	–	(1,992)
Currency translation differences		–	–	(7,137)	–	(7,137)	–	(7,137)
Total comprehensive income for the year		–	–	(9,129)	34,247	25,118	(395)	24,723
Transactions with owners in their capacity as owners:								
Issuance of shares	25	28	–	507,002	–	507,030	–	507,030
Repurchase of shares	25	(28)	–	(509,679)	–	(509,707)	–	(509,707)
Total transactions with owners in their capacity as owners		–	–	(2,677)	–	(2,677)	–	(2,677)
Balance at 31 December 2023		205	(2,457)	825,457	(1,174,665)	(351,460)	(44,525)	(395,985)
Balance at 1 January 2024		205	(2,457)	825,457	(1,174,665)	(351,460)	(44,525)	(395,985)
Comprehensive income								
Profit for the year		–	–	–	56,156	56,156	(484)	55,672
Fair value changes on financial assets at fair value through other comprehensive income	3.3(a)(iii)	–	–	339	–	339	–	339
Currency translation differences		–	–	(15,717)	–	(15,717)	–	(15,717)
Total comprehensive income for the year		–	–	(15,378)	56,156	40,778	(484)	40,294

		Attributable to owners of the Company						
	Note	**Share capital**	**Treasury shares**	**Other reserves**	**Accumulated losses**	**Sub-total**	**Non-controlling interests**	**Deficits on total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Transactions with owners in their capacity as owners:								
Transaction with other non-controlling interests	26	–	–	(45,267)	–	(45,267)	45,267	–
Total transactions with owners in their capacity as owners		–	–	(45,267)	–	(45,267)	45,267	–
Balance at 31 December 2024		205	(2,457)	764,812	(1,118,509)	(355,949)	258	(355,691)
Balance at 1 January 2025		205	(2,457)	764,812	(1,118,509)	(355,949)	258	(355,691)
Comprehensive income								
Profit for the year		–	–	–	120,392	120,392	(8)	120,384
Fair value changes on financial assets at fair value through other comprehensive income	3.3(a)(iii)	–	–	69	–	69	–	69
Currency translation differences		–	–	26,122	–	26,122	–	26,122
Total comprehensive income for the year		–	–	26,191	120,392	146,583	(8)	146,575
Transactions with owners in their capacity as owners:								
Others		–	–	–	–	–	(250)	(250)
Total transactions with owners in their capacity as owners		–	–	–	–	–	(250)	(250)
Balance at 31 December 2025		205	(2,457)	791,003	(998,117)	(209,366)	–	(209,366)

Consolidated Statement of Cash Flows

		As at 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Cash generated from operations	32(a)	179,962	71,153	537,905
Interest received		15,163	9,227	7,885
Income taxes paid		(3,512)	(6,890)	(37,932)
Net cash generated from operating activities		191,613	73,490	507,858
Cash flows from investing activities				
Payments for investments accounted for using the equity method		(4,100)	(1,000)	(500)
Payments for purchase of intangible assets		(72,318)	(88,990)	(100,902)
Payments for purchase of property, plant and equipment		–	(6,617)	(330)
Purchase of cash management products		(247,895)	(855,420)	(2,126,999)
Payments for financial assets at fair value through other comprehensive income	20	–	–	(905)
Payments for term deposit		(212,481)	(2,025)	(2,660)
Redemption of cash management products		70,827	869,796	1,676,337
Withdrawal of term deposits		–	215,652	1,302
Interest received from term deposits and cash management products		476	17,100	11,091
Proceeds from disposals of investments accounted for using the equity method		258	16,368	–
Dividends received from the financial assets		–	–	503
Net cash outflow on disposal of subsidiaries		–	–	(2,206)
Proceeds from disposal of property, plant and equipment		167	–	–
Payments for live entertainment investments		(14,872)	(4,754)	(6,913)
Proceeds from live entertainment investments		13,364	3,046	2,435
Net cash (used in)/generated from investing activities		(466,574)	163,156	(549,747)

		As at 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from financing activities				
Proceeds from issuance of preferred shares	3.3(a)(iii)	507,030	–	–
Proceeds from issuance of shares	25	507,002	–	–
Proceeds from borrowings		191,157	381,141	98,600
Repurchase of shares	25	(509,679)	–	–
Payments for lease liabilities – principal		(13,618)	(13,555)	(4,906)
Payments for lease liabilities – interests		(1,206)	(1,118)	(899)
Repayments of borrowings		(95,305)	(371,300)	(228,293)
Interest paid for borrowings		(2,485)	(3,168)	(1,996)
Payments for live entertainment investors		–	(17,848)	(7,256)
Proceeds from live entertainment investors		–	17,915	3,900
Others		–	–	(250)
Net cash generated/(used in) from financing activities		582,896	(7,933)	(141,100)
Net increase/(decrease) in cash and cash equivalents		307,935	228,713	(182,989)
Cash and cash equivalents at beginning of the year	24	213,628	547,040	778,664
Effects of exchange rate changes on cash and cash equivalents		25,477	2,911	(5,172)
Cash and cash equivalents at end of the year	24	547,040	778,664	590,503
Non-cash investing and financing activities	32(b)			

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Taihe Music Group (the "**Company**") was incorporated in the Cayman Islands on date 10 August 2015 as an exempted company with limited liability under the Companies Act of the Cayman Islands (Cap. 22, Law 3 of 1961 as consolidated and revised). The address of the Company is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are primarily engaged in the provision of the following services: (i) music catalogue operation, (ii) artist management and live entertainment business and (iii) ticketing and other services in the People's Republic of China ("**PRC**"), Singapore and Malaysia.

This financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

As at the end of the Track Record Period, the Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out in Note 12. The Company has no ultimate controlling party.

2 BASIS OF PREPARATION

(i) Compliance with IFRS Accounting Standards

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("**IASB**"). IFRS Accounting Standards comprise the following authoritative literature:

- International Financial Reporting Standards ("**IFRS**");
- IAS Standards ("**IAS**"); and
- Interpretations developed by the IFRS Interpretations Committee ("**IFRIC interpretations**") or its predecessor body, the Standing Interpretations Committee ("**SIC Interpretations**").

(ii) Historical cost convention

The Historical Financial Information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) Going concern

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB619.6 million and the Group has a deficit on its total equity of approximately RMB209.4 million. The Group's current liabilities as of 31 December 2025 primarily comprised of the convertible redeemable preferred shares as issued by the Company (designated as financial liabilities at fair value through profit or loss ("**FVTPL**")) with carrying amounts of approximately RMB1,611.7 million (the "**Preferred Shares**"). As disclosed in Note 27 to the Historical Financial Information, the Preferred Shares have been classified as current liabilities as the holders have the rights to convert them into the ordinary shares of the Company at any time after the issuance of these Preferred Shares while the conversion feature do not meet equity classification. These Preferred Shares shall be automatically converted into the ordinary shares of the Company immediately before the closing of a qualified **[REDACTED]** ("**Qualified [REDACTED]") of the Company. There will be no cash outflows from the Group for such conversion of shares. The directors of the Company (the "Directors**") have assessed the redemption features of the Preferred Shares as set out in Note 27 and concluded that the only likely event or situation which may trigger the Group to redeem these Preferred Shares in cash is that the Company fails to consummate a Qualified **[REDACTED]** before eighteen (18) months after the submission of the **[REDACTED]** to the Stock Exchange. Therefore, the Directors concluded that it is not expected the Group will incur any cash outflows to settle or redeem the Preferred Shares within the next twelve months from 31 December 2025.

The Directors have reviewed the Group's cash flow forecast which covers a period of not less than twelve months from 31 December 2025. Based on the review of the cash flow forecast and taking into account the considerations as mentioned in the preceding paragraph, the Directors have concluded that the Group will have adequate financial resources to continue its operations in the foreseeable future and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the Directors have prepared the Historical Financial Information on a going concern basis.

(iv) New and amended standards adopted by the Group

In preparation of the Historical Financial Information, all of the new or amended IFRS Accounting Standards and interpretations that are effective during the Track Record Period have been adopted by the Group consistently throughout Track Record Period.

(v) New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for the Track Record Period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

The Group has not early applied the following new and amendments to IFRS that have been issued but are not yet effective for the Track Record Period:

	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate – Amendments to IFRS 10 and IAS 28	To be determined

Directors anticipate that the application of the above new standard, amendments and annual improvements will have no material impact on the Group's Historical Financial Information in the foreseeable future, except for IFRS 18 as assessed below:

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the 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.

IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's categories of financial instruments: (i) Financial assets amounting to RMB1.2 billion, RMB1.5 billion and RMB1.3 billion as at 31 December 2023, 2024 and 2025, including: financial assets at amortized cost, comprise trade receivables, other receivables (included in the "**prepayments and other current assets**"), term deposits, restricted cash, cash and cash equivalents, financial assets at FVTPL and financial assets at fair value through other comprehensive income ("**FVOCI**"). (ii) Financial liabilities amounting to RMB2.1 billion, RMB2.2 billion and RMB2.1 billion as at 31 December 2023, 2024 and 2025, including: financial liabilities at amortized cost, comprise trade payables, other payables and accruals (excluding tax payables and payroll, employee benefit and other expenses), borrowings, lease liabilities and convertible redeemable preferred shares.

The Group's exposure to various risks associated with the financial instruments is discussed in below. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar ("**USD**"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities denominated in a currency that is not our Group entities' functional currency. The Group's exposure to foreign currency risk at the end of each of the reporting years is as follows:

	As at 31 December 2023		
	USD	**EUR**	**Others**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	13,830	4,198	1,727
Trade receivables	139	323	9,079
Other payables and accruals	–	–	10,762
	13,969	4,521	21,568

	As at 31 December 2024		
	USD	**EUR**	**Others**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	5,797	4,162	4,748
Trade receivables	355	722	13,741
Other payables and accruals	39	–	22,680
	6,191	4,884	41,169

	As at 31 December 2025		
	USD	**EUR**	**Others**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	17,417	11,790	28,184
Financial assets at FVTPL	119,696	–	–
Trade receivables	1,068	445	19,820
Other payables and accruals	–	–	33,380
	138,181	12,235	81,384

As at 31 December 2023 and 2024, if RMB had strengthened/weakened 5% against USD with all other variables held constant, post-tax profit for the year would have an immaterial impact. As at 31 December 2025, under the same sensitivity test assumption, post-tax profit for the year would have been approximately RMB5.2 million lower/higher respectively, mainly as a result of foreign exchange gains/losses on translation of USD-denominated cash and cash equivalents, financial assets at FVTPL, trade and other receivables, and trade and other payables.

As at 31 December 2023, 2024 and 2025, if RMB had strengthened/weakened 5% against EUR with all other variables held constant, post-tax profit for the year would have an immaterial impact.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, term deposit and restricted cash (Note 24). As of 31 December 2023, 2024 and 2025, the Group does not hold any long-term borrowings with variable rates, which may expose the Group to cash flow interest rate risk.

(b) Credit risk

(i) Risk management

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, term deposits, restricted cash and financial assets at FVTPL, trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage risk arising from cash equivalents, term deposits, restricted cash and financial assets at FVTPL, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 30 days and the credit quality of these customers are assessed by taking into account their financial position, past experience and other factors.

To manage risk arising from other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of these receivables based on historical settlement records, past experiences and forward looking information.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to expected credit loss model:

– Trade receivables

– Other receivables

While cash and cash equivalents, term deposits, restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Refer to Note 22 for further details.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, such as the nature of customers. The expected loss rates are based on the external credit rating or non-performing loan ratio data published by independent institutions and adjusted to incorporate forward-looking adjustments to reflect the management's forecasts of macroeconomic factors affecting the customers' ability to settle the receivables. The Group has identified the Broad Money Supply (廣義貨幣供應量), New RMB Loans (新增人民幣貸款) and Producer Price Index (生產者價格指數) of Chinese mainland in which it sells its services to be the most relevant factors, and accordingly adjusts the historical losses rates based on expected changes in certain combination of these factors.

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	707	571	1,064
Provision/(reversal) for impairment	2,123	493	(209)
Write off	(2,259)	–	(142)
At end of the year	571	1,064	713

Other receivables

Other receivables mainly include amounts advanced on live entertainment business, amounts advanced on behalf of third parties, rental and other deposits, amounts due from disposed subsidiaries. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

The Group measures credit risk of other receivables using probability of default ("**PD**"), exposure at default ("**EAD**") and loss given default ("**LGD**").

– Financial instruments that are not credit-impaired on initial recognition are classified in 'Stage 1' and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

– If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. The expected credit loss is measured on lifetime basis.

– If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to 'Stage 3'. The expected credit loss is measured on lifetime basis.

The loss allowances for other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	184	10,749	50,316
Impairment losses	15,156	39,567	12,934
Write off	(4,591)	–	(274)
At end of the year	10,749	50,316	62,976

(iii) Net impairment losses on financial assets recognised in profit or loss

During the years ended 31 December 2023, 2024 and 2025, the following losses were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses:			
– movement in loss allowance for trade receivables	2,123	493	(209)
– movement in loss allowance for other receivables	15,156	39,567	12,934
Net impairment losses on financial assets	17,279	40,060	12,725

(iv) Write-off of financial assets

Financial assets are written off when there is no reasonable expectation of recovery after completing the internal approval process. The Group continues to engage in follow up actions such as enforcement activities to attempt to recover the financial assets. Where recoveries are made, these are recognised in profit or loss.

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023				
Borrowings	119,852	–	–	119,852
Trade payables	253,022	–	–	253,022
Other payables and accruals (excluding tax payables and payroll, employee benefit andother expenses)	126,200	–	–	126,200
Lease liabilities	10,401	2,847	3,708	16,956
	509,475	2,847	3,708	516,030
At 31 December 2024				
Borrowings	129,693	–	–	129,693
Trade payables	241,330	–	–	241,330
Other payables and accruals (excluding tax payables and payroll, employee benefit andother expenses)	156,500	–	–	156,500
Lease liabilities	6,255	6,286	11,474	24,015
	533,778	6,286	11,474	551,538
At 31 December 2025				
Trade payables	258,310	–	–	258,310
Other payables and accruals (excluding tax payables and payroll, employee benefit andother expenses)	163,625	–	–	163,625
Lease liabilities	7,418	6,016	5,518	18,952
	429,353	6,016	5,518	440,887

The table above has not included the convertible redeemable preferred shares issued by the Company which are designated as financial liabilities at FVTPL (Note 27). The holders of the convertible redeemable preferred shares can convert these preferred shares into the ordinary shares of the Company at any time after the issuance date of these preferred shares at their own discretion and hence the related financial liabilities have been classified as current liabilities. The conversion feature of these preferred shares fails the 'fixed for fixed' criteria and therefore they are not classified as equity instruments. The conversion of the preferred shares into the ordinary shares of the Company will not result in any cash outflows from the Group. The directors of the Company have assessed the redemption features of the convertible redeemable preferred shares as set out in Note 27 and considered that the only likely event or situation which may trigger the Group's redemption of these preferred shares in cash is that the Company fails to consummate a Qualified **[REDACTED]** before eighteen (18) months after the submission of the **[REDACTED]** to the Stock Exchange and the Group will then has to redeem the preferred shares in cash.

3.2 CAPITAL MANAGEMENT

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity holders' value in the long term.

The Group monitors capital regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Preferred Shares of the Group are classified as current liabilities in the Historical Financial Information; and the Group does not expect to incur any cash outflows in relation to the settlement or redemption of the Preferred Shares within the next twelve months from 31 December 2025. Accordingly, the Preferred Shares are excluded from the scope of the Group's capital management considerations. In the opinion of the Directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

3.3 FAIR VALUE ESTIMATION

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As of 31 December 2023	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at FVTPL				
– Cash management products *(Note 21)*	–	179,601	–	179,601
– Unlisted shares with preferential rights	–	–	9,712	9,712
Financial assets at FVOCI				
– Unlisted equity investments *(Note 3.3(a)(iii))*	–	–	2,530	2,530
	–	179,601	12,242	191,843
Financial liabilities				
Financial Liabilities at FVTPL – Convertible redeemable preferred shares *(Note 27)*	-	–	1,574,934	1,574,934

Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As of 31 December 2024	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at FVTPL				
– Cash management products *(Note 21)*	–	165,825	–	165,825
– Unlisted shares with preferential rights	–	–	9,487	9,487
Financial assets at FVOCI				
– Unlisted equity investments *(Note 3.3(a)(iii))*	–	–	2,869	2,869
	–	165,825	12,356	178,181
Financial liabilities				
Financial Liabilities at FVTPL				
– Convertible redeemable preferred shares *(Note 27)*	–	–	1,634,138	1,634,138

Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As of 31 December 2025	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at FVTPL				
– Cash management products *(Note 21)*	–	615,570	–	615,570
– Unlisted shares with preferential rights	–	–	10,778	10,778
Financial assets at FVOCI				
– Unlisted equity investments *(Note 3.3(a)(iii))*	–	–	3,843	3,843
	–	615,570	14,621	630,191
Financial liabilities				
– Convertible redeemable preferred shares *(Note 27)*	–	–	1,611,676	1,611,676

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity investments.

(ii) Valuation processes and techniques

The Group involves an independent valuer to perform the valuations of level 3 financial instruments for financial reporting purposes. Discussions of valuation processes and results are held between the Group and the independent valuer on a periodical basis, in line with the Group's reporting periods.

As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including: the market approach to determine the fair value of the unlisted equity investments; option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares.

(iii) Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity investments	Unlisted shares with preferential rights	Convertible redeemable preferred shares
	RMB'000	*RMB'000*	*RMB'000*
Opening balance at 1 January 2023	4,522	8,990	971,954
Issuance of series B preferred shares	–	–	507,030
Changes in fair value	(1,992)	722	54,957
Currency translation differences recognized in other comprehensive income	–	–	40,993
Closing balance at 31 December 2023	2,530	9,712	1,574,934
Opening balance at 1 January 2024	2,530	9,712	1,574,934
Changes in fair value	339	(225)	35,369
Currency translation differences recognized in other comprehensive income	–	–	23,835
Closing balance at 31 December 2024	2,869	9,487	1,634,138
Opening balance at 1 January 2025	2,869	9,487	1,634,138
Additions	905	–	–
Changes in fair value	69	1,291	14,045
Currency translation differences recognized in other comprehensive income	–	–	(36,507)
Closing balance at 31 December 2025	3,843	10,778	1,611,676

Description	Significant unobservable inputs	Value of inputs As of 31 December 2023	2024	2025	Relationship of unobservable inputs to fair value
		%	%	%	
Financial assets at FVOCI – Unlisted equity investments	Discount for lack of marketability ("**DLOM**")	21.35%	21.37%	17.20%	The higher the DLOM, the lower the fair value
	Volatility	46.07%	46.12%	35.54%	The higher the volatility, the higher the fair value
Financial assets at FVTPL – Unlisted shares with preferential rights	DLOM	8.37%–10.57%	5.78%–8.59%	7.10%–8.02%	The higher the DLOM, the lower the fair value
	Volatility	48.06%–50.68%	42.54%–44.99%	40.81%–42.39%	The higher the volatility, the higher the fair value
Financial Liabilities at FVTPL – Convertible redeemable preferred shares	DLOM	8.23%	5.65%	3.45%	The higher the DLOM the lower the fair value
	Volatility	43.54%	35.43%	29.98%	The higher the volatility, the higher the fair value

Fair value of convertible redeemable preferred shares is affected by changes in the DLOM. If the DLOM had increased/decreased by 10% with all other variables held constant, the profit before income tax for the years ended 31 December 2023, 2024 and 2025 would have been approximately RMB14.1 million/RMB14.1 million, RMB9.7 million/RMB9.7 million and RMB5.8 million/RMB5.8 million higher/lower respectively.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Fair value measurement of financial assets

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. For details of the key assumption used and the input of changes to these assumptions see Note 3.3.

(b) Impairment assessment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Judgment is required to identify any impairment indicators existing for any of the Group's goodwill to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use ("**VIU**"), for impairment review purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of comprehensive income.

(c) Measurement of the expected credit losses

The loss allowance for financial assets disclosed in Note 3.1 is based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Fair value measurement of convertible redeemable preferred shares

As disclosed in Note 27, the fair value of preferred shares liabilities at the dates of issue and balance sheet dates were determined based on the valuation performed by an independent valuer, using valuation techniques. The Group uses its judgments to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow to determine the business value of the Group, followed by option pricing models to determine the fair value of convertible redeemable preferred shares, which involved the use of significant accounting estimates and judgments.

(e) Current and deferred income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain during the ordinary course of business. Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers it to be probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(f) Amortisation of music copyrights

The Group amortises intangible assets in the form of music copyrights systematically on the pattern of their future economic benefit useful lives. The determination of the estimated useful lives of such assets constitutes a significant accounting estimate. Management is required to exercise professional judgement to comprehensively consider factors including the commercial life cycle of musical works and the declining trends of streaming playback volume and copyright licensing revenue, so as to assess the period over which the assets are capable of generating inflows of future economic benefits. Meanwhile, Management references the prevailing accounting practices adopted by comparable peers in the same industry to determine the appropriate amortisation period and amortisation method.

5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The Group's chief operating decision maker ("**CODM**") has been identified as executive directors of the Company, who review the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group as a whole. The Group does not distinguish between markets or segments for the purpose of internal reporting. Hence, the Group has only one operating segment.

The Company is domiciled in the Cayman Islands while the Group operates its business mainly in China and earns substantially all of the revenue from external customers in China. Substantially all of the Group's non-current assets and liabilities were located in China. No geographical information is presented.

6 REVENUES

(a) The Group's revenue is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Music catalogue operation	470,685	471,334	554,054
Artist management and live entertainment business	360,899	918,921	707,384
Ticketing and other services	29,010	28,826	38,870
Total revenue	860,594	1,419,081	1,300,308

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Recognised over time	439,034	428,655	495,008
Recognised at a point in time	421,560	990,426	805,300
	860,594	1,419,081	1,300,308

The major customers which contributed more than 10% of the total revenue of the Group for the years ended 31 December 2023, 2024 and 2025 are listed as below:

	Year ended 31 December		
	2023	**2024**	**2025**
Percentage of revenue from the major customers to the total revenue of the Group			
Client A (Music catalogue operation):	24%	15%	17%

(b) Contract liabilities

Contract liabilities of the Group represent non-refundable advanced payments received from the customers for services that have not yet been transferred to the customers.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	38,920	45,054	18,950
Less: Non-current portion	(2,054)	(1,951)	(1,398)
Current portion	36,866	43,103	17,552

The Group's contract liabilities as at 1 January 2023 amounted to RMB31,049,000.

(c) Revenue recognised in relation to contract liabilities

At 31 December 2023, 2024 and 2025, the amounts of the revenue recognised in the current reporting year relates to carried-forward contract liabilities are RMB31,049,000, RMB36,866,000 and RMB43,103,000 respectively.

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 December 2023, 2024 and 2025:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amount expected to be recognised as revenue:			
Within one year	121,748	77,508	42,568
More than one year	7,819	11,791	9,382
	129,567	89,299	51,950

Accounting policies of revenue recognition

(a) Music catalogue operation

The Group primarily generate revenue from: (i) licensing music content libraries to music streaming platforms; (ii) licensing single song or album to users; and (iii) selling digital and physical copies of music content.

With respect to licensing music content libraries, the Group's performance obligations is to maintain dynamic licensed music content libraries for music streaming platforms to access for fixed periods of time during which the Group is required to maintain a minimum number of songs' licenses and obliged to replicate the licensed content libraries for any subsequent change in the content. The Group charges these music streaming platforms based on (i) a fixed payment basis; (ii) a fixed payment basis plus revenue share based on achievement of certain performance indicators, which give rise to variable considerations; or (iii) a revenue share basis. Under (i) and (ii), the fixed fee is recognized on a straight-line basis over the term of the contract, and the usage-based variable considerations to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved, which is typically when the Group received the usage reports from the music streaming platforms. Under (iii), the Group recognizes revenue when usages occurred based on reports provided by each music streaming platform.

With respect to licensing single song or album for one-off use, the revenue is recognized at a point in time when the licensed content is made available for the customers' use and benefit, typically upon the transfer of the licensed content to the customer.

With respect to the sale of digital and physical copies, such as CDs, the revenue is recognized at a point in time upon delivery.

(b) Artist management and live entertainment business

Artist management

The Group exercises unified management over its managed or collaboration artists, and makes overall arrangements for their work in light of the artists' positioning and business matching suitability. In the meantime, the Group provides artist management services to corporate customers, such as arranging artists to participate in commercial activities including endorsement deals, business promotion events and commercial performances, or entertainment content services including performing in movies, drama series and variety programs. Revenue is recognized when the relevant services are provided either over the fixed endorsement deals contract period, or at the point in time when the events or performances finished.

Live entertainment business

The Group produces and operates a variety of entertainment events, such as concerts, music festivals and livehouse performances and performing arts events either for its own or other customers. For its own events, the Group earns revenue from ticket sales through its own platform or third-party ticketing platforms; for events of which the customers act as the organizers, the Group has the right to receive the revenue generated from hosting events for them. Under both settings, revenue is recognized at a point in time when the events are held. The majority of consideration for these events is collected in advance of or on the day of the event. The consideration received in advance of the event is recorded as contract liability.

(c) Ticketing and other services

The Group provides online ticketing and other music services. The online ticketing service is primarily an agency business that sells tickets for events on behalf of its customers, which include venues and concert promoters. Revenue from online ticketing service is recognized on a net basis as the Group is not regarded as the primary obligor and not responsible for the venues and concerts shown and does not have the ability to determine the pricing of the tickets. The Group only recognize the commission fee at a point in time when the tickets are sold and unreturnable, as the Group has no further obligation to its client's customers following the sale of the ticket. The revenue from other services is recognized when the relevant services are provided either over the fixed contract period, or at the point in time when the relevant services are rendered.

7 OTHER INCOME

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	8,998	4,742	7,593
Others	3,201	617	2,877
	12,199	5,359	10,470

8 OTHER GAINS - NET

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net gains/(losses) on lease modifications	1,705	(1,427)	–
Net fair value gains on financial assets at FVTPL	3,010	10,117	13,768
Net fair value gains/(losses) on non-current financial assets at FVTPL	722	(225)	1,291
Net losses on disposal of investments accounted for using the equity method	(3,030)	–	–
Net gains on disposal of subsidiaries	–	–	318
Net foreign exchange losses	(1,900)	(1,734)	(341)
Gains/(losses) on live entertainment business funds from investors	–	2,767	(444)
Others	1,313	(2,545)	3,586
	1,820	6,953	18,178

9 EXPENSES BY NATURE

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Artist cost (i)	166,818	474,031	414,243
Music content production and procurement costs (ii)	191,328	217,178	248,559
Performance and execution costs	148,801	297,182	199,678
Employee benefits expenses *(Note 10)*	141,842	147,299	144,528
Marketing and operating expenses	46,577	68,409	65,812
Depreciation and amortization (excluding amortization of music copyrights)	18,180	18,909	9,360
Legal and professional fees	11,669	10,123	7,733
[REDACTED]	–	–	**[REDACTED]**
Others	38,328	40,651	38,984
	763,543	1,273,782	1,137,969

(i) Artist cost mainly comprises artist performance fees and revenue sharing with performers.

(ii) Music content production and procurement costs primarily comprise album production costs, amortization cost for music copyrights, together with royalties and revenue sharing for music copyrights.

10 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	118,473	122,901	120,589
Social insurance expenses and housing benefits	23,369	24,398	23,939
	141,842	147,299	144,528

(i) Employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with these plans beyond the annual contributions described above.

(ii) Five highest paid individuals

The five individuals with the highest emoluments in the Group during the Track Record Period include 1 director for each year of the Track Record Period, whose emoluments are reflected in the analysis shown in Note 35. The emoluments payable to the remaining 4 individuals for each year of the Track Record Period are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	11,338	12,613	12,776
Social insurance expenses and housing benefits	437	549	602
	11,775	13,162	13,378

The emoluments of the remaining 4 individuals fell within the following bands:

	Year ended 31 December		
	2023	**2024**	**2025**
Emoluments bands			
HKD2,000,001 to HKD2,500,000	1	–	–
HKD2,500,001 to HKD3,000,000	–	1	1
HKD3,000,001 to HKD3,500,000	2	2	1
HKD3,500,001 to HKD4,000,000	–	–	1
HKD4,000,001 to HKD4,500,000	–	–	1
HKD4,500,001 to HKD5,000,000	1	1	–
	4	4	4

11 FINANCE INCOME – NET

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Finance income			
– Interest income from bank deposits	18,510	10,713	7,886
Finance costs			
– Interest expenses on lease liabilities *(Note 17)*	(1,206)	(1,118)	(899)
– Interest expenses on bank borrowings	(2,485)	(3,168)	(1,996)
Finance costs – net	14,819	6,427	4,991

12 SUBSIDIARIES

The Group's principal subsidiaries as of 31 December 2023, 2024, 2025 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Paid in capital as of 31 December 2025	Ownership interest held by the Group as of 31 December			
					2023	2024	2025	As of the date of this report
	Directly held:							
(1)	Taihe Music Holdings (Hongkong) Limited* (太合音樂控股(香港)有限公司) (v)	Hong Kong, limited liability company	Intermediate holding company	HKD10,000	100%	100%	100%	100%
(2)	Taihe Ledong Culture Development (Tianjin) Co., Ltd.* (太合樂動文化發展(天津)有限公司) (ii, iii & iv)	The PRC, limited liability company	Large-scale live event operation	RMB20,000,000	100%	100%	100%	100%
(3)	Taihe Rye (Tianjin) Music Co., Ltd.* (太合麥田(天津)音樂有限公司) (ii, iii & iv)	The PRC, limited liability company	Ownership, management and operation of the Taihe Rye label	RMB5,000,000	100%	100%	100%	100%
(4)	Beijing Yinzhibang Culture Technology Co., Ltd.* (北京音之邦文化科技有限公司) (ii, iii & iv)	The PRC, limited liability company	Copyright Management	RMB10,000,000	100%	100%	100%	100%
(5)	Beijing Taihe Universe Music Culture Management Co., Ltd.* (北京太合環球音樂文化經紀有限公司) (i & ii)	The PRC, limited liability company	Intermediate holding company	RMB10,000,000	100%	100%	100%	100%
(6)	Taihe Music (Beijing) Co., Ltd.* (太合音樂(北京)有限公司) (ii, iii & iv)	The PRC, limited liability company	Holding company of onshore entities	RMB10,000,000	100%	100%	100%	100%
(7)	Taihe Music Group (Hongkong) Limited* (太合音樂集團(香港)有限公司) (v)	Hong Kong, limited liability company	Copyright Management	HKD10,000	100%	100%	100%	100%
(8)	Beijing Taihe Music Technology Co. Ltd.* ("**Beijing Taihe Music Technology**") (北京太合音樂科技有限公司) (i)	The PRC, limited liability company	Investment holding	USD123,575,613	100%	100%	100%	100%
(9)	Ocean Butterflies Music (Tianjin) Co. Ltd.* (海蝶音樂(天津)有限公司) (i & iv)	The PRC, limited liability company	Ownership and management of the Ocean Butterflies label	RMB5,000,000	100%	100%	100%	100%
(10)	Huzhou Yuanyi Culture Communication Co. Ltd.* (湖州原藝文化傳播有限公司) (i)	The PRC, limited liability company	Daily operation and implementation of Ocean Butterflies label	RMB10,000,000	100%	100%	100%	100%
(11)	Nanjing Taihe Ledong Culture Development Co., Ltd.* (南京太合樂動文化發展有限公司) (i & ix)	The PRC, limited liability company	Operation of medium and large-scale live event in Central and East China regions	Nil	N/A	N/A	100%	100%

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Paid in capital as of 31 December 2025	Ownership interest held by the Group as of 31 December			
					2023	2024	2025	As of the date of this report
(12)	Horgos Dayan Cultural Development Co. Ltd.* (霍爾果斯大演文化發展有限公司) (ii, iii & vii)	The PRC, limited liability company	Culture and Arts	RMB10,000,000	100%	100%	N/A	N/A
(13)	Beijing Lava Music Co., Ltd.* ("**Beijing Lava Music**") (北京熔岩音樂有限公司) (iii, iv & viii)	The PRC, limited liability company	Culture and Arts	Nil	N/A	100%	100%	100%
(14)	Beijing Taihe Music Culture Development Co., Ltd.* ("**Beijing Taihe Music Culture**") (北京太合音樂文化發展有限公司) (ii & vi)	The PRC, limited liability company	Culture and Arts	RMB27,838,574	100%	100%	N/A	N/A
(15)	Chengdu Taihe Ledong Technology Co., Ltd.* ("**Chengdu Taihe Ledong**") (成都太合樂動科技有限公司) (ii, iii & iv)	The PRC, limited liability company	R&D and operation of the ShowStart ticketing platform	RMB20,000,000	100%	100%	100%	100%

(i) These entities were not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

(ii) The statutory financial statements of these companies for the year ended 31 December 2023 were audited by Beijing Fivecode Certified Public Accountants (北京五典會計師事務所(普通合夥)).

(iii) The statutory financial statements of these companies for the year ended 31 December 2024 were audited by Beijing Fivecode Certified Public Accountants (北京五典會計師事務所(普通合夥)).

(iv) The statutory financial statements of these companies for the year ended 31 December 2025 were audited by Beijing Fivecode Certified Public Accountants (北京五典會計師事務所(普通合夥)).

(v) The statutory financial statements of these companies for the years ended 31 December 2023, 2024 and 2025 were audited by Teton CPA Company (天恆會計師事務所).

(vi) The subsidiary had been disposed during the year ended 31 December 2025.

(vii) The subsidiary was liquidated during the year ended 31 December 2025.

(viii) The entity was newly incorporated during the year ended 31 December 2024.

(ix) The entity was newly incorporated during the year ended 31 December 2025.

* The English names of the subsidiaries represent management's best efforts in translating their Chinese names as they do not have official English names.

Contractual arrangements

In connection with certain historical business and organizational considerations, the Group previously adopted, and subsequently terminated or commenced the dismantling of, certain contractual arrangements within Group, details of which are set out below.

(a) Beijing Taihe Music Culture

Beijing Taihe Music Culture was historically one of the Group's major domestic holding and operating entity. The Group historically adopted contractual arrangements between Beijing Taihe Music Technology, the WFOE, and Beijing Taihe Music Culture, in order to exercise and maintain control over the operation and consolidate the financial results of the relevant business.

In December 2025, the aforementioned contractual arrangements were terminated and Beijing Taihe Music Culture has been disposed by the Group and deconsolidated from the Historical Financial Information.

(b) Chengdu Taihe Ledong and Beijing Lava Music

Chengdu Taihe Ledong held integrated Internet Content Provider ("ICP") and Electronic Data Interchange ("EDI") and Beijing Lava Music held an ICP licence. All licences are subject to foreign investment restrictions under PRC regulations. Therefore, the Group adopted contractual arrangements between the subsidiary, Beijing Taihe Yueren, and Chengdu Taihe Ledong and Beijing Lava Music, through which the Group exercised control over, and consolidated the financial results of, Chengdu Taihe Ledong.

In December 2025, Beijing Taihe Yueren has obtained EDI license. In March 2026, Beijing Taihe Yueren has further obtained ICP license. In May 2026, Beijing Taihe Yueren acquired 100.0% direct equity interests in Chengdu Taihe Ledong and Beijing Lava Music from it's nominee shareholders, and at the same time, the contractual arrangement was terminated. Given that Chengdu Taihe Ledong and Beijing Lava Music are no longer engaged in any business activities that require such licenses, Chengdu Taihe Ledong and Beijing Lava Music have applied for the cancellation of their licenses.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investments in associates	12,087	12,087	12,087
Investments in joint ventures	20,882	5,296	6,042
	32,969	17,383	18,129

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Share of profit/(loss) of investments accounted for using equity method:			
Associates	–	–	–
Joint ventures	8,178	(218)	246
	8,178	(218)	246

Movement of investments in associates and joint ventures is analysed as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	33,768	32,969	17,383
Additions (i)	4,100	1,000	500
Share of profit/(loss) of investments accounted for using equity method:	8,178	(218)	246
Disposal (ii)	(6,798)	(16,368)	–
Impairment (ii)	(6,279)	–	–
At the end of the year	32,969	17,383	18,129

(i) Additions

In 2023, the Group entered into a cooperation agreement with an independent third party to jointly establish Xiamen Baijiao Music Culture Co., Ltd.. The Group's has subscribed 50% share of paid-in capital of RMB3.0 million to Xiamen Baijiao Music Culture Co., Ltd.. Such capital contributions of RMB0.5 million, RMB1.0 million and RMB0.5 million has been paid in year ended 31 December 2023, 2024 and 2025 respectively. As at 31 December 2025, the unpaid portion of capital contribution was RMB1.0 million.

In 2021, the Group entered into an investment agreement with an independent third party to establish certain associate ("Associate"). The Group has subscribed 30% share of paid-in capital of RMB3.6 million to the Associate. Such capital contribution of RMB3.6 million has been paid in 2023.

(ii) Disposal and impairment

In 2023, the Group has disposed its 30% share of paid-in capital in the Associate to it's majority shareholder with total consideration of RMB3.6 million.

In 2024, the Group has disposed its 50% equity interest in Beijing Youxiu Biying Culture Communication Co., Ltd.. The carry amount of the investment at the date of disposal amounted to RMB16.4 million approximate the proceeds received.

Certain investments in associates were written down to it's recoverable amounts due to the carry value exceed it's recovery amounts as at 31 December 2023, and the impairment loss recognized in the profit or loss was approximately RMB6,279,000.

Set out below are the associates and joint ventures of the Group as at 31 December 2023, 2024 and 2025. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest as at 31 December			Nature of relationship	Measurement method	Carrying amount as at 31 December		
		2023	2024	2025			2023	2024	2025
		%	%	%			*RMB'000*	*RMB'000*	*RMB'000*
Beijing Langkun Cultural Industry Development Co., Ltd. (i)	The PRC	15%	15%	15%	Associates	Equity method	12,087	12,087	12,087
Chengdu Mingtang Culture Communication Co., Ltd. (ii)	The PRC	20%	20%	20%	Joint ventures	Equity method	4,017	4,025	4,338
Beijing Youxiu Biying Culture Communication Co., Ltd.	The PRC	50%	–	–	Joint ventures	Equity method	16,368	–	–
Xiamen Baijiao Music Culture Co., Ltd.	The PRC	50%	50%	50%	Joint ventures	Equity method	497	1,271	1,704
							32,969	17,383	18,129

(i) Management determined that the Group can exercise significant influence over Beijing Langkun Cultural Industry Development Co., Ltd., as the Group has appointed a director to the board, despite holding less than 20% of shares.

(ii) Management determined that, although the Group's shareholding in the investee is below 50%, the arrangement is subject to joint control, as the investee's relevant activities require the unanimous consent of more than half of all directors and the directors appointed by the Group.

14 INCOME TAX EXPENSE

(a) Cayman Islands

The Company was incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

(b) Hong Kong Profit Tax

Subsidiaries incorporated in Hong Kong were subject to Hong Kong profits tax at a rate of 16.5% for assessable profits earned in Hong Kong before 1 April 2018. Starting from the financial year commencing on 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK Dollar ("**HKD**") 2.0 million and 16.5% for any assessable profits in excess of HKD2.0 million.

(c) Singapore Income Tax

Subsidiaries incorporated in Singapore are subject to Singapore income tax at a statutory rate of 17% on assessable profits derived from Singapore. The Group's income tax provision for its Singapore operations is calculated at the 17% statutory rate based on annual assessable profits.

(d) Malaysia Income Tax

Subsidiaries incorporated in Malaysia are subject to Malaysia income tax at a statutory rate of 24% on assessable profits derived from Malaysia. The Group's income tax provision for its Malaysia operations is calculated at the 24% statutory rate based on annual assessable profits.

(e) PRC Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the taxable income for the year, based on the existing legislation, interpretations and practices in respect thereof.

As stipulated in Cai Shui 2011 No. 112, enterprises newly established in Horgos special economic areas during the periods from 1 January 2010 to 31 December 2020 can enjoy CIT exemption for five years starting from the year in which the first revenue was generated. According to the Filing Record of Preferential CIT《新疆困難地區重點鼓勵發展企業所得稅優惠目錄》, Horgos Dayan Cultural Development Co., Ltd., a subsidiary established in Horgos special economic areas of the Group, was entitled to such CIT exemption from 1 January 2020 to 31 December 2024.

Chengdu Taihe Ledong Technology Co., Ltd., subsidiary of the Group incorporated in the PRC, is qualified as a High and New Technology Enterprise ("**HNTE**"), and is eligible for a preferential CIT rate of 15% for the Track Record Period according to the applicable CIT law. The HNTE's qualification of Chengdu Taihe Ledong Technology Co., Ltd will be subject and renewal in 2026.

Certain subsidiaries of the Group are qualified as small and low-profit enterprises, the CIT is calculated based on 25% of their respective taxable income and the applicable preferential CIT tax rate of 20%.

According to the relevant tax laws and regulations in the PRC, the group entities engaging in research and development activities are entitled to claim 200% of the qualified research and development costs as incurred during the Track Record Period as tax deductible expenses when determining their taxable income for the respective years.

(f) PRC Withholding Tax ("WHT")

According to the CIT Law, distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. During the years ended 31 December 2023, 2024 and 2025, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were cumulatively loss making.

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	6,973	15,481	31,406
Deferred income tax	14,727	17,238	17,664
Income tax expense	21,700	32,719	49,070

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax expense	55,552	88,391	169,454
Tax calculated at statutory tax rate of 25%	13,888	22,098	42,364
Tax effects of:			
Effect of different tax rates and preferential tax rates	7,376	1,196	55
Research and development tax credit	(1,246)	(970)	(806)
Income not subject to tax	(2,693)	(595)	–
Tax losses and temporary differences for which no deferred income tax asset was recognised	3,314	9,012	6,248
Expenses not deductible for tax purposes	1,061	1,978	1,209
	21,700	32,719	49,070

15 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the years ended 31 December 2023, 2024 and 2025 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the years. The vested employee share options are also included in the basic EPS denominator from their vesting dates (Note 28). As the exercise price is insignificant and no further substantive consideration will be received upon exercise, these vested options are considered to have the substance of issued shares.

The calculation of basic earnings per share is based on the following:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to owners of the Company	34,247	56,156	120,392
Weighted average number of outstanding ordinary shares	333,866	333,866	333,866
Basic earnings per share	0.10	0.17	0.36

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2023 and 2024, the convertible redeemable preference shares were excluded from the diluted weighted average number of ordinary shares calculation as their inclusion would be anti-dilutive.

For the year ended 31 December 2025, diluted earnings per share was calculated by considering the convertible redeemable preference shares that could be converted into ordinary shares at the option of the holders any time.

The calculation of diluted earnings per share is based on the following:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to owners of the Company	34,247	56,156	120,392
Adjustments for the dilution effect of convertible redeemable preference shares	-	–	14,045
Diluted profit attributable to owners of the Company	34,247	56,156	134,437
Weighted average number of outstanding ordinary shares	333,866	333,866	333,866
Adjustments for calculation of diluted earnings per share:			
Convertible redeemable preference shares	–	–	79,100
Weighted average number of shares for calculating diluted earnings per share	333,866	333,866	412,966
Diluted earnings per share	0.10	0.17	0.33

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Electronic and office equipment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023				
Cost	10,688	14,614	4,074	29,376
Accumulated depreciation	(6,069)	(14,190)	(1,277)	(21,536)
Net book amount	4,619	424	2,797	7,840
Additions	–	3	–	3
Depreciation charge	(1,724)	(238)	(1,018)	(2,980)
Disposal	–	(167)	–	(167)
Currency translation differences	45	34	–	79
	2,940	56	1,779	4,775
Closing net book value				
At 31 December 2023				
Cost	5,170	1,798	4,074	11,042
Accumulated depreciation	(2,230)	(1,742)	(2,295)	(6,267)
Net book amount	2,940	56	1,779	4,775
Additions	7,351	1,087	–	8,438
Depreciation charge	(1,314)	(49)	(1,018)	(2,381)
Disposal	(1,805)	(16)	–	(1,821)
Currency translation differences	(16)	16	–	–
	7,156	1,094	761	9,011
Closing net book value				
At 31 December 2024				
Cost	9,033	2,540	4,074	15,647
Accumulated depreciation	(1,877)	(1,446)	(3,313)	(6,636)
Net book amount	7,156	1,094	761	9,011
Additions	–	71	454	525
Depreciation charge	(1,819)	(389)	(582)	(2,790)
Disposal	–	–	(216)	(216)
Currency translation differences	30	(9)	–	21
	5,367	767	417	6,551
Closing net book value				
At 31 December 2025				
Cost	9,079	2,664	455	12,198
Accumulated depreciation	(3,712)	(1,897)	(38)	(5,647)
Net book amount	5,367	767	417	6,551

During the years ended 31 December 2023, 2024 and 2025, depreciation expenses have been mainly charged to general and administrative expenses.

Accounting policies of property, plant and equipment

(a) Depreciation methods and useful lives

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

• Leasehold improvements	Shorter of expected lives of leasehold improvements and lease term
• Electronic and office equipment	3–5 years
• Others	3–5 years

17 LEASES

(a) Amounts recognised in the consolidated balance sheets

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Buildings	16,620	22,639	17,479
Lease liabilities			
Current	(10,166)	(5,366)	(6,826)
Non-current	(5,671)	(16,672)	(11,202)
	(15,837)	(22,038)	(18,028)

(b) The following amounts are recognised in the statement of profit or loss:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets			
Buildings	12,340	13,779	5,798
Interest expense (included in finance cost) *(Note 11)*	1,206	1,118	899
Expense relating to short-term leases (included in general and administrative expenses)	445	490	648
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in general and administrative expenses)	86	39	69

The total cash outflow for leases for the years ended 31 December 2023, 2024 and 2025 were approximately RMB14,824,000, RMB14,673,000 and RMB5,805,000 respectively.

18 INTANGIBLE ASSETS

	Goodwill	Music copyrights	Music copy rights- under production	Domain name, trademark	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023						
Cost	105,039	428,641	9,598	28,118	916	572,312
Accumulated amortization	-	(187,336)	–	(21,843)	(702)	(209,881)
Net book amount	105,039	241,305	9,598	6,275	214	362,431
Additions	–	120,611	13,076	–	–	133,687
Transfer to music copyrights	–	11,528	(11,528)	–	–	–
Disposal	–	–	–	–	(153)	(153)
Amortization charge	–	(93,023)	–	(2,741)	(61)	(95,825)
Currency translation difference	–	1,188	2	12	–	1,202
	105,039	281,609	11,148	3,546	–	401,342
Closing net book value						
At 31 December 2023						
Cost	105,039	545,880	11,148	27,936	–	690,003
Accumulated amortization	-	(264,271)	–	(24,390)	–	(288,661)
Net book amount	105,039	281,609	11,148	3,546	–	401,342
Additions	–	104,656	12,966	–	–	117,622
Transfer to music copyrights	–	15,763	(15,763)	–	–	–
Disposal	–	(1,859)	–	–	–	(1,859)
Amortization charge	–	(121,003)	–	(2,751)	–	(123,754)
Currency translation difference	–	7	2	6	–	15
	105,039	279,173	8,353	801	–	393,366
Closing net book value						
At 31 December 2024						
Cost	105,039	615,124	8,353	27,973	–	756,489
Accumulated amortization	–	(335,951)	–	(27,172)	–	(363,123)
Net book amount	105,039	279,173	8,353	801	–	393,366
Additions	–	72,513	10,542	–	–	83,055
Transfer to music copyrights	–	12,863	(12,863)	–	–	–
Disposal	–	–	–	(4)	–	(4)
Amortization charge	–	(113,452)	–	(775)	–	(114,227)
Currency translation difference	–	98	(4)	(2)	–	92
	105,039	251,195	6,028	20	–	362,282
Closing net book value						
At 31 December 2025						
Cost	105,039	585,026	6,028	26,490	–	722,583
Accumulated amortization	-	(333,831)	–	(26,470)	–	(360,301)
Net book amount	105,039	251,195	6,028	20	–	362,282

During the years ended 31 December 2023, 2024 and 2025, amortization expenses have been mainly charged to cost of revenue.

Accounting policies of intangible assets

(i) Goodwill

Goodwill is measured as described in Note 39.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses (if any). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(ii) Music copyrights

The Group developed its own music copyrights and acquired music copyrights, and licensed-in music copyrights from third parties and all copyrights are stated at costs less accumulated amortization and impairment losses, if any. The Group considers the license periods of music copyrights as the best estimation for their useful lives as they primarily generate revenue from sub-licensing which is derived throughout the period which their future economic benefit are expected to be consumed by the Group. Their costs are expensed to the Group's consolidated statement of profit or loss, within "cost of revenue", based on the pattern of which their future economic benefit useful life are expected be consumed by the Group over their useful life of 2 to 15 years.

Music copyrights under production is stated at cost less any provision for impairment losses. Costs include all direct costs associated with the production of music. Provisions are made for costs which are in excess of the expected future revenues generated by these music.

Upon completion, costs of music under production are transferred to music rights of completed production, which are stated at cost less accumulated amortization and impairment losses. The cost of music rights is expensed into the profit and loss over the expected useful life.

(iii) Domain name, trademark

Separately acquired domain name and trademark are shown at historical cost. These assets acquired in a business combination are recognized at fair value at the acquisition date. Domain name and trademark have a finite useful life and are carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method to allocate the cost of these assets and over their respective useful lives of 10 years. The useful lives of these assets are the periods over which they are expected to be available for use by the Group, and the management of the Group also take into account of the period of effective registration of the domain name and trademark, contractual license period and past experience when estimating the useful lives.

(iv) Research and development

Research expenditure and development expenditure that do not meet below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs that are directly attributable to the design and testing of identifiable and unique music copyrights controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the music copyrights so that it will be available for use,
- management intends to complete the music copyrights and use or sell it,
- there is an ability to use or sell the music copyrights,
- it can be demonstrated how the music copyrights will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the music copyrights are available, and the expenditure attributable to the music copyrights during its development can be reliably measured.

Impairment tests for goodwill and music copyrights under production

Goodwill is derived from the acquisition of Ocean Butterflies Holdings Inc. (海蝶，the "**Ocean Butterflies**")'s subsidiaries in 2015 and Tianzhihen (Beijing) Culture Communication Co., Ltd. (天之痕, the "**Tianzhihen**") in 2018, the amount of which are RMB100.5 million, RMB4.5 million respectively. Following each acquisition, the Group has reorganized the relevant business operations in conjunction with its existing operations. The lowest level cash generating unit ("**CGU**") identified for the purpose of impairment testing at each period end of Track Record Period is the total Group, including music copy rights under production.

The recoverable amount of CGU is determined based on VIU calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates.

The following table sets out the key assumptions for the CGU:

	As at 31 December		
	2023	2024	2025
Revenue (% annual growth rate)	-8.37%~64.90%	-8.37%~40.22%	5.00%~33.96%
Budgeted earnings before interest and taxes margin (%)	10.24%–12.58%	11.65%–12.48%	11.65%–12.52%
Long term growth rate(%)	2.00%	2.00%	2.00%
Pre-tax discount rate (%)	18.00%	16.71%	15.47%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue (% annual growth rate)	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Budgeted earnings before interest and taxes margin (%)	Based on past performance and management's expectations for the future.
Long term growth rate(%)	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segments and the countries in which they operate.

As at 31 December 2023, 2024 and 2025, the headroom from the impairment review is more than two times the carrying amounts of the CGU. Therefore, management has not identified reasonably possible change in key assumptions that could cause carrying amounts of the above CGU exceed their respective recoverable amounts.

19 DEFERRED INCOME TAX ASSETS AND LIABILITIES

(a) The analysis of deferred income tax assets and deferred income tax liabilities (prior to any offset pursuant to net-off provisions) is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred income tax assets:			
– Deferred income tax assets to be recovered after more than 12 months	18,605	5,843	1,341
– Deferred income tax assets to be recovered within 12 months	24,831	19,636	4,506
Offset by deferred income tax liabilities	(7,172)	(6,453)	(4,485)
	36,264	19,026	1,362
Deferred income tax liabilities:			
– Deferred income tax liabilities to be settled after more than 12 months	(1,850)	(4,486)	(3,118)
– Deferred income tax liabilities to be settled within 12 months	(5,322)	(1,967)	(1,367)
Offset by deferred income tax assets	7,172	6,453	4,485
	–	–	–

(b) The gross movements in deferred income tax assets and deferred income tax liabilities during the years are as follows:

	Deferred income tax assets-tax losses	Deferred income tax assets-lease liability	Deferred income tax assets-impairment losses	Deferred income tax liabilities-right-of-use assets	Deferred income tax liabilities-business combination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	51,279	7,031	5,425	(6,804)	(5,940)	50,991
(Charged)/credited to profit or loss	(15,662)	(3,655)	(982)	3,223	2,349	(14,727)
As at 31 December 2023	35,617	3,376	4,443	(3,581)	(3,591)	36,264
As at 1 January 2024	35,617	3,376	4,443	(3,581)	(3,591)	36,264
(Charged)/credited to profit or loss	(19,794)	1,692	145	(1,632)	2,351	(17,238)
As at 31 December 2024	15,823	5,068	4,588	(5,213)	(1,240)	19,026
As at 1 January 2025	15,823	5,068	4,588	(5,213)	(1,240)	19,026
(Charged)/credited to profit or loss	(14,331)	(956)	(4,345)	1,162	806	(17,664)
As at 31 December 2025	1,492	4,112	243	(4,051)	(434)	1,362

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately RMB60.0 million, RMB69.3 million and RMB49.2 million in respect of tax losses amounting to RMB251.8 million, RMB293.6 million, and RMB215.9 million as at 31 December 2023, 2024 and 2025, respectively, in certain subsidiaries as the future profit streams of these subsidiaries are uncertain. The expiry dates of the unused tax losses as of the respective balance sheet dates are listed as below.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Year ended 31 December 2024	22,247	–	–
Year ended 31 December 2025	14,652	14,377	–
Year ending 31 December 2026	15,508	14,529	932
Year ending 31 December 2027	96,715	94,953	80,966
Year ending 31 December 2028	80,132	80,120	31,531
Year ending 31 December 2029	–	56,081	25,264
Year ending 31 December 2030	–	–	34,196
Year ending 31 December 2031 and thereafter	22,522	33,575	43,043
	251,776	293,635	215,932

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI comprise unlisted equity investments which are not held for trading and for which the Group has irrevocably elected at initial recognition to present changes in fair value in other comprehensive income ("**OCI**"). These are strategic investments and the Group considers this classification to be more relevant.

The movement of financial assets at FVOCI refers to Note 3.3(a)(iii).

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at FVTPL

The Group classifies debt instruments that do not qualify for measurement at either amortised cost or FVOCI at FVTPL.

(b) Financial assets mandatorily measured at FVTPL include the following:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Cash management products	179,601	165,825	615,570
Non-current assets			
Unlisted shares with preferential rights	9,712	9,487	10,778

(c) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fair value gains on cash management products at FVTPL recognised in other gains *(Note 8)*	3,010	10,117	13,768
Fair value gains/(losses) on unlisted shares with preferential rights at FVTPL recognised in other gains *(Note 8)*	722	(225)	1,291

(d) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is provided in Note 3.1. For information about the methods and assumptions used in determining fair value see Note 3.3.

22 TRADE RECEIVABLES

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers			
– Third parties	239,168	475,722	104,759
Less: allowance for impairment	(571)	(1,064)	(713)
	238,597	474,658	104,046

(a) The credit terms given to trade customers are determined on an individual basis, with the normal credit period typically ranging from nil to 30 days. At 31 December 2023, 2024 and 2025, the ageing analysis of the trade receivables based on the date of recognition are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
– Up to 1 year	132,622	377,251	91,632
– 1 to 2 years	80,701	94,854	6,973
– Over 2 years	25,845	3,617	6,154
	239,168	475,722	104,759
Less: allowance for impairment	(571)	(1,064)	(713)
	238,597	474,658	104,046

(b) Fair values of trade receivables

Due to the short-term nature of the current trade receivables, their carrying amounts are considered to be a reasonable approximation of their fair values.

(c) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

On the basis as described in Note 3.1(b), the loss allowance for trade receivables as at 31 December 2023, 2024 and 2025 is determined as follows:

For trade receivables that do not share same risk characteristics with others (i):

	As at 31 December								
	2023			**2024**			**2025**		
	Expected loss rate	**Gross carrying amount**	**Loss allowance provision**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance provision**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance provision**
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Trade receivables *(i)*	0.03%	196,461	62	0.05%	404,402	183	0.04%	58,951	26

(i) For trade receivables that do not share same risk characteristics with others, management calculated the expected credit losses using the external credit ratings model (where available).These customers shared external credit ratings characteristics and lack of historical loss rates to draw on, the management calculated their respective historical credit losses rate based on non-performing loan ratio data published by independent institutions.

For trade receivables that apply aggregated provisions:

	As at 31 December								
	2023			**2024**			**2025**		
	Expected loss rate	**Gross carrying amount**	**Loss allowance provision**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance provision**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance provision**
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Trade receivables	1.19%	42,707	509	1.24%	71,320	881	1.50%	45,808	687

Accounting policies of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

23 PREPAYMENTS AND OTHER CURRENT ASSETS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other receivables			
Amounts advanced on live entertainment business	7,177	55,585	59,508
Amounts due from third parties	6,868	7,983	8,006
Rental and other deposits	4,964	3,584	3,762
Amounts due from disposed subsidiaries	–	–	7,120
Others	2,689	3,365	2,485
	21,698	70,517	80,881
Less: allowance for impairment of other receivables (i)	(10,749)	(50,316)	(62,976)
	10,949	20,201	17,905
Prepayments			
Prepayments for artist management and live entertainment business	47,590	24,747	153,277
Prepayments for music catalogue operation	1,816	1,449	913
Prepayments for **[REDACTED]**	–	–	**[REDACTED]**
Others	2,619	2,013	2,439
	52,025	28,209	157,637
Deductible VAT input	23,681	27,805	4,820
Total prepayments and other current assets	86,655	76,215	180,362

(i) The impairment provision primarily relates to prepayments for execution costs and site fees in respect of live entertainment events, which need to be refunded due to termination of relevant events, venue deposits for live entertainment events and amounts due from third parties.

(ii) The non-current portion of prepayments of RMB16.0 million, RMB2.2 million and RMB2.4 million are advance payments for purchase of music copyrights as at 31 December 2023, 2024 and 2025, respectively.

24 CASH AND BANK BALANCES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	702,082	737,652	579,010
Cash held in other financial institutions	60,786	42,727	14,153
	762,868	780,379	593,163
Less:			
Term deposits with initial terms over three months	(215,828)	(1,215)	(2,660)
Restricted cash	–	(500)	–
Cash and cash equivalents	547,040	778,664	590,503

The weighted average effective interest rate of the term deposits of the Group for the years ended 31 December 2023, 2024 and 2025 are 5.0%, 3.9% and 1.8%, per annum, respectively.

Cash at bank and cash in other financial institutions of the Group are denominated in the following currencies:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	419,475	449,111	369,137
USD	321,443	298,965	166,086
Others	21,950	32,303	57,940
Total	762,868	780,379	593,163

Others are mainly denominated in HKD, Singapore Dollar and Euro, etc.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	304,296	291,857	147,628
Less: term deposits with initial terms over three and less than six months	(215,828)	–	–
Cash and cash equivalents	88,468	291,857	147,628

Cash at bank of the Company are denominated in the following currencies:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
USD	303,983	291,654	147,490
Others	313	203	138
Total	304,296	291,857	147,628

25 SHARE CAPITAL

The Company and the Group	**Number of ordinary shares**	**Nominal value of ordinary shares**
		USD
Authorised:		
Ordinary shares of US$0.0001 each		
At 1 January 2023, 31 December 2023, 2024 and 2025	420,900,063	42,090

		Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of share capital
			USD'000	*RMB'000*
Issued:				
At 1 January 2023		321,026,398	32	205
Issuance of ordinary shares	26 (ii)	42,640,675	4	28
Repurchase of ordinary shares	26 (ii)	(42,640,675)	(4)	(28)
At 31 December 2023		321,026,398	32	205
At 31 December 2024		321,026,398	32	205
At 31 December 2025		321,026,398	32	205

26 TREASURY SHARES AND OTHER RESERVES

The Group

		Other reserves					
	Treasury shares	Share premium	Financial assets at FVOCI reserve	Currency translation differences reserves	Share-based payments reserves	Others	Total other reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	(2,457)	493,100	(478)	(5,562)	347,746	2,457	837,263
Fair value changes on financial assets at FVOCI	–	–	(1,992)	–	–	–	(1,992)
Currency translation differences	–	–	–	(7,137)	–	–	(7,137)
Issuance of shares (ii)	–	507,002	–	–	–	–	507,002
Repurchase of shares (ii)	-	(509,679)	–	–	–	–	(509,679)
At 31 December 2023	(2,457)	490,423	(2,470)	(12,699)	347,746	2,457	825,457
At 1 January 2024	(2,457)	490,423	(2,470)	(12,699)	347,746	2,457	825,457
Fair value changes on financial assets at FVOCI	–	–	339	–	–	–	339
Currency translation differences	–	–	–	(15,717)	–	–	(15,717)
Transaction with other non-controlling interests (i)	-	–	–	–	–	(45,267)	(45,267)
At 31 December 2024	(2,457)	490,423	(2,131)	(28,416)	347,746	(42,810)	764,812
At 1 January 2025	(2,457)	490,423	(2,131)	(28,416)	347,746	(42,810)	764,812
Fair value changes on financial assets at FVOCI	–	–	69	–	–	–	69
Currency translation differences	-	–	–	26,122	–	–	26,122
At 31 December 2025	(2,457)	490,423	(2,062)	(2,294)	347,746	(42,810)	791,003

(i) During the year ended 31 December 2024, the Group acquired 40% non-controlling interests of a subsidiary for nil consideration, which resulted in an increase on the Group's holding interest from 60% to 100%. The difference of approximately RMB45.3 million between the net liabilities value corresponding to the 40% non-controlling interests and the consideration is recorded as a credit to non-controlling interests and a debit to other reserves.

(ii) In 2023, Dahlia Investments Pte. Ltd. subscribed for 42,640,675 ordinary shares of the Company at a consideration of USD75.0 million, which resulted in an increase to the share premium by approximately RMB507,002,000, the par value of USD4,000 (equivalent RMB28,000) were recorded in share capital. Subsequently, the Group repurchased 42,640,675 ordinary shares held by Hold Virtue International Investment Hong Kong Limited at a consideration of USD75.0 million, which resulted in an decrease to the share premium by approximately RMB509,679,000, the par value of USD4,000 (equivalent RMB28,000) were debit to share capital.

The Company

		Other reserves				
	Treasury shares *(Note 28)*	**Share premium**	**Currency translation differences reserves**	**Share-based payments reserves**	**Others**	**Total other reserves**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	(2,457)	600,810	12,185	347,746	2,457	963,198
Currency translation differences	–	–	4,747	–	–	4,747
Issuance of shares	–	507,002	–	–	–	507,002
Repurchase of shares	-	(509,679)	–	–	–	(509,679)
At 31 December 2023	(2,457)	598,133	16,932	347,746	2,457	965,268
At 1 January 2024	(2,457)	598,133	16,932	347,746	2,457	965,268
Currency translation differences	-	–	2,087	–	–	2,087
At 31 December 2024	(2,457)	598,133	19,019	347,746	2,457	967,355
At 1 January 2025	(2,457)	598,133	19,019	347,746	2,457	967,355
Currency translation differences	-	–	(1,916)	–	–	(1,916)
At 31 December 2025	(2,457)	598,133	17,103	347,746	2,457	965,439

27 CONVERTIBLE REDEEMABLE PREFERRED SHARES

Convertible redeemable preferred shares issued by the Company are redeemable upon occurrence of certain future events. These instruments can be converted into ordinary shares of the Company at any time after the issue at the discretion of the holders of the preferred shares and shall automatically converted into ordinary shares of the Company immediately before the closing of a Qualified **[REDACTED]** of the Company.

The Group designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Subsequent to initial recognition, the convertible redeemable preferred shares are carried at fair value with changes in fair value recognised in profit or loss. If the Company's own credit risk results in fair value changes in the financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income.

Since the date of incorporation of the Company to 31 December 2025, the Company has completed two rounds of preferred shares financing which are summarized as below:

	Date of issuance	Issue price	Number of shares	Total consideration
Series A preferred shares	26 September 2017	RMB16.38 per share	28,074,552	RMB460,000,000
Series A preferred shares	29 November 2019	RMB16.38 per share	24,412,654	RMB400,000,000
Series B preferred shares	5 January 2023	USD2.8182 per share	26,612,731	USD75,000,000

The movement of the convertible redeemable preferred shares during Track Record Period refers to Note 3.3(a)(iii).

The key terms of convertible redeemable preference shares are summarized as follows:

Redemption right

Series A and Series B investors have rights to require the Company to redeem their investments at any time after the earliest of:

(i) the Company fail to complete a Qualified **[REDACTED]** or a Drag-Along Transaction within forty-eight (48) months after the date of the Closing (as defined in the Shareholders Agreement);

(ii) the occurrence of a material breach by any Group Company or any of the Founders and the Founder Holdcos of any of their respective representations, warranties, covenants or undertakings under the Transaction Documents which leads to a material adverse effect on the Group Companies or any Investor's interest;

(iii) the structure of the Affiliate of investor directly or indirectly holding shares or other Equity Securities in the applicable Group Company leads to a material adverse effect on the Group Companies, or in the written opinion issued by a qualified underwriter or law firm, constitutes a material obstacle to the Qualified **[REDACTED]** of the Group Companies and such material adverse effect or material adverse obstacle is not eliminated within ninety (90) days or any longer period agreed by all Investors after receipt of any Investor's notice (the forgoing (i), (ii), and (iii) are collectively referred to as the "**Redemption Events**" and each a "**Redemption Event**")

[Pursuant to the confirmation on suspension and waiver of redemption rights executed by the Series A and Series B investors on 11 June 2026, the Series A and Series B investors unconditionally and irrevocably waived any and all rights to exercise the abovementioned redemption rights, and the redemption rights and relevant provisions shall be suspended and shall not be exercisable immediately before the first filing of a **[REDACTED]** (the "**[REDACTED]**") by the Company to the Stock Exchange for a Qualified **[REDACTED]**. The waiver and suspension of the redemption rights shall expire and the relevant provisions shall be reinstated in their entirety upon the earliest to occur of the following:

(i) the date on which the **[REDACTED]** is rejected or returned by the Stock Exchange; and

(ii) the failure of the Company to consummate a Qualified **[REDACTED]** within eighteen (18) months after the submission of the **[REDACTED]**.]

Qualified **[REDACTED]** means a firm-commitment underwritten **[REDACTED]** of the Ordinary Shares of the Company (or securities representing such Ordinary Shares) and **[REDACTED]** of the Ordinary Shares (or securities representing them) on any of the New York Stock Exchange, the Nasdaq Global Market or the Main Board of the Stock Exchange of Hong Kong Limited, with an **[REDACTED]** that reflects an equity valuation of the Company.

Liquidation preferences rights

Upon any liquidation, dissolution or winding up or a Deemed Liquidation Event of the Company and/or any Group Company, either voluntary or involuntary (each a "**Liquidation Event**"), distributions to the Members of the Company shall be made in the following manner:

(a) the distributable liquidation property can be distributed according to the equity proportion at that time, and in the priority order of Series B, Series A, ordinary shares;

(b) The investor shall be entitled to receive an amount equal to the higher of (i) the sum of 100%of the applicable Deemed Investor's Original Issue Price plus the interest at a simple rate of 10% of such applicable Deemed Investor's Original Issue Price per annum, and plus all declared but unpaid dividends; (ii) the pro rata portion of the distributable assets and cash in proportion to the shareholding percentage of such investor in the Company calculated on a fully diluted and as-converted basis.

(c) If the distributable liquidation property the Company to the investors are insufficient to permit the payment for the full preference amount, then the distributable liquidation property of the Company shall be distributed rateably among the Series investors in proportion.

Conversion Rights

Each holder of Preferred Shares shall have the right, at such holder's sole discretion, to convert all or any portion of the Preferred Shares into Ordinary Shares at any time after the date of issue of such Preferred Shares without the payment of any consideration. The number of Ordinary Shares to which a holder shall be entitled upon conversion of each Preferred Share it holds shall be the quotient of the applicable Deemed Investor's Original Issue Price divided by the conversion price then in effect at the date of the conversion. The initial conversion price will be the applicable Deemed Investor's Original Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events. Nothing in this Section shall limit the automatic conversion rights of Preferred Shares described below.
Each Preferred Share shall automatically be converted into Ordinary Shares, at the then applicable Conversion Price (i) immediately before the closing of a Qualified **[REDACTED]**, or (ii) the date specified in the written consent or agreement of the holders of at least two-thirds (2/3) of each series or class of Preferred Shares.
Anti-dilution rights

In the event that the Company shall at any time after the Series A Issue Date or the Series B Issue Date, as applicable, issue New Securities for a consideration per Ordinary Share received by the Company (net of any selling concessions, discounts or commissions) that is less than the applicable Conversion Price with respect to any Preferred Share in effect on the date of and immediately prior to such issue (the "**Anti-Dilution Triggering Event**"), then the applicable Conversion Price with respect to such Preferred Share shall be reduced, concurrently with such issue, to a price determined by a specific formula.

On 11 June 2026, the Company entered into a repurchase agreement with Taironghaoyuan Limited and repurchased the 12,206,327 Series A Preferred Shares from Taironghaoyuan Limited at a total consideration of RMB200.0 million, which was determined based on arms-length negotiation between the parties. Then all of the repurchased Series A Preferred Shares had been canceled.

28 SHARE-BASED COMPENSATION

Share Incentive Plan

On 28 March 2023, the Company's Board of Directors has resolved a resolution to adopt a share incentive plan (the "**Share Incentive Plan**") for the purpose of incentivising and awarding eligible participants, including employee and director of the Company or the Group's subsidiaries, directors of any invested entities of the Group and consultants or advisors ("**Eligible Participants**"). Pursuant to the Share Incentive Plan, the Company may grant options up to 67,863,137 ordinary shares.

On 25 January 2016, a total of 15,568,825 ordinary shares were issued to Jovial Team Limited ("**Jovial**"), an special purpose vehicle of share incentive plan. On August 21, 2023, Ark Trust (Hong Kong) Limited was designated as our new employee shareholding platform and held these 15,568,825 Ordinary Shares originally held by Jovial in its capacity as trustee. These ordinary shares currently held by ARK Trust (Hongkong) Limited were accounted for as treasury shares.

In 2022, the Group granted 28,408,825 share options to certain employees of the Group, all of which were vested immediately upon grant. The exercise price was US$0.0001 per ordinary share. This grant has been ratified retrospectively under the aforesaid Share Incentive Plan and is treated as an award governed by the such plan.

In May and June 2026, the Group has granted 26,332,061 share options to Eligible Participants pursuant to the Share Incentive Plan, at an exercise price of US$0.0001 per share. Such options were split into two tranches with distinct vesting conditions: (i) 22,260,000 share options were subject to graded vesting over four years in four equal annual instalments. Vesting is conditional on the satisfaction of relevant annual group-wide, business division or individual performance KPIs, continuous employment of the grantees, and compliance with other terms set out in the respective award agreements; (ii) 4,072,061 share options shall vest in full on the business day immediately following the completion date of the Company's qualified **[REDACTED]**, provided that the Company's qualified **[REDACTED]** is completed, grantees remain in continuous service, and all other conditions stipulated in the relevant award agreements are fulfilled.

No share options were granted by the Group under the Share Incentive Plan throughout the Track Record Period.

	Average exercise price per share option	Number of options		
		2023	2024	2025
As at 1 January	USD$0.0001	28,408,825	28,408,825	28,408,825
Granted during the year		–	–	–
Exercised during the year		–	–	–
Forfeited during the year		–	–	–
As at 31 December	USD$0.0001	28,408,825	28,408,825	28,408,825
Vested and exercisable at 31 December	USD$0.0001	28,408,825	28,408,825	28,408,825

29 BORROWINGS

As of 31 December 2023, 2024 and 2025, the balance of the Group's bank borrowing were RMB119.9 million, RMB129.7 million and nil. All such bank borrowings are short-term borrowings with maturities within one year. The weighted-average effective interest rates of the Group's bank borrowings were 3.89%, 3.73% and 3.56% per annum, respectively. All the borrowings were guaranteed by the Group's subsidiaries under a maximum amount guarantee.

30 TRADE PAYABLES

At 31 December 2023, 2024 and 2025, the ageing analysis of the trade payables based on the date of recognition are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Up to 1 year	201,181	218,279	229,914
– 1 to 2 years	17,061	5,346	14,718
– Over 2 years	34,780	17,705	13,678
Total	253,022	241,330	258,310

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

31 OTHER PAYABLES AND ACCRUALS

	As at 31 December		
	2023	2024	2025
The Group	*RMB'000*	*RMB'000*	*RMB'000*
Accrual for payroll, employee benefit and other expenses	19,089	24,924	28,707
Other tax payables	13,478	32,737	15,197
Other payables:			
– Payables in respect of ticketing service (i)	73,382	93,940	89,216
– Payables for operating service fees	17,098	28,173	38,248
– Payables for acquisition of music contents	16,998	17,252	16,879
– Payables to third parties	11,107	12,309	4,993
– Payables for **[REDACTED]**	–	–	**[REDACTED]**
Others	7,615	4,826	3,379
Total	158,767	214,161	207,529

(i) Payables in respect of ticketing service represent ticket proceeds held in connection with the ticketing system and sales services provided by the Group's ShowStart platform.

32 CASH FLOW INFORMATION

(a) Cash generated from/(used in) operations

Reconciliation of gain for the year to cash used in operations:

	Note	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Profit before income tax:		55,552	88,391	169,454
Adjustments for:				
Depreciation and amortization		111,145	139,914	122,815
Share of net profit/(losses) of investments accounted for using the equity method	13	(8,178)	218	(246)
Gains/(losses) on lease modifications	8	(1,705)	1,427	–
Gains/(losses) on disposals of investments accounted for using the equity method	8	3,030	–	–
Gain on disposal of subsidiaries		–	–	(318)
Gains on dividends received from the financial assets		–	–	(503)
Finance costs – net	11	(14,819)	(6,427)	(4,991)
Net impairment losses on financial assets recognised in profit or loss	3.1(b)	17,279	40,060	12,725
Net impairment losses on non financial assets recognised in profit or loss	13	6,279	–	–
Fair value changes on financial assets at fair value through profit or loss	8	(3,732)	(9,892)	(15,059)
Fair value changes of convertible redeemable preferred shares	3.3(a)(iii)	54,957	35,369	14,045
Gains /(losses) on concerts investments funds from investors	8	–	(2,767)	444
Losses on concerts investments		1,845	1,708	834
Net foreign exchange losses	8	1,900	1,734	341
Change in working capital:				
Trade receivables		(62,231)	(236,554)	359,429
Restricted cash		–	(500)	500
Prepayments and other current assets		(8,778)	(32,247)	(118,502)
Inventories		1,422	(948)	602
Trade payables		(23,018)	(24,649)	35,745
Contract liability		6,594	6,133	(25,137)
Other payables and accruals		30,401	58,093	10,124
Other current liabilities		12,019	12,090	(24,397)
Cash generated from operations		179,962	71,153	537,905

(b) Non-cash investing and financing activities

The major non-cash investing and financing activities during the Track Record Period mainly include the right-of-use assets obtained in exchange for the lease liabilities as described in Note 17(b).

(c) Reconciliation of changes in liabilities from financing activities

The reconciliation of changes in liabilities from financing activities are mainly related to borrowings, lease liabilities and convertible redeemable preferred shares which have been disclosed in the consolidated statements of cash flows, Note 29, Note 17 and Note 27, respectively.

33 COMMITMENTS

(a) Capital commitments

The Group has no significant capital expenditure contracted for at the end of 31 December 2023, 2024 and 2025 but not recognised as liabilities.

(b) Lease commitments

The Group has no significant lease payments due under short-term leases for office rental (which are exempted from recognizing the related right-of-use assets and lease liabilities).

(c) Investment commitments

Significant investment expenditure contracted for at the end of 31 December 2023, 2024 and 2025 not recognised as liabilities is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment account for using equity method	2,500	1,500	1,000

34 RELATED PARTY TRANSACTIONS

Save as those disclosed in the other notes, the following significant transactions were carried out between the Group and its related parties during the year. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

(a) Names and relationships with related parties

Name of related parties	Relationship with the Company
Baidu, Inc. ("**Baidu**") and its subsidiaries	Shareholder with significant influence, and its subsidiaries:
Guangzhou Wubile Network Technology Co., Ltd.	Joint ventures
Land of Music (Beijing) Culture Media Co., Ltd.	Joint ventures
Beijing Youxiu Biying Culture Communication Co., Ltd.	Joint ventures
Changsha Vox Culture Communication Co., Ltd.	Joint ventures
Chengdu Mingtang Culture Communication Co., Ltd.	Joint ventures
Certain entity established in Chengdu	Associate
Chengdu Sailisimu Culture Media Co., Ltd.	Company controlled by executive director of certain subsidiaries of the Group
Shenzhen Taile Culture Technology Co., Ltd.	Company controlled by executive director of certain subsidiaries of the Group
Others	Companies under significant influence of key management personnel

(b) Significant transactions with related parties

Transactions with Baidu and its subsidiaries

Revenue from Baidu and its subsidiaries amounted to RMB1.4 million for the year ended 31 December 2023.

Services received from Baidu and its subsidiaries amounted to RMB5.3 million for the year ended 31 December 2025.

Transactions with joint ventures

Services received from joint ventures amounted to RMB2.1 million for the year ended 31 December 2023.

Services received from joint ventures amounted to RMB3.3 million for the year ended 31 December 2024.

Transactions with Associate

Revenue from Associate amounted to RMB1.9 million for the year ended 31 December 2023.

Transactions with companies controlled by executive director of certain subsidiaries of the Group

Services received from Chengdu Sailisimu Culture Media Co., Ltd. amounted to RMB3.3 million and RMB1.6 million for the years ended 31 December 2024 and 2025, respectively.

Services received from Shenzhen Taile Culture Technology Co., Ltd. amounted to RMB3.5 million, RMB1.7 million and RMB2.3 million for the years ended 31 December 2023, 2024 and 2025, respectively.

Save for the transactions disclosed above, the Group had no other material related party transactions during the Track Record Period.

(c) Year ended balances with related parties

Balances with companies controlled by executive director of certain subsidiaries of the Group

Other payables and accruals due to Chengdu Sailisimu Culture Media Co., Ltd. which are trade operating service fees amounted to RMB3.3 million and RMB0.5 million as at 31 December 2024 and 2025, respectively.

Other payables and accruals due to Shenzhen Taile Culture Technology Co., Ltd. which are trade operating service fees amounted to RMB5.5 million, RMB2.2 million and RMB1.2 million as at 31 December 2023, 2024 and 2025, respectively.

Save for the balances disclosed above, the Group has no significant outstanding balances with related parties as at 31 December 2023, 2024 and 2025.

(d) Key management personnel compensation

Key management includes executive directors and senior officers. The compensations paid or payable to key management for employee services are shown below:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	8,039	14,472	14,865
Social insurance and housing fund	458	599	660
	8,497	15,071	15,525

35 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director for the years ended 31 December 2023, 2024 and 2025 were set out below:

For the year ended 31 December 2023

	Note	**Wages, salaries and bonuses**	**Social insurance and housing fund**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
Executive directors				
Mr. QIAN Shimu	(i)	4,133	153	4,286
Non-executive directors				
Mr. CHEN Rui	(ii)	–	–	–
Mr. Huang Eugene Chehchun	(iii)	–	–	–
Ms. CHU Gaosi	(iv)	–	–	–
Ms. LV Wenying	(v)	-	–	–
		4,133	153	4,286

For the year ended 31 December 2024

	Note	**Wages, salaries and bonuses**	**Social insurance and housing fund**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
Executive directors				
Mr. QIAN Shimu	(i)	4,762	161	4,923
Non-executive directors				
Mr. CHEN Rui	(ii)	–	–	–
Mr. Huang Eugene Chehchun	(iii)	–	–	–
Ms. CHU Gaosi	(iv)	–	–	–
Ms. LV Wenying	(v)	-	–	–
		4,762	161	4,923

For the year ended 31 December 2025

	Note	**Wages, salaries and bonuses**	**Social insurance and housing fund**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
Executive directors				
Mr. QIAN Shimu	(i)	4,711	165	4,876
Non-executive directors				
Mr. CHEN Rui	(ii)	–	–	–
Mr. Huang Eugene Chehchun	(iii)	–	–	–
Ms. CHU Gaosi	(iv)	–	–	–
Ms. LV Wenying	(v)	-	–	–
		4,711	165	4,876

(i) Mr. QIAN Shimu was appointed as an executive director on 10 August 2015.

(ii) Mr. CHEN Rui was appointed as a non-executive director on 26 September 2017.

(iii) Mr. Huang Eugene Chehchun was appointed as a non-executive director on 5 January 2023.

(iv) Ms. CHU Gaosi was appointed as a non-executive director on 29 December 2023.

(v) Ms. LV Wenying was appointed as a non-executive director on 23 May 2023.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended 31 December 2023, 2024 and 2025.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services for the years ended 31 December 2023, 2024 and 2025.

(d) Information about loans, quasi-loans or other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors for the years ended 31 December 2023, 2024 and 2025.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time for the years ended 31 December 2023, 2024 and 2025.

36 CONTINGENCIES

The Group did not have any material contingent liabilities as of 31 December 2023, 2024 and 2025.

37 DIVIDEND

No dividend has been paid or declared by the Company or the companies now comprising the Group during the years ended 31 December 2023, 2024 and 2025.

38 SUBSEQUENT EVENTS

Save as disclosed in Notes 27 and 28, no subsequent events to 31 December 2025 and up to the date of this report.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

39.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 39.2).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statements of changes in equity and balance sheets respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally but not necessarily accompanying voting rights between 20% and 50% holds by the Group. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) Joint ventures

Interests in joint ventures are accounted for using the equity method(see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 39.6.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRS Accounting Standards..

If the ownership interest in or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

39.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

39.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Historical Financial Information of the investee's net assets including goodwill.

39.4 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief executive officer ("**CEO**").

The shareholders of the Company have appointed a board of director who assesses the financial performance and position of the Group and makes strategic decisions. The CEO, who is responsible for allocating resources, assessing performance of the operating segment, and has been identified as the CEO and the chief financial officer.

Management has determined the operating segment based on the reports reviewed by CEO. The Group is principally engaged in: i) music catalogue operation, ii) artist management and live entertainment business and iii) ticketing and other services. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CEO of the Company regards that there is only one segment which is used to make strategic decisions.

39.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the Functional Currency"). The Functional Currency of the Company is the USD. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currencies. As the major operations of the Group are within the PRC, the Group has determined RMB as its presentation currency and presented its Historical Financial Information in RMB, unless otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other gains/(losses)-net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVOCI are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

39.6 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

39.7 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVOCI or FVTPL, and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses)-net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses)-net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss and presented within other gains/(losses)-net in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables, see Note 22 for further details.

39.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

39.9 Share capital

Ordinary shares are classified as equity (Note 26).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

39.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

39.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

39.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

39.13 Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefits in the cost of an asset.

Short-term employee benefits obligations are recognised for benefits accruing to employees (such as wages, salaries and annual leave) after deducting any amount already paid.

(ii) Pension obligations

The Group has only defined contribution plan in which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(iii) Medical and other benefits

The Group makes monthly contributions for medical and other benefits to the local authorities in accordance with relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

(iv) Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

39.14 Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

39.15 Leases

The Group leases buildings as lessee. Rental contracts are typically made for fixed periods of 2 to 5 years.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security,
- if a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

39.16 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Historical Financial Information in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

39.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property and equipment, and other non-current assets are included in the current liabilities and are credited to consolidated statements of comprehensive income on a straight-line basis over the expected lives of the related assets.

39.18 Interest income

Interest income from financial assets at FVTPL is included in the net fair value (losses) / gains on these assets, see Note 8 below.

Interest income is presented as finance income-net where it is earned from financial assets that are held for cash management purposes, see Note 11 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

III. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.