乐华娱乐集团

YH Entertainment Group
Interim Report

股份代號Stock Code:2306

INTERIM REPORT 2026

YH Entertainment Group · 樂華娛樂集團中期報告

乐华娱乐
YUE HUA
ENTERTAINMENT

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. DU Hua *(Chairlady and Chief Executive Officer)*
Mr. SUN Yiding
Mr. SUN Le

Non-executive Director

Mr. MENG Jun

Independent Non-executive Directors

Mr. FAN Hui
Mr. LU Tao
Mr. HUANG Jiuling

AUDIT COMMITTEE

Mr. FAN Hui *(Chairman)*
Mr. LU Tao
Mr. HUANG Jiuling

REMUNERATION COMMITTEE

Mr. LU Tao *(Chairman)*
Mr. SUN Yiding
Mr. HUANG Jiuling

NOMINATION COMMITTEE

Ms. DU Hua *(Chairlady)*
Mr. LU Tao
Mr. FAN Hui

JOINT COMPANY SECRETARIES

Mr. ZHANG Wensheng
Mr. AU Kai Yin

AUTHORIZED REPRESENTATIVES

Mr. SUN Yiding
Mr. AU Kai Yin

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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CORPORATE INFORMATION (continued)

HONG KONG SHARE REGISTRAR

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AUDITOR

SHINEWING (HK) CPA Limited
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HONG KONG LEGAL ADVISOR

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STOCK CODE

2306

COMPANY'S WEBSITE

www.yuehuamusic.com

LISTING DATE

January 19, 2023

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		Period-over-Period change
	2026	2025	
	(RMB in thousands, except for percentages)		*(Percentage except for percentage point)*
	(Unaudited)	(Unaudited)	
Revenue	**511,871**	414,217	23.6%
Gross profit	**121,369**	109,415	10.9%
Gross profit margin	**23.7%**	26.4%	(10.2%)
Operating profit	**58,915**	65,899	(10.6%)
Profit before income tax	**65,835**	75,231	(12.5%)
Profit for the period	**46,975**	61,078	(23.1%)
Non-IFRS Accounting Standards measures:			
Adjusted net profit for the period	**62,860**	60,922	3.2%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

Based on our full-fledged professional artist management system, we have been continuingly exploring diversified career path and training scheme for our managed artists and trainees. As of June 30, 2026, we had 63 managed artists and 49 trainees enrolled in our trainee program. Leveraging their positive public images and popularity, our managed artists have played important roles in various popular productions, such as the movies "Now I Met Her (我的媽耶)" and "Vanishing Point (消失的人)," drama series "A Lover in the Mortal World (人間驚鴻客)," "You Have My Heart (心間錯)" and "Lady Liberty (愛情沒有神話)," and the variety programs "Detective Academy Season 9 (名偵探學院第九季)," "Workplace Newcomers Finance Season (初入職場•金融季)," "My Little One 2026 (我家那小子2026)," "Hello Saturday (你好星期六)," "Keep Running (奔跑吧)," "National Treasure – Cultural Journey (國家寶藏•週遊記)," "Oh! It's You – Youth Season (源來是你•青春季)," "One Stroke of Artistry (藝筆封神)," "The Treasured Voice (天賜的聲音)" and "Singer 2026 (歌手2026)." We also continued to support our managed artists in pursuing diversified career opportunities and broadening their exposure across various sectors. For instance, during the Reporting Period, Mr. Wang Yibo (王一博), one of our managed artists, further expanded his presence within the international fashion industry through participation in various fashion shows and brand events, and competed as a racing driver in the China GT Championship, helping to promote motorsports and raise public awareness of racing events among younger audiences.

During the Reporting Period, several of our managed artists or managed artist groups successfully held their concerts, including Mr. Tang Jiuzhou (唐九洲)'s JOJOLAND tour concerts in Guangzhou, Mr. Wang Xi (王晰)'s tour concerts "Hui (回)" and "I (吾)", Ms. Wang Yiren (王怡人)'s concert "Sealed with Award (怡言為定)" in Beijing, Hangzhou, Shenzhen and Chengdu, Mr. Huang Minghao (黃明昊)'s "Justin's Imaginary World (賈想世界)" concert, and Mr. Li Wenhan (李汶翰)'s album signing concert in Guangzhou for the newly released digital album "Litopia (理想國)."

We are also dedicated to the development of our music IP production and operation business. During the Reporting Period, we successfully released 11 digital singles and 4 digital albums covering a diverse range of genres, which enjoyed widespread popularity.

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

Within the IP commercialization business, artist-related merchandise and artist concerts continued to deliver stable contributions during the Reporting Period. Artist concerts generated revenue primarily through ticket sales and, in addition to their direct financial contribution, serve as one of Yuehua's key branded activities, enhancing artist visibility, strengthening audience engagement and loyalty, and bringing sustained commercial value to the Group.

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

Pop toy IPs such as WAKUKU, together with other brands under the Group's portfolio, are characterized by distinctive aesthetic positioning and collectible appeal, which continued to resonate with young consumers. This resulted in a number of successful product launches and increased brand exposure across both online and offline channels. In the second quarter of 2026, we launched a new pop toy IP, AOO (小嗷), which has released two generations of products. As of June 30, 2026, AOO's cumulative online exposure surpassed 1 billion views across various digital platforms, demonstrating the growing recognition of the AOO brand among our customers. Looking ahead, the Group expects to continue incubating and developing additional pop toy IPs in response to evolving market demand. The progress achieved during the Reporting Period contributed positively to business diversification and laid a solid foundation for the sustainable growth of the pop toys operation.

Our total revenue increased from RMB414.2 million for the six months ended June 30, 2025 to RMB511.9 million during the Reporting Period, primarily due to the increase of revenue generated from artist management and pop toys operation. We recorded a profit of RMB47.0 million during the Reporting Period, compared to a profit of RMB61.1 million for the six months ended June 30, 2025, primarily attributable to the change from net other gains for the six months ended June 30, 2025 to net other losses during the Reporting Period.

As we enter the fourth year since our Listing on the Stock Exchange, we remain committed to strengthening our position as a leading diversified entertainment company while advancing our strategic transformation from an artist-driven business towards an integrated "AI + IP" ecosystem. Leveraging our accumulated expertise in entertainment, content creation and brand assets, we will continue to advance the convergence of AI technologies and cultural content, and explore potential applications of AI within our cultural and entertainment businesses. Our goal is to evolve into a technology-driven cultural consumption group that integrates artificial intelligence and intellectual property development. Concurrently, we will continue to strengthen our existing entertainment operations, enhance our content and IP capabilities, and position our Group to capture emerging market opportunities and create sustainable long-term value for our Shareholders.

BUSINESS ANALYSIS BY BUSINESS LINE

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

	For the six months ended June 30,				Period-over-Period change
	2026		2025		
	Amount	% of total revenue	Amount	% of total revenue	
	(RMB in thousands, except for percentages)				
	(Unaudited)		(Unaudited)		
Artist management*	**392,273**	**76.6%**	356,908	86.2%	9.9%
Music IP production and operation	**45,549**	**8.9%**	36,703	8.8%	24.1%
IP commercialization business	**28,441**	**5.6%**	20,606	5.0%	38.0%
Pop toys operation	**45,608**	**8.9%**	–	–	N/A
Total Revenue	**511,871**	**100.0%**	414,217	100.0%	23.6%

Note:

* In the second half of 2025, the Group adjusted its revenue categorization for presentation purposes. Revenue generated from artist concerts previously included in the artist management segment has been reclassified to the IP commercialization business segment. Accordingly, the comparative figures for the six months ended June 30, 2025 have been restated, with no impact on total revenue for any period.

Artist Management

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

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

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

The revenue we generated from artist management business increased by approximately 9.9% from RMB356.9 million for the six months ended June 30, 2025 to RMB392.3 million during the Reporting Period, primarily due to the higher volume of commercial activities participated in by our managed artists during the Reporting Period.

The gross profit for artist management increased by approximately 26.4% from RMB70.9 million for the six months ended June 30, 2025 to RMB89.6 million during the Reporting Period. The gross profit margin for our artist management business increased from 19.9% for the six months ended June 30, 2025 to 22.9% during the Reporting Period, primarily due to an increase in revenue generated from artist management outpacing the increase in costs incurred by the business.

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

Music IP Production and Operation

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

We maintain an extensive library of original and licensed music IPs, which is continuously expanding. As of June 30, 2026, we had built an extensive music IP library comprising more than 1,500 musical works we produced for our managed artists. During the Reporting Period, we released 11 digital singles and 4 digital albums, comprising 43 songs in total.

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

The revenue we generated from music IP production and operation business increased by approximately 24.1% from RMB36.7 million for the six months ended June 30, 2025 to RMB45.5 million during the Reporting Period, primarily due to an increase in revenue generated from sales of physical albums.

The gross profit for our music IP production and operation business decreased by approximately 53.0% from RMB26.0 million for the six months ended June 30, 2025 to RMB12.2 million during the Reporting Period. The gross profit margin for our music IP production and operation business decreased from 70.7% for the six months ended June 30, 2025 to 26.8% during the Reporting Period, primarily due to the increase in costs incurred for music production, especially costs incurred for the production of new albums, which exceeded the growth in related revenue.

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

IP Commercialization Business

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

During the Reporting Period, we continued to commercialize our IP assets through artist-related merchandise, proprietary IP products, concerts and other audience engagement initiatives. Through ongoing product development and targeted promotional activities, we sought to maintain audience engagement and broaden the commercialization channels of our IP assets. These efforts further strengthened the foundation of our IP ecosystem and supported the continued exploration of new commercialization opportunities for the Group's IP assets.

The revenue we generated from IP commercialization business increased by approximately 38.0% from RMB20.6 million for the six months ended June 30, 2025 to RMB28.4 million for the six months ended June 30, 2026, primarily due to an increase in revenue generated from concerts, as the Group held a greater number of concerts during the Reporting Period.

The gross profit for our IP commercialization business decreased by approximately 33.5% from RMB12.5 million for the six months ended June 30, 2025 to RMB8.3 million during the Reporting Period. The gross profit margin for our IP commercialization business decreased from 60.7% for the six months ended June 30, 2025 to 29.2% during the Reporting Period, primarily due to a higher proportion of revenue generated from concerts held by the Group, which carries a relatively lower gross profit margin.

Looking ahead, we will continue to strengthen our IP commercialization business through the development of diversified commercialization channels, enhanced audience engagement and the integration of innovative technologies with creative content and intellectual property. In line with our strategic transformation towards an integrated "AI + IP" model, we will actively explore the deployment of AI-powered performance and service robots across cultural consumption and offline experiential scenarios. At the same time, we will continue to refine our existing business lines and proactively adapt to evolving consumer preferences and market trends, with a view to supporting the sustainable growth of our IP commercialization business.

Pop Toys Operation

During the Reporting Period, we continued to advance pop toys operation as an independently operated business line, focusing on the development, operation and commercialization of pop toy IPs. Through product innovation, brand building and multi-channel distribution, we further expanded our IP ecosystem and strengthened the market presence of our pop toy business.

Operationally, we continued to enhance our capabilities in IP incubation, product design, manufacturing coordination and retail operations. In addition to collaboration with selected industry participants, we further advanced the development and operation of our proprietary IP portfolio. In particular, AOO (小嗷), our newly launched IP, has attracted great market attention and positive consumer response since its launch, further strengthening the Group's presence in the pop toy market. Pop toy IPs such as AOO and WAKUKU, together with other brands in our portfolio, also continued to resonate with consumers through distinctive aesthetics and collectible appeal.

In our retail operations, YH TOYS ROBO SHOP continued to offer IP-themed pop toy products through its robotic store format and offline retail network. The business continued to explore the integration of pop toy retail with technology-enabled consumption scenarios, providing consumers with a distinctive offline shopping experience. Through product launches and marketing campaigns, we continued to enhance brand awareness and consumer engagement across both online and offline channels and support the ongoing development of our pop toy business.

In light of the commencement and development of the pop toys operation business during the Reporting Period, we recorded revenue from pop toys operation of RMB45.6 million during the Reporting Period. The gross profit in this segment amounted to RMB11.2 million, representing a gross profit margin of 24.6%.

Looking ahead, our Group will continue to expand its pop toys portfolio through the incubation, development and operation of additional pop toy IPs, while further strengthening its proprietary IP portfolio. We will continue to enhance our capabilities in IP development, brand building and retail operations, and expand our presence across domestic and international markets through both online and offline channels. By maintaining a disciplined approach to product development and operational execution, we aim to strengthen the commercial value of our IP assets and support the sustainable growth of our pop toys business.

Our Global Footprint

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

Yuehua Korea is an important part of our global strategy. During the Reporting Period, our managed artists in Yuehua Korea achieved sustained international exposure and commercial traction across multiple markets, strengthening our global footprint. Our managed artist YENA released the digital album "Love Catcher," with its title track "Catch Catch" reaching as high as No. 5 on the Melon Daily Chart and its accompanying dance challenge generating over one billion views online. YENA also released the digital single "Mirror Mirror" during the Reporting Period, further expanding her music portfolio and audience reach. Our managed artist group And2ble released its digital album "Sequence 01: Curiosity," which achieved first-week sales of approximately 730,000 copies. In addition, YENA held her concert "So Near Yet So Far, Another Wo2ld!" and And2ble held its concert "2026 AND2BLE SHOW CONCERT: Welcome to Qurious," further expanding their regional media exposure and reflecting growing regional brand recognition.

During the Reporting Period, we continued to explore overseas markets and promote our managed artists globally. TV series starring Ms. Cheng Xiao such as "Glory (玉茗茶骨)" were released across various countries including the United States, Singapore, Thailand, Indonesia and Vietnam, and have been widely popular since their international distribution.

FINANCIAL REVIEW

Revenue

Our revenue increased by 23.6% from RMB414.2 million for the six months ended June 30, 2025 to RMB511.9 million during the Reporting Period, primarily due to an increase of revenue generated from artist management and pop toys operation.

The revenue we generated from artist management business increased by 9.9% from RMB356.9 million for the six months ended June 30, 2025 to RMB392.3 million during the Reporting Period, primarily because the higher volume of commercial activities participated in by our managed artists during the Reporting Period.

The revenue we generated from music IP production and operation business increased by approximately 24.1% from RMB36.7 million for the six months ended June 30, 2025 to RMB45.5 million during the Reporting Period, primarily due to an increase in revenue generated from sales of physical albums.

The revenue we generated from IP commercialization business increased by approximately 38.0% from RMB20.6 million for the six months ended June 30, 2025 to RMB28.4 million during the Reporting Period, primarily due to an increase in revenue generated from concerts, as the Group held a greater number of concerts during the Reporting Period.

The revenue we generated from pop toys operation business amounted to RMB45.6 million during the Reporting Period.

Cost of Revenue

Our cost of revenue increased by approximately 28.1% from RMB304.8 million for the six months ended June 30, 2025 to RMB390.5 million during the Reporting Period, primarily attributable to an increase in cost incurred by our music IP production and operation and pop toys operation businesses.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB109.4 million and RMB121.4 million for the six months ended June 30, 2025 and 2026, respectively, and (ii) a gross profit margin of 26.4% and 23.7% for the six months ended June 30, 2025 and 2026, respectively.

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

	For the six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)			
	(Unaudited)		(Unaudited)	
Artist management	**89,640**	**22.9%**	70,943	19.9%
Music IP production and operation	**12,211**	**26.8%**	25,959	70.7%
IP commercialization business	**8,317**	**29.2%**	12,513	60.7%
Pop toys operation	**11,201**	**24.6%**	–	–
Total/Overall	**121,369**	**23.7%**	109,415	26.4%

The gross profit for artist management increased by approximately 26.4% from RMB70.9 million for the six months ended June 30, 2025 to RMB89.6 million during the Reporting Period. The gross profit margin for our artist management business increased from 19.9% for the six months ended June 30, 2025 to 22.9% during the Reporting Period, primarily due to an increase in revenue generated from artist management outpacing the increase in costs incurred by the business.

The gross profit for our music IP production and operation business decreased by approximately 53.0% from RMB26.0 million for the six months ended June 30, 2025 to RMB12.2 million during the Reporting Period. The gross profit margin for our music IP production and operation business decreased from 70.7% for the six months ended June 30, 2025 to 26.8% during the Reporting Period, primarily due to the increase in costs incurred for music production, especially costs incurred for the production of new albums, which exceeded the growth in related revenue.

The gross profit for our IP commercialization business decreased by approximately 33.5% from RMB12.5 million for the six months ended June 30, 2025 to RMB8.3 million for the six months ended June 30, 2026. The gross profit margin for our IP commercialization business decreased from 60.7% for the six months ended June 30, 2025 to 29.2% during the Reporting Period, primarily due to a higher proportion of revenue generated from concerts held by the Group, which carries a relatively lower gross profit margin.

During the Reporting Period, we recorded revenue from pop toys operation of RMB45.6 million. The gross profit in this segment amounted to RMB11.2 million, representing a gross profit margin of 24.6%.

Selling and Marketing Expenses

Our selling and marketing expenses increased by approximately 45.6% from RMB27.4 million for the six months ended June 30, 2025 to RMB39.8 million during the Reporting Period, primarily due to an increase in advertising and promotional expenses for our managed artists.

General and Administrative Expenses

Our general and administrative expenses increased by approximately 4.6% from RMB30.7 million for the six months ended June 30, 2025 to RMB32.1 million during the Reporting Period, primarily due to an increase in equity settled share-based payments.

Net Impairment Losses/Reversal of Impairment Losses

Our net impairment losses on financial assets are primarily related to the credit risk of our trade receivables and other receivables. We recorded provision of impairment losses on financial assets of RMB1.1 million and RMB4.3 million for the six months ended June 30, 2025 and 2026, respectively.

Other Income

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

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

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	(Unaudited)
Government subsidies	**16,939**	2,684
Rental income from investment properties	**51**	256
Total	**16,990**	2,940

Other Gains/(Losses), Net

Our other gains or losses primarily comprise (i) fair value gains from unlisted funds, (ii) net gain or loss on disposal of property, plant and equipment, (iii) fair value gains or losses from unlisted entities, and (iv) net exchange gains or losses. Our net other losses during the Reporting Period were RMB3.2 million and our net other gains for the six months ended June 30, 2025 were RMB12.7 million.

The table below sets forth a breakdown of our net other gains/(losses) for the periods indicated.

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	(Unaudited)
Fair value gains from unlisted funds	**4,411**	3,191
Fair value (losses)/gains from unlisted entities	**(10,235)**	8,250
Fair value losses from a listed entity	**(39)**	–
Net gain/(loss) on disposal of property, plant and equipment	**13,016**	(78)
Net exchange (losses)/gains	**(11,912)**	843
Loss on disposal of an associate	**–**	(295)
Net gain on disposal of investments in unlisted entities	**–**	422
Others	**1,553**	382
Total	**(3,206)**	12,715

Finance Income, Net

Our finance income consists of interest income from bank deposits, while our finance costs comprise interest expenses on bank borrowings and lease liabilities. Our net finance income decreased from RMB9.4 million for the six months ended June 30, 2025 to RMB7.0 million during the Reporting Period, primarily due to a decrease in interest income from our bank deposits.

Share of Losses of Investment Accounted for Using the Equity Method

Our share of losses of investment accounted for using the equity method is primarily related to our equity investment in our associates. Our share of losses of investment accounted for using the equity method during the Reporting Period amounted to RMB91.0 thousand, compared to share of losses of RMB53.0 thousand for the six months ended June 30, 2025, primarily due to an increase in the share of losses attributable to our investments in associates during the Reporting Period.

Income Tax Expense

Our income tax expense during the Reporting Period was RMB18.9 million.

Profit for the Period

As a result of the foregoing, we recorded a profit for the period of RMB47.0 million during the Reporting Period, compared to a profit for the period of RMB61.1 million for the six months ended June 30, 2025.

Non-IFRS Accounting Standards Measures

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

We define adjusted net profit as profit for the period adjusted for (i) equity settled share-based payments, (ii) fair value changes of financial assets, (iii) loss from disposal of an associate, and (iv) gain/(losses) on disposal of investments in unlisted entities. Equity settled share-based payments consist of non-cash expenses arising from equity incentives granted to eligible individuals under applicable equity incentive plans. Fair value changes on financial assets refer to the fair value changes from our investments in wealth management products, unlisted or listed equities and funds. We define adjusted net profit margin as adjusted net profit divided by revenue. The table below sets forth our adjusted net profit and adjusted net profit margin for the periods indicated.

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	(Unaudited)
Profit for the period	**46,975**	61,078
Adjusted for:		
Equity settled share-based payments	**10,022**	11,412
Fair value changes of financial assets	**5,863**	(11,441)
Loss from disposal of an associate	**–**	295
Gain on disposal of investments in unlisted entities	**–**	(422)
Non-IFRS Accounting Standards measures:		
Adjusted net profit	**62,860**	60,922
Adjusted net profit margin	**12.3%**	14.7%

Financial Assets at Fair Value Through Profit or Loss

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

Our financial assets at fair value through profit or loss increased by approximately 18.0% from RMB395.9 million as of December 31, 2025 to RMB467.2 million as of June 30, 2026, primarily due to additional investments made during the Reporting Period.

Trade Receivables

Our net trade receivables decreased by approximately 5.4% from RMB107.8 million as of December 31, 2025 to RMB102.0 million as of June 30, 2026, primarily due to an increase in the allowance for impairment of trade receivables during the Reporting Period.

As of December 31, 2025 and June 30, 2026, we made allowance for impairment of trade receivables of approximately RMB18.7 million and RMB22.7 million, respectively, which we believe were sufficient as of December 31, 2025 and June 30, 2026, respectively.

Prepayments and Other Receivables

Our prepayments increased from RMB11.7 million as of December 31, 2025 to RMB37.2 million as of June 30, 2026, primarily attributable to an additional prepayment made for the acquisition of a property for the Group's own use.

Our other receivables decreased from RMB47.1 million as of December 31, 2025 to RMB46.9 million as of June 30, 2026, primarily due to a decrease in other tax recoverables during the Reporting Period.

Restricted Cash

As of June 30, 2026, we did not have any restricted cash balances.

Trade Payables

Our trade payables increased by approximately 8.8% from RMB243.4 million as of December 31, 2025 to RMB264.7 million as of June 30, 2026, primarily due to an increase in operating costs corresponding to the growth in our business operations during the Reporting Period.

Other Payables and Accruals

Our other payables and accruals decreased by approximately 49.1% from RMB63.5 million as of December 31, 2025 to RMB32.3 million as of June 30, 2026, primarily due to the payment of year-end bonuses to our employees for the fiscal year of 2025.

Contract Liabilities

Our contract liabilities increased by approximately 70.6% from RMB161.7 million as of December 31, 2025 to RMB275.9 million as of June 30, 2026, which was primarily attributable to an increase in advance receipts in relation to our music IP production and operation business during the Reporting Period.

Financial Position, Liquidity and Capital Resources

We have historically funded our cash requirements principally from cash generated from our business operations. After the Global Offering, we finance our capital requirements through cash generated from our business operations, the net proceeds from the Global Offering, and other future equity or debt financings. We currently do not anticipate any material changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB323.2 million and RMB372.2 million and term deposits of RMB443.6 million and RMB442.8 million as of December 31, 2025 and June 30, 2026, respectively.

Compared with the bank borrowings of RMB58.4 million as of December 31, 2025, the bank borrowings as of June 30, 2026 was RMB52.8 million. As of June 30, 2026, our borrowings in Korea were secured by certain property, plant and equipment and investment properties with floating interest rates of 2.76% to 5.23% per annum. Our Group does not have any interest rate hedging policy as of the date of this report.

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

Gearing Ratio

Gearing ratio is calculated based on our total debt divided by our total equity as of the same dates and multiplied by 100%. Our gearing ratio was 4.4% as of December 31, 2025, while our gearing ratio decreased to 3.9% as of June 30, 2026.

Significant Investments Held

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

The Subscription was officially closed in April 2025, with the fee for the Subscription fully settled by the Company and recognized by the Company as financial assets at fair value through profit or loss as at June 30, 2025. The principal purpose of the Subscription is to diversify the investment portfolio of the Company with an aim to enhance its profitability. The Subscription provides an opportunity to the Company to enhance return by utilizing the idle cash of the Company at acceptable risk level. In light of the above, the Directors are of the view that the terms of the Subscription and transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

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

Name of Fund	Name of investment manager	Registered place	Business nature	Fund holdings	Investment cost	Fair value as of June 30, 2026	Percentage of the Group's total assets (%)
A1 Orient Investments Limited	Alpn Group Limited	British Virgin Islands	Approved Fund established under the laws of the British Virgin Island	10,000 Class B Shares in the Fund	HK$102 million	HK$107 million	4.4%

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

Name of fund	Unrealized gain for the six months ended June 30, 2026 (HK$'000)	Dividend received for the six months ended June 30, 2026
A1 Orient Investments Limited	5,427	–

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

In addition, on May 9, 2025, the Company entered into a limited partnership agreement, pursuant to which the Company's application to subscribe for the Class A Interest in the SPL New Economy LPF (星光新經濟產業有限合夥基金) (the "**SPL Fund**") as a Class A limited partner for a capital commitment of HK$100 million (exclusive of a subscription fee of HK$2 million) under the subscription agreement was accepted by the SPL Fund (the "**May 2025 Subscription**"). For details of the May 2025 Subscription, please refer to the relevant announcements published by the Company on May 9, 2025, May 28, 2025 and June 26, 2026, respectively. As of June 30, 2026, a total of HK$10 million had been paid by the Company for the May 2025 Subscription pursuant to relevant subscription terms.

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

As of the date of this report, the SPL Fund has not been officially launched and remains still at the stage of fundraising. Accordingly, having regard to the total assets of the Group as of June 30, 2026, the May 2025 Subscription would not constitute a significant investment held by the Group during the Reporting Period.

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

Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, as of June 30, 2026, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

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

Employee and Remuneration Policy

The following table sets forth the numbers of our employees dedicated to our business and operations categorized by function as of June 30, 2026.

Function	Number of Employees	% of Total
Artist operation	84	32.1%
Artist training	38	14.5%
Artist promotion	30	11.5%
Music and IP commercialization business	64	24.4%
Administration	46	17.5%
Total	**262**	**100.0%**

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

The total employee benefit expenses, including share-based payments, for the six months ended June 30, 2026 were RMB49.9 million, as compared to RMB49.4 million for the six months ended June 30, 2025, representing a period-over-period increase of 1.0%.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the entities of our Group. The functional currency of our Company is HKD and our Company is exposed to foreign currency risk with respect to our Company's monetary assets and liabilities denominated in RMB and USD. The functional currency of our subsidiaries that operate in the PRC is RMB and such PRC subsidiaries are exposed to foreign exchange risk arising from recognized assets and liabilities denominated in USD. Since balances denominated in USD are reasonably stable with the Hong Kong dollars under the Linked Exchange Rate System, our Directors are of the opinion that our Group is not exposed to significant foreign exchange risk and that the exposure to fluctuation in exchange rates will only arise from the translation to RMB, the presentation currency of our Group. For the six months ended June 30, 2026, our net exchange losses were RMB11.9 million, as compared to net exchange gains of RMB0.8 million for the six months ended June 30, 2025. We currently have no hedging policy with respect to foreign exchange risks. Therefore, we have not entered into any hedging transactions to manage potential fluctuation in foreign currencies. We will closely monitor our foreign exchange risks and will utilize appropriate financial tools for hedging purposes when necessary to help reduce foreign exchange risk.

Pledge of Assets

As of June 30, 2026, certain property, plant and equipment of our Group with an aggregate carrying value of RMB81.4 million were pledged to secure the bank borrowings of our Group.

Treasury Policy

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

Contingent Liabilities

As of June 30, 2026, we did not have any material contingent liabilities or guarantees.

Subsequent Events After the Reporting Period

As of the date of this report, there were no other significant events that might affect our Group since June 30, 2026.

CHANGES SINCE DECEMBER 31, 2025

There were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the annual report for the year ended December 31, 2025.

COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of the Company. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry to all the Directors, each of the Directors has confirmed that he/she has strictly complied with the required standards set out in the Model Code during the Reporting Period.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

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

The Audit Committee has, together with the Board, reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026. The Audit Committee considered that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares). As at June 30, 2026, the Company held 41,322,000 treasury shares. The Company intends to use the treasury shares as share awards under the 2026 Share Incentive Plan.

INTERIM DIVIDEND

The Board has resolved not to recommend payment of an interim dividend for the six months ended June 30, 2026.

SHARE INCENTIVE PLANS

The Company has adopted the following share incentive plans, namely the Pre-IPO Share Incentive Plan and the 2026 Share Incentive Plan (approved at the extraordinary general meeting of the Company on April 16, 2026 with the 2026 Share Incentive Plan Listing Approval granted on July 20, 2026). For the Pre-IPO Share Incentive Plan adopted before the effective date of the new Chapter 17 of the Listing Rules on January 1, 2023, the Company has complied and will continue to comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements.

1. Pre-IPO Share Incentive Plan

The Company approved and adopted the Pre-IPO Share Incentive Plan on December 10, 2021 which enables the Group to grant awards to selected participants as incentives or rewards for their contribution to our Group.

Purpose

The purpose of the Pre-IPO Share Incentive Plan is to enable the Group to grant awards to selected participants as incentives or rewards for their contribution to the Group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of the Group; (ii) to attract and retain them whose contributions are or will be beneficial to the Group; and (iii) to encourage them to enhance cooperation and communication amongst team members for the growth of the Group.

Types of Awards

The Pre-IPO Share Incentive Plan provides for awards of RSUs, Shares issued subject to forfeiture or repurchase by our Company until vested (the "**Restricted Shares**"), and other share-based awards or rights (collectively, the "**Awards**").

Eligible Participants

The Board, in the context of the Pre-IPO Share Incentive Plan, including any committee or person(s) duly authorized by the Board, may at its discretion, invite any person belonging to any of the following classes of eligible participants (the "**Eligible Participants**"), to take up an Award to subscribe for Shares:

(i) any full-time executives, officers, managers or employees of the Company or any of our subsidiaries or controlled affiliates, or any entities designated by them, who had attained the requisite seniority and performance grade and/or targets as may be determined by the chief executive officer of the Company from time to time;

(ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of our subsidiaries or controlled affiliates, or any entities designated by them; or

(iii) any advisor, consultant, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner, strategic partner, service provider or other third parties who the chief executive officer considers, in its sole discretion, has contributed or will contribute to the Group.

Maximum Number of Shares

Unless otherwise duly approved by the Board, the total number of Shares underlying the Pre-IPO Share Incentive Plan shall not exceed 5,790,000 (without taking into account the effect of Capitalization Issue), or 37,500,000 (taking into account the effect of Capitalization Issue), which represent approximately 4.4% of the total issued Shares (excluding treasury shares) as of date of this report.

Under the Pre-IPO Share Incentive Plan, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant.

An aggregate of 5,790,000 outstanding RSUs in respect of all 37,500,000 Shares (taking into account the effect of Capitalization Issue) available under the Pre-IPO Share Incentive Plan had been granted to eligible participants prior to Listing, therefore, no further RSUs are available for grant under the Pre-IPO Share Incentive Plan after Listing.

Performance Target

The participant may be required to achieve any performance targets as the Board may specify before the relevant Awards can be vested, exercised or settled upon the grant of an Award to an Eligible Participant.

Consideration for RSU

The price to be paid upon the vesting and settlement of RSUs granted to each grantee shall be HKD0.1 per RSU, as set out in the offer for the grant entered into between the Company and the respective grantee (the "**Grant Letter**").

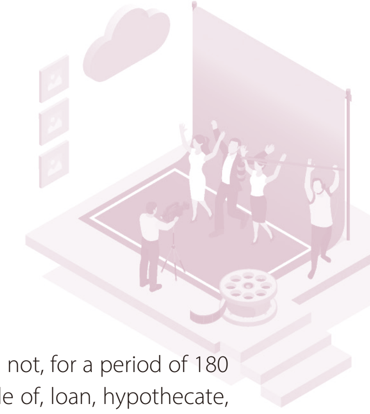
Conditions of Issuance of Shares

The Eligible Participant who accepts the offer for the grant of an Award must not have committed any breach of the Pre-IPO Share Incentive Plan and any ancillary documents that he or she has entered into with our Company in respect of the Award. The grantee must not have violated any provision of the articles of association or constitutional documents of the relevant member of our Group, or otherwise impaired the interests of our Group. The Board may, at its absolute discretion, fix any other performance targets that must be achieved and any other conditions that must be fulfilled before any Award can be vested or settled. If the conditions set out above in this clause are not satisfied, the RSUs and/or Restricted Shares shall automatically lapse on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

Vesting Schedule and Vesting Period

Pursuant to the terms of the Pre-IPO Share Incentive Plan and the Grant Letter, and subject to the vesting conditions contained therein, the RSUs granted to each grantee shall be vested in four equal tranches as follows:

Vesting date	RSUs to be vested
6 months from the Listing Date	25% of the total RSUs granted to the grantee
18 months from the Listing Date	25% of the total RSUs granted to the grantee
30 months from the Listing Date	25% of the total RSUs granted to the grantee
42 months from the Listing Date	25% of the total RSUs granted to the grantee



Lock-up Period

In connection with any underwritten public offering by our Company of its equity securities, the grantee shall not, for a period of 180 days following the date of completion of the applicable offering, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under the Pre-IPO Share Incentive Plan without the prior written consent of our Company or our underwriters.

Termination

The Company may by resolution in general meeting or the Board may at any time terminate the operation of the Pre-IPO Share Incentive Plan and in such event no further Award shall be offered but the provisions of the Pre-IPO Share Incentive Plan shall remain in force to the extent necessary to give effect to any outstanding Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Incentive Plan. Outstanding Awards granted prior to such termination but not yet exercised, settled or released at the time of termination shall continue to be valid and exercisable or releasable in accordance with the Pre-IPO Share Incentive Plan.

Remaining Life

The Pre-IPO Share Incentive Plan will be valid and effective for a period of 10 years, commencing from December 10, 2021, unless terminated by resolution in general meeting or the Board pursuant to the Share Incentive Plan. As of December 31, 2025, the remaining life of the Pre-IPO Share Incentive Plan was approximately 5.5 years.

All the Shares underlying the Pre-IPO Share Incentive Plan have been allotted and issued and are held by ARK Trust (Hong Kong) Limited and LIGHTSTONE TRUST (HONG KONG) LIMITED, being special purpose vehicles established as nominees to hold in trust. The Shares underlying the Pre-IPO Share Incentive Plan do not count towards the public float. Pursuant to the Pre-IPO Share Incentive Plan and the trust deeds constituting the ARK Trust and Lightstone Trust (the "**Trust Deeds**"), the Pre-IPO Share Incentive Plan and the two trusts will be subject to the administration of the chief executive officer of the Company (the "**Administrator**") and the Administrator shall have the sole and absolute discretion to determine whether or not a grantee shall have rights to any dividends from any Shares prior to the vesting of the RSUs. In addition, pursuant to the Pre-IPO Share Incentive Plan and the Trust Deeds, the RSUs upon release will not carry any voting rights until completion of the registration of the grantee (or any other person) as the holder and the respective trustee shall not exercise any of the voting rights attached to Shares held upon trust unless directed by authorized representative appointed by the Administrator.

Movements of the RSUs under the Pre-IPO Share Incentive Plan during the Reporting Period are set out as follows:

Name/Category of the grantees	Date of grant	Number of RSUs[6]						Price to be paid upon the vesting and settlement of RSUs (HKD)	Fair value of the RSUs at the date of grant[1][4] (RMB)
		Outstanding as of January 1, 2026	Granted during the Reporting Period[1]	Vested during the Reporting Period[2]	Cancelled during the Reporting Period[3]	Lapsed during the Reporting Period[3]	Outstanding as of June 30, 2026		
Director(s) of the Company									
Mr. SUN Le	December 10, 2021	806,250	–	–	–	–	806,250	–	–
Other grantees (excluding the director disclosed above)									
	December 10, 2021	961,875	–	–	–	–	961,875	–	–
	March 4, 2022	5,831,250	–	–	–	–	5,831,250	–	–
	December 20, 2022	1,237,500	–	–	–	–	1,237,500	–	–
		8,836,875	–	–	–	–	8,836,875	–	–

Notes:

(1) As no RSUs were granted during the Reporting Period, the fair value of the RSUs granted during the Reporting Period is not applicable.

(2) No RSUs were vested to the grantees during the Reporting Period.

(3) No RSUs were cancelled during the Reporting Period, Other than the aforesaid cancelled RSUs, no other RSUs were cancelled or lapsed during the Reporting Period.

(4) For accounting standard and policy adopted for such fair value measurement, please refer to Note 26 to the consolidated financial information.

(5) The number of RSUs in the above table has been adjusted to reflect the Capitalization Issue.

For more details of the Pre-IPO Share Incentive Plan, please refer to "D. Share Incentive Plan" of Appendix V of the Prospectus and Note 26 to the consolidated financial information.

2. 2026 Share Incentive Plan

The Company has adopted the 2026 Share Incentive Plan pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company. Unless otherwise defined, capitalized terms used in this section shall have the same meaning as defined in the 2026 Share Incentive Plan. For details of the 2026 Share Incentive Plan, please refer to the circular published by the Company dated March 25, 2026 and the poll results announcement of the extraordinary general meeting published on April 16, 2026.

Purpose

The purposes of the 2026 Share Incentive Plan are (i) to recognize the contributions by the eligible grantees and to give incentives thereto in order to retain them for the continual operation and development of our Group; and (ii) to attract suitable personnel for further development of our Group.

Types of Awards

The 2026 Share Incentive Plan provides for awards of RSUs, Shares issued subject to forfeiture or repurchase by our Company until vested, and other share-based awards or rights. For the purposes of satisfying grants of RSUs under the 2026 Share Incentive Plan, the RSUs under the 2026 Share Incentive Plan will be solely funded by the treasury shares transferred from the Company to the Trustee.

Eligible Participants

Eligible participants under the 2026 Share Incentive Plan include any Employee Participants, Related Entity Participants and Service Providers who are selected by the Board, the Remuneration Committee or the Delegatee(s) at its sole discretion from time to time and permissible under applicable laws and regulations (including Listing Rules).

The Board, the Remuneration Committee or the Delegatee(s) may, within the Applicable Period (as defined below), determine the Eligible Participant(s) to receive the Share Award(s) under the 2026 Share Incentive Plan at its discretion in accordance with the provisions set out in the 2026 Share Incentive Plan ("**Selected Person(s)**") to participate the 2026 Share Incentive Plan. Unless being so selected, no person shall be entitled to participate in the 2026 Share Incentive Plan. The Board, the Remuneration Committee or the Delegatee(s) has full discretion to determine, from time to time, the basis of eligibility of any Selected Person for participation in the 2026 Share Incentive Plan and the grant of Share Awards based on factors including, among other things, the present and expected contribution of the relevant Eligible Participants to the development of our Group, the general financial conditions of our Group, our Group's overall business objectives and future development plan, and any other factors as the Board, the Remuneration Committee or the Delegatee(s) deems appropriate.

Maximum Number of Shares

The maximum number of Shares pursuant to the 2026 Share Incentive Plan will be 20,000,000 Shares (the "**Mandate Limit**"), being approximately 2.41% of the total number of Shares in issue as of the date of approval the 2026 Share Incentive Plan (excluding the treasury shares). No Share Award shall be granted pursuant to the 2026 Share Incentive Plan if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2026 Share Incentive Plan (excluding Share Awards that have lapsed or been canceled in accordance with the rules of the same Plan) shall exceed the Mandate Limit.

Within the Mandate Limit, no Share Award shall be granted to any Service Provider pursuant to the 2026 Share Incentive Plan if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made to the Service Providers pursuant to the 2026 Share Incentive Plan (excluding share awards that have lapsed in accordance with the rules of the 2026 Share Incentive Plan and Other Schemes of the Company (if any)) from time to time exceed 14,000,000 Shares, representing approximately 1.69% of the number of Shares in issue as at the date of approval of the 2026 Share Incentive Plan (the "**Service Provider Sub-limit**", together with the Mandate Limit, the "**Limits**").

Each of the Mandate Limit and the Service Provider Sub-limit may be refreshed after three (3) years from the date of approval of the Limits by the Shareholders at a general meeting or the date of approval of the last refreshment (as the case may be), subject to prior approval from the Shareholders of our Company. Any refreshment of each of the Mandate Limit and the Service Provider Sub-limit within any three-year period must be approved by the independent Shareholders of our Company, with all the Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding Independent Non-executive Directors) and the chief executive of our Company and their respective associates) abstaining from voting in favor of the relevant resolution at the general meeting.

In any event, the total number of Shares that may underlie the Share Awards granted following the date of approval of the refreshed Mandate Limit and Service Provider Sub-limit (the "**New Approval Date**") and any grant made pursuant to other share schemes adopted by our Company must both not exceed 10% of the number of Shares in issue as of the New Approval Date. Shares underlying the Share Awards granted under the 2026 Share Incentive Plan (including those outstanding, canceled or vested Share Awards) or any grant made pursuant to Other Schemes (including those outstanding, canceled or vested awards granted) prior to the New Approval Date will not be counted for the purpose of calculating the Limits to be refreshed.

Maximum Entitlement for Each Participant

The maximum number of Shares which may be awarded to any one Selected Person under the 2026 Share Incentive Plan may not exceed 1% of the issued share capital of our Company, taking into account of the Shares issued and to be issued in respect of all options and awards granted to such Grantee under all share schemes adopted by our Company subject to the provisions of Chapter 17 of the Listing Rules in aggregate (excluding any share awards lapsed in accordance with terms of the 2026 Share Incentive Plan and such other schemes of the Company (if any)) in the 12-month period up to and including the date of relevant grant (the "**Individual Limit**"), unless such grant is otherwise separately approved by the Shareholders in general meeting, with such Grantee and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Any grant of a Share Award to any Director, chief executive or substantial shareholder of our Company, any of their respective associates, or any other connected person, shall be subject to the prior approval of the Independent Non-executive Directors (excluding the Independent Non-executive Director who is the proposed Grantee of such Share Awards) and shall otherwise be subject to compliance with the requirements of the Listing Rules.

Duration and Administration

Subject to the conditions therein, the 2026 Share Incentive Plan shall be valid and effective for ten (10) years from the date on which the 2026 Share Incentive Plan is duly approved and adopted by our Company (the "**Adoption Date**") (the "**Applicable Period**"). The remaining life of the 2026 Share Incentive Plan is approximately over 9 years.

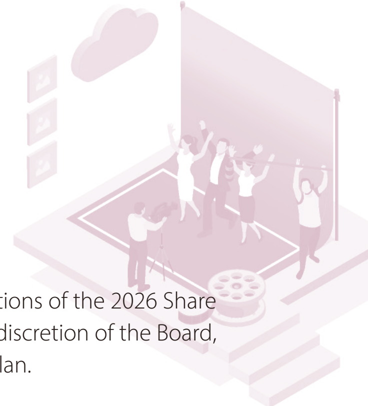
The 2026 Share Incentive Plan shall be subject to the administration of the Board in accordance with the rules of the 2026 Share Incentive Plan. The Board has the power to construe and interpret the rules of the 2026 Share Incentive Plan and the terms of the Share Awards granted hereunder.

The Board may delegate the authority to administer the 2026 Share Incentive Plan to the Remuneration Committee or to any other person(s) deemed appropriate at the sole discretion of the Board (the "**Delegatee(s)**"), including its powers to offer or grant the Share Awards and to determine the terms and conditions of such Share Awards, provided that such delegation of power shall not prejudice the Board's power to revoke the delegation at any time or derogate from the discretion rested with the Board.

The Board may appoint a professional trustee, or any additional or replacement professional trustee or professional trustees, who is/are an Independent Third Party(ies), to administer the granting and vesting of Share Awards granted to the Grantees pursuant to the 2026 Share Incentive Plan.

Vesting Schedule and Vesting Period

The Board, the Remuneration Committee or the Delegatee(s) has/have the sole discretion to determine the vesting schedule and vesting criteria (if any), which may include performance target(s) and clawback provisions, for any grant of Share Award(s) to any Grantee.



The vesting period for the Share Award(s) shall not be less than twelve (12) months, subject to terms and conditions of the 2026 Share Incentive Plan. Share Award(s) granted to Eligible Participants may be subject to a shorter vesting period at the discretion of the Board, the Remuneration Committee or the Delegatee(s) according to the terms set forth in the 2026 Share Incentive Plan.

Termination

The 2026 Share Incentive Plan shall terminate on the earlier of (a) the 10th anniversary of the date on which the 2026 Share Incentive Plan was approved by the Shareholders (i.e. April 16, 2036); and (b) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Grantee thereunder.

Details of the RSUs granted under the 2026 Share Incentive Plan during the Reporting Period are set out as follows:

Name/Category of the grantees	Date of grant	Vesting Period	Number of RSUs						Consideration to be paid upon the vesting and settlement of RSUs (HKD)	Fair value of the RSUs at the date of grant[4] (RMB)
			Outstanding as of date of adoption of the 2026 Share Incentive Plan	Granted during the Reporting Period[1]	Vested during the Reporting Period[2]	Cancelled during the Reporting Period[3]	Lapsed during the Reporting Period[3]	Outstanding as of June 30, 2026		
Service Provider										
Mr. Wang Yibo (王一博)	April 16, 2026	Note 5	12,500,000	12,500,000	–	–	–	12,500,000	125,000	22,674,004

Notes:

(1) RSUs representing 12,500,000 Shares were granted during the Reporting Period. The closing price of the Shares on the date of grant of such RSUs is HK$2.08 per Share.

(2) There were no RSUs granted under the 2026 Share Incentive Plan vested during the Reporting Period.

(3) No RSUs were cancelled or lapsed during the Reporting Period.

(4) For accounting standard and policy adopted for such fair value measurement, please refer to Note 26 to the consolidated financial information.

(5) The RSUs granted hereunder have a total vesting period of 48 months.

The number of RSUs available for grant under the scheme limit of the 2026 Share Incentive Plan and any other share scheme(s) adopted by the Company as of the date of adoption of the 2026 Share Incentive Plan (i.e. April 16, 2026) and June 30, 2026 was 20,000,000 and 7,500,000 (representing approximately 0.9% of the issued share capital of the Company as of the date of this report (excluding treasury shares)), respectively. The number of RSUs available for grant under the Service Provider sublimit of the 2026 Share Incentive Plan and any other share scheme(s) adopted by the Company as of the date of adoption of the 2026 Share Incentive Plan and June 30, 2026 was 14,000,000 and 1,500,000, respectively.

The RSUs under the 2026 Share Incentive Plan will be solely funded by the treasury shares from the Company to the trustee appointed by the Board, who will be in charge of administering the granting and vesting of Share Awards granted to the Grantees pursuant to the 2026 Share Incentive Plan. As of June 30, 2026, the number of Shares represented by RSUs granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares (excluding treasury shares) for the Reporting Period is approximately 1.5%.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2026 , the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Shares or underlying Shares of the Company

Name of Director	Nature of interest	Long/short position	Number of Shares	Approximate percentage of interest in the Company(1)
Ms. DU Hua	Interest in controlled corporation(2)	Long position	376,350,000	43.17%
	Interest of spouse(3)		24,825,000	2.85%
	Other(4)		41,322,000	4.74%
Mr. SUN Yiding	Interest in controlled corporation(5)	Long position	24,825,000	2.85%
	Interest of spouse(3)		376,350,000	43.17%
	Other(6)		41,322,000	4.74%
Mr. SUN Le	Beneficial Owner(7)	Long position	3,225,000	0.37%

Notes:

(1) The percentage figures disclosed under "Approximate percentage of interest in the Company" are calculated based on the 871,881,000 Shares, being the number of total issued shares of the Company as of June 30, 2026 (including treasury shares).

(2) As of June 30, 2026, DING GUOHUA LIMITED directly holds 376,350,000 Shares. DING GUOHUA LIMITED is owned as to 80% by HuaDingGuo Limited (an entity wholly owned by Ms. Du), and 20% by Xihaha International Holding Limited (an entity controlled by Ms. Du through a trust), respectively. Therefore, Ms. Du is deemed to be interested in the Shares directly held by DING GUOHUA LIMITED by virtue of the SFO.

(3) Ms. Du and Mr. Sun are cohabiting as spouse. Accordingly, for the purpose of the SFO, Ms. Du is deemed, or taken to be, interested in the Shares in which Mr. Sun is interested; and Mr. Sun is deemed, or taken to be, interested in the Shares in which Ms. Du is interested.

(4) Ms. Du Hua controls one-third or more of the voting power at general meetings of the Company. Accordingly, Ms. Du is taken to have an interest in a total of 41,322,000 treasury shares of the Company.

(5) As of June 30, 2026, QINGDINGDANG LIMITED directly holds 24,825,000 Shares. QINGDINGDANG LIMITED is wholly owned by Mr. Sun. Therefore, Mr. Sun is deemed to be interested in the Shares directly held by QINGDINGDANG LIMITED by virtue of the SFO.

(6) Mr. Sun Yiding controls one-third or more of the voting power at general meetings of the Company. Accordingly, Mr. Sun is taken to have an interest in a total of 41,322,000 treasury shares of the Company.

(7) As of June 30, 2026, Mr. SUN Le is interested in the 3,225,000 underlying Shares relating to the RSUs granted to him pursuant to the Share Incentive Plan.

Save as disclosed above, as of June 30, 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As of June 30, 2026 and at any time during the Reporting Period, none of the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party to any arrangement through which the Directors may benefit by purchasing shares or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best knowledge of the Directors, as of June 30, 2026, the persons (other than Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholder	Nature of interest	Long/short position	Number of Shares	Approximate percentage of interest in the Company[2]
Interform Construction Supplies Limited	Beneficial owner[3]	Long position	95,454,000	10.94%
SAC Enterprises Limited	Interest in controlled corporation[3]	Long position	95,454,000	10.94%
Damai Entertainment Holdings Limited	Interest in controlled corporation[3]	Long position	95,454,000	10.94%
Ali CV Investment Holding Limited	Interest in controlled corporation[3]	Long position	95,454,000	10.94%
Alibaba Investment Limited	Interest in controlled corporation[3]	Long position	95,454,000	10.94%
Alibaba Group Holding Limited	Interest in controlled corporation[3]	Long position	95,454,000	10.94%

Notes:

(1) The percentage figures disclosed under "Approximate percentage of interest in the Company" are calculated based on the 871,881,000 Shares, being the number of total issued shares of the Company as of June 30, 2026.

(2) Interform Construction Supplies Limited is wholly owned by SAC Enterprises Limited, which is in turn non-wholly owned by Damai Entertainment Holdings Limited, a non wholly-owned subsidiary of Ali CV Investment Holding Limited, which is wholly-owned by Alibaba Investment Limited. Alibaba Investment Limited is wholly-owned subsidiary of Alibaba Group Holding Limited. Therefore, each of SAC Enterprises Limited, Damai Entertainment Holdings Limited, Ali CV Investment Holding Limited, Alibaba Investment Limited and Alibaba Group Holding Limited is deemed to be interested in the Shares directly held by Interform Construction Supplies Limited.

Save as disclosed above, as of June 30, 2026, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	6	**511,871**	414,217
Cost of revenue		**(390,502)**	(304,802)
Gross profit		**121,369**	109,415
Selling and marketing expenses		**(39,833)**	(27,352)
General and administrative expenses		**(32,118)**	(30,699)
Net impairment losses provision on financial assets		**(4,287)**	(1,120)
Other income	8	**16,990**	2,940
Other (losses)/gains, net	9	**(3,206)**	12,715
Operating profit		**58,915**	65,899
Finance income	10	**7,950**	11,247
Finance costs	10	**(939)**	(1,862)
Finance income, net	10	**7,011**	9,385
Share of losses of investments accounted for using the equity method		**(91)**	(53)
Profit before income tax		**65,835**	75,231
Income tax expenses	11	**(18,860)**	(14,153)
Profit for the period	7	**46,975**	61,078
Other comprehensive income/(expense)			
Item that may be reclassified to profit or loss:			
Currency translation differences		**3,012**	9,417
Item that will not be reclassified to profit or loss:			
Currency translation differences		**(18,903)**	(12,218)
Other comprehensive expense for the period, net		**(15,891)**	(2,801)
Total comprehensive income for the period		**31,084**	58,277

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit attributable to:			
Owners of the Company		**46,442**	58,099
Non-controlling interests		**533**	2,979
		46,975	61,078
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		**30,551**	55,492
– Non-controlling interests		**533**	2,785
		31,084	58,277
Earnings per share (expressed in RMB per share)			
Basic	13	**0.06**	0.07
Diluted	13	**0.06**	0.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	552,635	547,104
Right-of-use assets	15	3,506	2,981
Investment properties		23,045	49,742
Intangible assets		742	2,834
Investments accounted for using the equity method		20,483	574
Financial assets at fair value through profit or loss	16	212,147	148,414
Prepayments and other receivables	18	34,529	20,666
Deferred income tax assets		6,068	8,013
		853,155	780,328
Current assets			
Inventories		33,603	25,357
Trade receivables	17	101,958	107,825
Prepayments and other receivables	18	49,656	38,053
Other assets		29,531	30,709
Financial assets at fair value through profit or loss	16	255,043	247,457
Term deposits	19	442,809	443,592
Cash and cash equivalents	19	372,172	323,228
		1,284,772	1,216,221
Total assets		2,137,927	1,996,549
EQUITY			
Share capital	20	587	587
Reserves		1,444,257	1,403,886
Equity attributable to owners of the Company		1,444,844	1,404,473
Non-controlling interests		19,225	17,251
Total equity		1,464,069	1,421,724

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at June 30, 2026

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	**1,862**	1,241
Deferred tax liabilities		**310**	2,243
		2,172	3,484
Current liabilities			
Borrowings	21	**52,836**	58,426
Trade payables	22	**264,718**	243,409
Other payables and accruals	23	**32,296**	63,486
Contract liabilities		**275,872**	161,663
Current income tax liabilities		**44,218**	42,073
Lease liabilities	15	**1,746**	2,284
		671,686	571,341
Total liabilities		**673,858**	574,825
Total equity and liabilities		**2,137,927**	1,996,549

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

	Note	Attribute to the owners of the Company							
		Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2026		**587**	**1,418,618**	**(75,027)**	**(2,296,795)**	**2,357,090**	**1,404,473**	**17,251**	**1,421,724**
Profit for the period		–	–	–	–	46,442	46,442	533	46,975
Currency translation differences		–	–	–	(16,104)	–	(16,104)	213	(15,891)
Total comprehensive (expense)/ income for the period		–	–	–	(16,104)	46,442	30,338	746	31,084
Transactions with owners:									
Equity settled share-based payments	27	–	–	–	10,022	–	10,022	–	10,022
Exercise of restricted stock awards		–	11	–	–	–	11	–	11
Dividends settled and paid to the non-controlling interests of a subsidiary		–	–	–	–	–	–	(1,372)	(1,372)
Capital injection by non-controlling interests		–	–	–	–	–	–	2,600	2,600
Total transactions with owners of the Company		–	11	–	10,022	–	10,033	1,228	11,261
At June 30, 2026		**587**	**1,418,629**	**(75,027)**	**(2,302,877)**	**2,403,532**	**1,444,844**	**19,225**	**1,464,069**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the six months ended June 30, 2026

		Attribute to the owners of the Company							
	Note	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2025		587	1,418,525	(5,789)	(2,312,123)	2,292,922	1,394,122	446	1,394,568
Profit for the period		–	–	–	–	58,099	58,099	2,979	61,078
Currency translation differences		–	–	–	(2,607)	–	(2,607)	(194)	(2,801)
Total comprehensive income/ (expense) for the period		–	–	–	(2,607)	58,099	55,492	2,785	58,277
Transactions with owners:									
Equity settled share-based payments	27	–	–	–	11,412	–	11,412	–	11,412
Exercise of restricted stock awards		–	12	–	–	–	12	–	12
Purchase of treasury shares		–	–	(47,162)	–	–	(47,162)	–	(47,162)
Capital injection by non-controlling interests		–	–	–	1,406	–	1,406	4,044	5,450
Total transactions with owners of the Company		–	12	(47,162)	12,818	–	(34,332)	4,044	(30,288)
As at June 30, 2025		587	1,418,537	(52,951)	(2,301,912)	2,351,021	1,415,282	7,275	1,422,557

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**168,006**	56,306
Income taxes paid		**(16,703)**	(14,424)
Net cash from operating activities		**151,303**	41,882
Cash flows from investing activities			
Payments for term deposit with original maturity of more than three months		**(441,141)**	(435,368)
Payments for financial assets at fair value through profit or loss		**(102,711)**	(153,889)
Payments for investments accounted for using the equity method		**(20,000)**	–
Purchase of property, plant and equipment		**(4,812)**	(436)
Purchase of intangible assets		**(425)**	(38)
Investments in films, drama and non-drama		**–**	(8,284)
Advances of loans to third parties		**(8,046)**	(458)
Proceeds from disposal of intangible assets		**15,671**	–
Proceeds from disposals of financial assets at fair value through profit or loss		**9,965**	95,761
Interest received from bank deposits		**3,153**	2,473
Proceeds from disposal of property, plant and equipment		**329**	64
Repayments from loans to third parties		**4,847**	126
Proceeds for term deposits with original maturity of more than three months		**443,592**	408,881
Net cash used in investing activities		**(99,578)**	(91,168)
Cash flows from financing activities			
Repayment of bank borrowings		**–**	(103,070)
Interest paid for borrowings		**(891)**	(1,836)
Payments for lease liabilities – principal and interest		**(1,037)**	(576)
Payments for share repurchase		**–**	(47,162)
Dividend paid to non-controlling interests of a subsidiary		**(1,372)**	–
Issuance of shares in connection with exercise of restricted share units		**11**	12
Capital injection by non-controlling interests		**2,600**	5,450
Net cash used in financing activities		**(689)**	(147,182)
Net increase/(decrease) in cash and cash equivalents		**51,036**	(196,468)
Cash and cash equivalents at beginning of the year		**323,228**	386,063
Effect of exchange rate changes on cash and cash equivalents		**(2,092)**	3,210
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**372,172**	192,805

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION

These consolidated interim financial statements for the six-month reporting period ended June 30, 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Amended Accounting Standards adopted by the Group

The Group has applied the new and amended standards effective for the financial year beginning January 1, 2026. The adoption of these revised standards does not have any significant impact on the consolidated financial statements of the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

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

This interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the 2025 financial statements.

There have been no material changes in the risk management policies since December 31, 2025.

4.2 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt comprises bank borrowing and lease liabilities. Total capital is calculated as total equity, as shown in the statement of financial position. As at June 30, 2026 and December 31, 2025, the Group has a net cash position.

4.3 Fair value estimation

4.3.1 Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. 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.

4 FINANCIAL RISK MANAGEMENT *(continued)*

4.3 Fair value estimation *(continued)*

4.3.1 Fair value hierarchy *(continued)*

The tables below analyse the Group's financial instruments carried at fair value as at June 30, 2026 and December 31, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (level 3).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at June 30, 2026				
Financial assets at FVPL				
Investments in unlisted entities – current portion	**–**	**–**	**131,722**	**131,722**
Investments in unlisted entities – non-current portion	**–**	**–**	**119,212**	**119,212**
Investments in listed entities	**22,921**	**13,920**	**–**	**36,841**
Investment in unlisted funds – current portion	**–**	**–**	**100,400**	**100,400**
Investment in unlisted funds – non-current portion	**–**	**–**	**79,015**	**79,015**
	22,921	**13,920**	**430,349**	**467,190**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2025				
Financial assets at FVPL				
Investments in unlisted entities – current portion	–	–	142,359	142,359
Investments in unlisted entities – non-current portion	–	–	55,412	55,412
Investments in a listed entity	–	13,919	–	13,919
Investment in unlisted funds – current portion	–	–	105,098	105,098
Investment in unlisted funds – non-current portion	–	–	79,083	79,083
	–	13,919	381,952	395,871

There was no transfer of fair value hierarchy levels during the six months ended June 30, 2026 and 2025.

4 FINANCIAL RISK MANAGEMENT *(continued)*

4.3 Fair value estimation *(continued)*

4.3.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes to valuation techniques during the six months ended June 30, 2026 and 2025.

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

The following table presents the changes in level 3 items including investments in unlisted entities and investments in unlisted funds for the 6 months ended June 30, 2026 and 2025.

	Investments in unlisted entities – current portion RMB'000	Investments in unlisted entities – non-current portion RMB'000	Investments in unlisted funds – current portion RMB'000	Investments in unlisted funds – non-current portion RMB'000	Total RMB'000
(Unaudited)					
As at January 1, 2026	**142,358**	**55,412**	**105,099**	**79,083**	**381,952**
Additions	**–**	**63,800**	**–**	**–**	**63,800**
Disposals	**–**	**–**	**(3,046)**	**–**	**(3,046)**
Fair value changes	**(10,636)**	**401**	**2,110**	**2,301**	**(5,824)**
Currency translation differences	**–**	**(401)**	**(3,763)**	**(2,369)**	**(6,533)**
As at June 30, 2026	**131,722**	**119,212**	**100,400**	**79,015**	**430,349**
(Unaudited)					
As at January 1, 2025	244,653	39,256	–	75,227	359,136
Additions	–	–	153,889	–	153,889
Disposals	(88,661)	(7,100)	–	–	(95,761)
Fair value changes	8,250	–	554	2,637	11,441
Currency translation differences	(5,988)	783	(901)	(963)	(7,069)
As at June 30, 2025	158,254	32,939	153,542	76,901	421,636

4 FINANCIAL RISK MANAGEMENT *(continued)*

4.3 Fair value estimation *(continued)*

4.3.4 Valuation process, inputs and relationships to fair value

The Group has a team of personnel who performs valuation on these level 3 instruments for financial reporting purposes. On an annual basis, the team adopts various valuation techniques to determine the fair value of the Group's level 3 instruments.

The valuation of the level 3 instruments mainly included financial assets, being investments in unlisted entities and investments in unlisted funds. As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including option pricing and equity allocation model, discounted cash flow model and market approach etc.

The unlisted investments represent the investments in certain privately owned companies and funds. The Group used market approach to evaluate the fair value of the unlisted investments as at each year end.

5 SEGMENT INFORMATION

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

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

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

The Group mainly operates its business in the PRC. During the six months ended June 30, 2026 and 2025, breakdown of the total revenue by geographical location of the external customers is as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Mainland China	**396,311**	372,389
Korea	**115,560**	41,828
	511,871	414,217

5 SEGMENT INFORMATION *(continued)*

As at June 30, 2026 and December 31, 2025, the Group's non-current assets other than investments accounted for using the equity method, prepayments and other receivables, financial instruments, and deferred income tax assets were located in Mainland China and Korea as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Mainland China	**492,618**	506,209
Korea	**87,310**	96,452
	579,928	602,661

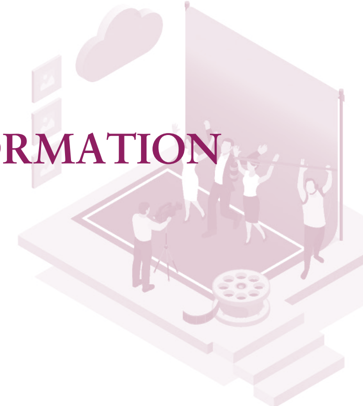
6 REVENUE

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Artist management	**392,273**	356,908
Music IP production and operation	**45,549**	36,703
IP Commercialization business	**28,441**	20,606
Pop toys operation	**45,608**	–
	511,871	414,217

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

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue at a point in time	**210,187**	85,714
Revenue over time	**301,684**	328,503
	511,871	414,217

During the six months ended June 30, 2026 and 2025, there were no customers who contributed to 10% or more of the total revenue of the Group in each respective period.



7 PROFIT/(LOSS) FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Staff costs (excluding equity settled shared-based payments):		
Wages, salaries and bonuses	**30,442**	32,047
Welfare, medical and other expenses	**5,263**	3,478
Contribution to pension plans	**4,188**	2,478
Total staff costs (including directors' emoluments and excluding equity settled shared-based payments)	**39,893**	38,003
Equity settled share-based payments	**10,022**	11,412
Revenue sharing for artist management business	**217,059**	244,009
Impairment loss of inventories	**115**	–
Amortization of intangible assets	**2,541**	4,726
Depreciation of property, plant and equipment	**13,949**	14,858
Depreciation of right-of-use assets	**219**	771
Depreciation of investment properties	**576**	681

8 OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government subsidies (Note)	**16,939**	2,684
Rental income from investment properties	**51**	256
	16,990	2,940

Note: During the six months ended June 30, 2026 and 2025, the Group received unconditional subsidies which was granted by the local government in recognition of the Group's contributions.

9 OTHER (LOSSES)/GAINS, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains from unlisted funds	**4,411**	3,191
Fair value (losses)/gains from investments in an unlisted equity	**(10,235)**	8,250
Fair value losses from investments in listed equities	**(39)**	–
Net gains/(losses) on disposal of property, plant and equipment	**13,016**	(78)
Net exchange (losses)/gains	**(11,912)**	843
Loss on disposal of an associate	**–**	(295)
Net gain on disposal of investments in unlisted entities	**–**	422
Others	**1,553**	382
	(3,206)	12,715

10 FINANCE INCOME AND FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
– Interest income from bank deposits	**7,950**	11,247
Finance costs		
– Interest expenses on bank borrowing	**(891)**	(1,836)
– Interest expenses on lease liabilities	**(48)**	(26)
	(939)	(1,862)

11 INCOME TAX EXPENSES

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax:		
PRC corporate income tax	**17,966**	16,049
Korean corporate income tax	**2,159**	–
	20,125	16,049
Overprovision in prior years:		
Hong Kong Profits Tax	**(553)**	–
Deferred tax	**(712)**	(1,896)
Income tax expenses	**18,860**	14,153

12 DIVIDENDS

The Board of Directors did not recommend the payment of interim dividends for the six months ended June 30, 2026.

13 EARNINGS PER SHARE

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

Earnings

	Six months ended June 30,	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Profit attributable to owners of the Company	**46,442**	58,099

Number of shares

	Six months ended June 30,	
	2026 **(Unaudited)**	2025 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**820,646**	837,922
Effect of dilutive potential ordinary shares: Deemed issue of shares under the Company's RSU scheme	**8,438**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**829,084**	837,922

The weighted average number of ordinary shares for the calculation of earnings per share has been adjusted for the effects of the shares held by the trustee pursuant to the RSU scheme and treasury shares.

For the purpose of computation of diluted earnings per share of the Company for the six months period ended 30 June 2025, the Company did not adjust for the restricted share unit as the assumed exercise prices of those share awards were higher than the average market price for shares of the Company during the period.

14 MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2026, the Group paid approximately RMB4,812,000 on addition of property, plant and equipment (six months ended June 30, 2025: RMB436,000).

15 RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

During the six months ended June 30, 2026, the Group entered into seven new arrangements in respect of buildings and motor vehicles. Right-of-use assets and lease liabilities of approximately RMB1,835,000 were recognised at the inception of the leases. (Six months ended June 30, 2025: two new arrangements in respect of buildings and motor vehicles of approximately RMB659,000)

During the six months ended June 30, 2026, the Group early terminated a lease contract, the respective right-of-use assets and lease liabilities of approximately RMB41,000 and RMB10,000 respectively were derecognised resulting in a loss on early termination of lease of approximately RMB10,000 recognised in profit or loss (Six months ended June 30, 2025: No early termination of right-of-use assets and lease liabilities).

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Current portion		
Investments in unlisted entities	**131,722**	142,359
Investments in unlisted funds	**100,400**	105,098
Investment in listed entity	**22,921**	–
	255,043	247,457
Non-current portion		
Investments in unlisted funds	**79,015**	79,083
Investments in unlisted entities	**119,212**	55,412
Investment in listed entity	**13,920**	13,919
	212,147	148,414
	467,190	395,871

17 TRADE RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade receivables	**124,646**	126,504
Less: allowance for impairment	**(22,688)**	(18,679)
Trade receivables, net	**101,958**	107,825

The Group normally allows nil to 30 days credit period to its customers. Aging analysis of trade receivables as at June 30, 2026 and December 31, 2025, based on the invoice dates, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Up to 3 months	**79,265**	100,264
3 to 6 months	**5,642**	7,131
6 months to 1 year	**26,246**	4,194
1 to 2 years	**5,986**	7,714
2 to 3 years	**2,791**	2,627
Over 3 years	**4,716**	4,574
Trade receivables	**124,646**	126,504

18 PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Prepayments	**37,245**	11,653
Loans to third parties	**8,046**	5,125
Rental and other deposits	**21,336**	21,296
Other tax recoverables	**16,635**	20,622
Others	**1,472**	294
	47,489	47,337
Less: allowance for impairment	**(549)**	(271)
Other receivables, net	**46,940**	47,066
Total prepayments and other receivables	**84,185**	58,719
Less: Non-current deposits and prepayments	**(34,529)**	(20,666)
Current portion	**49,656**	38,053

19 CASH AND CASH EQUIVALENTS, TERM DEPOSITS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Cash at bank and on hand (a)	**814,981**	766,820
Less: Term deposit with original maturity of more than three months	**(442,809)**	(443,592)
Cash and cash equivalents	**372,172**	323,228

20 SHARE CAPITAL AND TREASURY SHARES

	Number of shares		Share capital	
	2026	2025	**2026**	2025
			USD	USD
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Ordinary shares of USD0.0001 each				
Authorised:				
At end of the year	**2,000,000,000**	2,000,000,000	**200,000**	200,000

	Number of shares		Share capital	
	2026	2025	**2026**	2025
			USD	USD
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Issued and fully paid				
At end of the year	**871,881,000**	871,881,000	**87,188**	87,188

	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Presented as	**587**	587

As at January 1, 2024, 28,125,000 treasury shares were held by two trusts controlled by the Company for the Company's restricted share units scheme. During the period ended June 30, 2026, no shares have been vested and transferred (2025: approximately 8,837,000). During the period ended June 30, 2026, no shares were repurchased as treasury shares (2025: approximately 32,037,000). At June 30, 2026, the Company had outstanding treasury shares of approximately 51,235,000 (2025: approximately 51,235,000).

21 BORROWINGS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Long-term KRW bank borrowing, secured (a)	**52,836**	58,426

(a) As at June 30, 2026 and December 31, 2025, the Group's KRW bank borrowing was secured by certain assets, including property, plant and equipment with carrying amount of RMB81,407,000 (2025: property, plant and equipment with carrying amount of RMB83,354,000 and investment properties with carrying amount of RMB6,755,000). The bank borrowing carried a floating interest rate ranging from 2.76% to 5.23% per annum, which was originally repayable on August 29, 2025. On August 19, 2025, the Group has received written notification from the relevant bank for agreeing to extend the maturity date from August 29, 2025 to August 31, 2026.

22 TRADE PAYABLES

Aging analysis of trade payables as at June 30, 2026 and December 31, 2025, based on date of recognition, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Up to 3 months	**76,401**	187,397
3 to 6 months	**980**	30,594
6 months to 1 year	**160,994**	2,830
Over 1 year	**26,343**	22,588
	264,718	243,409

23 OTHER PAYABLES AND ACCRUALS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Accrual for payroll, employee benefit and other expenses	**9,917**	30,884
Payables in respect of sharing in the receipts from movies and variety programs	**8,005**	10,803
VAT and surcharges payable	**3,186**	9,593
Others	**11,188**	12,206
	32,296	63,486

24 COMMITMENTS

Capital commitments

The Group mainly has capital commitments with respect to fund subscription. Significant capital expenditure contracted for as at June 30, 2026 and December 31, 2025, but not recognised as liabilities were as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Capital injection commitment to an associate	**–**	2,800
Fund subscription	**79,907**	83,096
	79,907	85,896

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The Controlling Shareholder is disclosed in Note 1.

Major related parties that had transactions with the Group during the six months ended June 30, 2026 and 2025 were as follows:

25 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

The following companies are related parties of the Group that had balances and/or transactions with the Group.

Name of the related parties	Relationship with the Group
Ms. Du	Controlling Shareholder
Mr. SUN Yiding	Director of the Company
Mr. LEE Sang Kyu	Director of a subsidiary of the Group
CMC and its subsidiaries (collectively "**CMC Group**")	CMC was a shareholder of the Company with the right to nominate an individual to represent CMC as a director of the Company. Such nomination right lapsed as a result of shareholding reduction on 18 June 2025. It ceased to be related party since 18 June 2025
Alibaba Pictures Group Limited and its subsidiaries, and its fellow subsidiaries under the common control of the same ultimate shareholder (collectively "**APG**")	Dongyang Alibaba Pictures as a shareholder of the Company with the right to nominate an individual to represent Dongyang Alibaba Pictures as a director of the Company, and Alibaba Pictures Group Limited and its subsidiaries (including Dongyang Alibaba Pictures) and its fellow subsidiaries under the common control of the same ultimate shareholder
Nice Future (Beijing) Culture Communication Co., Ltd. (尼斯未來(北京)文化傳播有限公司, "**Nice Future**")	A company owned as to 9.5% by Tianjin Yihua, 28.5% by Mr. LIU Jiachao, an independent third party, 5.0% by Shenzhen Huiwen Holdings Co., Ltd. (深圳市滙文控股有限公司), an independent third party and 57.0% by Mr. DU Jiang, a family member of Ms. Du
Beijing Leying Huajin Culture Technology Co., Ltd. (北京樂影華錦文化科技有限公司, "**Leying Huajin**")	A company owned as to 51.0% by Ms. Du and 49.0% by Mr. Sun Yiding
Hunan Yueying Huayi Culture Communication Co., Ltd. (湖南樂影華億文化傳播有限公司, "**Yueying Huayi**")	A company owned as to 51.0% by Ms. Du and 49.0% by Mr. Sun Yiding
Shenyang Qiaoqiao Interactive Network Technology Co.,Ltd. (瀋陽敲敲互動網絡科技有限公司, "**Shenyang Qiaoqiao**")	A company owned as to 30.6% by Ms. Du and 29.4% by Mr. Sun Yiding
Shenzhen Yiqi Culture Co.,Ltd and its subsidiary. (深圳市熠起文化有限公司及其子公司, "**Yiqi**")	A strategic partner of the Group and holds a 46.55% equity interest in Beijing Yuhua Tongxing Culture Development Co., Ltd. (與華同行(北京)文化發展有限公司), a subsidiary of the Group in which the Group holds the remaining 53.45% equity interest
Nanjing Jenifer Biotechnology Co., Ltd. (南京婕妮芙生物科技有限公司, "**Nanjing Jenifer**")	A company owned as to 89.1% by Mr. DU Jiang, a family member of Ms. Du.
Hangzhou Agile Groups Network Technology Co.,Ltd. (杭州小群網絡科技有限公司, "**Hangzhou Agile**")	An associate of the Group owned as to 7.72%
Beijing Yinhe Huixiang Entertainment Culture Co.,Ltd. (北京銀河回響娛樂文化有限公司, "**Yinhe Huixiang**")	An associate of the Group owned as to 30.00%

25 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

In the opinion of the Company's directors, the following related party transactions were carried out at terms negotiated and mutually agreed between the Group and the respective related parties:

(a) Transactions with related parties

		Six months ended June 30,	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
(i)	Revenue:		
	APG	**623**	11,671
	Yiqi	**26,182**	–
	Yueying Huayi	**–**	453
	Shenyang Qiaoqiao	**770**	–
	Nice Future	**5,883**	4,678
		33,458	16,802
(ii)	Cost of revenue:		
	APG	**1,571**	195
	Yiqi	**23,969**	–
	Yinhe Huixiang	**21**	–
		25,561	195
(iii)	Purchase of pop toys and other services		
	Yiqi	**67,832**	–

25 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(b) Balances with related parties

		June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade nature			
(i)	Trade receivables:		
	APG	**350**	248
	CMC Group	**–**	6
	Yiqi	**24,750**	15,055
	Shenyang Qiaoqiao	**1,482**	612
	Nice Future	**12,883**	11,321
		39,465	27,242
(ii)	Trade and other payables		
	APG	**–**	28
	Hangzhou Agile	**5**	9
	Nanjing Jenifer	**20**	20
	Yueying Huayi	**–**	483
	Shenyang Qiaoqiao	**237**	63
	Yiqi	**35,315**	33,951
	Nice Future	**680**	680
		36,257	35,234
(iii)	Contract liabilities		
	Yiqi	**1,908**	1,488
	Nanjing Jenifer	**35**	35
		1,943	1,523
(iv)	Prepayments:		
	Nice Future	**496**	–

25 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(c) Key management personnel compensation

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Wages, salaries and bonuses	**3,636**	3,485
Pension costs – defined contribution plans	**154**	152
Other social security costs, housing benefits and other employee benefits	**202**	191
Equity settled share-based payments	**1,162**	2,860
	5,154	6,688

26 EQUITY SETTLED SHARE-BASED PAYMENTS

2021 Share Incentive Plan of the Company (the "2021 Share Incentive Plan")

On December 10, 2021, the Company adopted the 2021 Share Incentive Plan, pursuant to which the maximum number of shares in respect of which awards may be granted shall not exceed 5,790,000 shares. On the same day, the board of directors of the Company passed a resolution, pursuant to which an aggregate of 1,542,500 ordinary shares were issued to ARK Trust (Hong Kong) Limited, a trustee for the administration of the 2021 Share Incentive Plan. Meanwhile, the Company granted 1,542,500 RSUs to eligible participants (the "**Grantees**"), representing ordinary shares of par value USD0.0001 each in the share capital of the Company.

On March 4, 2022, the board of directors of the Company passed a resolution, pursuant to which an aggregate of 4,247,500 ordinary shares of the Company were issued to Lightstone Trust (Hong Kong) Limited, a trustee for the administration of the 2021 Share Incentive Plan. On the same day, 3,594,750 RSUs had been granted to the Grantees. On December 20, 2022, 652,750 RSUs had been granted to the Grantees.

The aforementioned RSUs awarded on December 10, 2021, March 4, 2022 and December 20, 2022 are subject to a vesting scale in tranches from the grant date over certain period of employment with the Group or period of service to the Group, on the condition that employees remain employed and suppliers continue to provide services to the Group without any performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

2026 Share Incentive Plan of the Company (the "2026 Share Incentive Plan")

On 16 April 2026, pursuant to the 2026 Share Incentive Plan (which has an overall maximum aggregate limit of 20,000,000 RSUs), the board of directors of the Company passed a resolution, under which 12,500,000 RSUs were granted to a service provider of the Company, representing ordinary shares of par value USD0.0001 each in the share capital of the Company. Following this grant, 7,500,000 RSUs remain available for future grants under the plan, in respect of which no grantees have yet been identified. Settlement of such RSUs will be satisfied by treasury shares, and no new ordinary shares will be issued in respect of this grant.

26 EQUITY SETTLED SHARE-BASED PAYMENTS *(continued)*

2026 Share Incentive Plan of the Company (the "2026 Share Incentive Plan") *(continued)*

The RSUs granted on 16 April 2026 are subject to a vesting scale in tranches from the grant date over certain service periods with the Group, on the condition that the grantee remain in service with the Group, without any performance requirements. 25% of such RSUs shall vest on each of the first, second, third and fourth anniversaries of the grant date. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

Details of RSUs are as follows:

Grant date	Number of RSUs	Vesting condition
December 10, 2021	9,975,000*	25% are to be vested 6 months from the Listing Date 25% are to be vested 18 months from the Listing Date 25% are to be vested 30 months from the Listing Date 25% are to be vested 42 months from the Listing Date
March 4, 2022	23,325,000*	25% are to be vested 6 months from the Listing Date 25% are to be vested 18 months from the Listing Date 25% are to be vested 30 months from the Listing Date 25% are to be vested 42 months from the Listing Date
December 20, 2022	4,200,000*	25% are to be vested 6 months from the Listing Date 25% are to be vested 18 months from the Listing Date 25% are to be vested 30 months from the Listing Date 25% are to be vested 42 months from the Listing Date
April 16, 2026	12,500,000	25% are to be vested 12 months from the Grant Date 25% are to be vested 24 months from the Grant Date 25% are to be vested 36 months from the Grant Date 25% are to be vested 48 months from the Grant Date

HKD0.01544 per share will be paid by the Grantees upon the vesting and settlement of each of the RSUs granted in 2021 and 2022.

HKD0.01 per share will be paid by the Grantees upon the vesting and settlement of each RSU granted on April 16, 2026.

* Considering the effect of share capitalisation issue in 2023

The share-based compensation expenses recognised during the six months ended June 30, 2026 and 2025 were summarised in the following table:

	Six months ended June 30,	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Share-based compensation expenses for eligible individuals	**10,022**	11,412

27 CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at June 30, 2026.

DEFINITIONS AND GLOSSARY

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

"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairlady"	the chairlady of the Board
"China" or the "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires otherwise, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
"Company", "our Company", "the Company" or "YH Entertainment"	YH Entertainment Group (乐华娱乐集团), an exempted company incorporated in Cayman Islands with limited liability on June 10, 2021
"Directors"	director(s) of the Company
"Global Offering"	has the meaning ascribed to it in the Prospectus
"Group," "our Group," "the Group," "we," "us," or "our"	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS Accounting Standards"	International Accounting Standards and International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	party or parties that, to the best of our Directors' knowledge, information and belief, is or are not a connected person(s) of our Company within the meaning of the Listing Rules
"Korea"	The Republic of Korea
"KRW"	Korean Republic won, the lawful currency of Korea
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on January 19, 2023
"Listing Date"	the date, namely January 19, 2023, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Pre-IPO Share Incentive Plan"	the share incentive plan that our Company adopted on December 10, 2021
"Prospectus"	the prospectus of the Company published on December 30, 2022
"Reporting Period"	the six months ended June 30, 2026
"RMB" or "Renminbi"	the lawful currency of the PRC
"RSU(s)"	restricted share units to eligible individuals under the Pre-IPO Share Incentive Plan and/or the 2026 Share Incentive Plan (as applicable)
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"US$" or "USD"	United States dollars, the lawful currency for the time being of the United States
"Yuehua Korea"	YH ENTERTAINMENT CO., LTD., a company incorporated in the Republic of Korea on August 28, 2014 and a non-wholly owned subsidiary of Yuehua Limited
"2026 Share Incentive Plan"	the share incentive plan of the Company adopted and approved by Shareholders at the extraordinary general meeting held on April 16, 2026
"%"	percentage

In this report, the terms "affiliate," "associate," "controlling shareholder" and "subsidiary" shall have the meanings given to such terms in the Listing Rules unless the context otherwise requires. Certain English titles of films, drama series, artistic works, publications and variety programs referenced in this report are derived from publicly available sources and are provided for reference only. The official titles shall be as expressed in their respective original languages.