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乐华娱乐

YUE HUA  
ENTERTAINMENT

**YH Entertainment Group**

**乐华娱乐集团**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2306)**

## **DISCLOSEABLE TRANSACTION**

### **SUBSCRIPTION OF LIMITED PARTNER INTEREST IN A FUND**

The Board is pleased to announce that, on May 9, 2025, a Limited Partnership Agreement was entered into between the Company and the General Partner, pursuant to which the Company's application to subscribe for the Class A Interest in the 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 has been accepted by the Fund.

The capital commitment was determined after arm's length negotiation between the General Partner and the Company, taking into account of various factors including the terms of Subscription Agreement and the Limited Partnership Agreement, the investment objectives of the Fund and the financial position of the Company. The capital commitment will be funded by the Company's internal resources.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## THE SUBSCRIPTION

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## PRINCIPAL TERMS OF TRANSACTION DOCUMENTS

Pursuant to the Limited Partnership Agreement and the Subscription Agreement in relation to the Subscription, the Company shall be bound by the Limited Partnership Agreement upon the acceptance by the General Partner. The principal terms of the Limited Partnership Agreement and the Subscription Agreement are as follows:

Date: May 9, 2025

Parties: *In relationship to the Limited Partnership Agreement*

- (i) The Company, as the Class A Limited Partner; and
- (ii) the Fund

*In relation to the Subscription Agreement*

- (i) The Company; and
- (ii) Star Light Blessing Limited (星光天佑有限公司), as the General Partner

Name of the Fund: SPL New Economy LPF (星光新經濟產業有限合夥基金)

Term of the Fund: The term of the Fund shall continue, unless terminated earlier in accordance with the provisions of the Limited Partnership Agreement, until the expiry of fifth (5th) anniversary of the date of the Limited Partnership Agreement. The term of the Fund may be extended for up to two additional one year periods at the sole discretion of the General Partner, without prejudice to the provisions for early termination of the Fund for reasons specified in the Limited Partnership Agreement.

Purpose of the Fund:	The principal purpose of the 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 realising capital gain.
Capital commitment and subscription fee:	The Company has committed to contribute HK\$100 million to the Fund as a Class A Limited Partner, and agreed to pay a subscription fee of HK\$2 million, equaling to two per cent (2%) of the capital commitment.
Limited partner interest for subscription:	<p>The General Partner of the Fund has designated two classes of limited partner Interests, being Class A Interest for preferred interest in the Fund and Class B Interest for ordinary interest in the Fund, which are available for subscription under the terms of the Limited Partnership Agreement. The limited partner interest subscribed by the Company pursuant to the Limited Partnership Agreement is Class A Interest.</p> <p>Pursuant to the Limited Partnership Agreement, each of the Class A Limited Partner shall receive a preferred return in the relevant class currency at a rate of 6% per annum upon distribution on its total Capital Contribution in the form of a preferred dividend, which shall be declared before the end of the term or upon distribution, as determined in the sole discretion of the General Partner.</p>
Management:	The General Partner shall have ultimate and exclusive responsibility for the management and control of the Fund pursuant to the LPF Ordinance and subject to the terms of the Limited Partnership Agreement, and shall have the power and authority to do all things necessary or desirable to carry out the purposes of the Fund. The General Partner has unlimited liability for all the debts and obligations of the Fund pursuant to the LPF Ordinance. The General Partner may delegate its management authority and powers given to it pursuant to the Limited Partnership Agreement to such persons as it shall reasonably decide (including the Investment Manager) provided that the General Partner shall retain overall responsibility for the performance of its obligations under the Limited Partnership Agreement.

The Limited Partners shall take no part in the management or control of the business and affairs of the Fund, and shall have no right or authority to act for the Fund or to take any part in or in any way to interfere in the conduct or management of the Fund or to vote on matters relating to the Fund other than as provided in the LPF Ordinance or as set out in the Limited Partnership Agreement.

Annual service fee: The annual service fee with respect to each Limited Partner shall be 2% of such Limited Partner's Capital Contribution. The annual service fee for the first accounting period for each Limited Partner will be waived.

Management fee: The management fee with respect to each Limited Partner shall be 0.5% of such Limited Partner's Capital Contribution. The management fee for the first accounting period for each Limited Partner will be waived.

Distribution: After the payment of or provision for fees, costs and expenses as specified in the Limited Partnership Agreement, the payment of or provision for the management fee, and the payment of or provision for working capital requirements of the Fund or liabilities howsoever arising, all income and capital shall be distributed as follows:

- (i) 100% to each Class A Limited Partner until the cumulative amount distributed to such Class A Limited Partner is equal to such Class A Limited Partner's aggregate Capital Contributions less the management fee and annual service fee payable and accrued by such Class A Limited Partner;
- (ii) to fulfil Class A Limited Partner's preferred return, one hundred percent (100%) to each Class A Limited Partner until the cumulative distributions to such Class A Limited Partner pursuant to this clause (ii) represents 6% per annum of the aggregate Capital Contributions;
- (iii) 100% to each Class B Limited Partner until the cumulative amount distributed to such Class B Limited Partner is equal to such Class B Limited Partner's aggregate Capital Contributions less the Management Fee and Annual Service Fee payable and accrued by such Class B Limited Partner;

- (iv) 100% to the Class B Limited Partner until the cumulative distributions pursuant to this clause (iv) to the Class B Limited Partner represents 10% per annum on the aggregate Capital Contributions by such Class B Limited Partner, calculated from the date on which the relevant Capital Contribution was paid to the date on which it was repaid;
- (v) 100% to the General Partner until the cumulative amount distributed to the General Partner under this clause (v) equals the cumulative amounts distributed to the Class B Limited Partner under the clause (iv); and
- (vi) 50% shall be distributed to such Class B Limited Partner and 50% shall be paid to the General Partner.

Lock-up period: No Transfer of all or any part of any Limited Partner's interest (including any ultimate beneficial interest or any economic interest) in the Fund, whether voluntary or involuntary shall be valid or effective within five (5) calendar years immediately following the relevant closing.

Source of fund: The Subscription will be funded by the Company's internal resources without the use of any net proceeds from the Global Offering.

In addition, pursuant to the letter of confirmation by the Fund dated May 9, 2025 (the "**Letter of Confirmation**"), starting from 12 months after the date of achievement of sufficient subscription of the Class B Interest and Class A Interest pursuant to the Limited Partnership Agreement, the Company is entitled to redeem or withdraw any of its interest held in the Fund up to twice per calendar year or on such other date as determined by the General Partner by delivering to the General Partner a redemption request form.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

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 with an 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 and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company and the Group is principally engaged in the artist management and entertainment-related industry in the PRC and has grown into a culture and entertainment platform comprising three complementary businesses of artist management, music IP production and operation, and pan-entertainment business since its establishment in 2009.

## **INFORMATION OF THE FUND, THE GENERAL PARTNER AND THE INVESTMENT MANAGER OF THE FUND**

The Fund is a Hong Kong limited partnership fund registered in Hong Kong on February 14, 2024 pursuant to the LPF Ordinance. The Fund has not yet commenced any business activities. Consequently, neither financial information nor past performance of the Fund is presented in this announcement.

Star Light Blessing Limited (星光天佑有限公司), the General Partner of the Fund, is a limited liability company incorporated under the laws of Hong Kong on January 22, 2024 and is principally engaged in the business of investment holding. The General Partner is ultimately and beneficially owned by Mr. Sam Zhongshan Qian (錢中山).

MaiCapital Limited, a limited liability company incorporated under the laws of Hong Kong on January 17, 2018, has been appointed by the Fund to act as the Investment Manager of the Fund. The Investment Manager is principally engaged in the business of investment management, and is ultimately and beneficially owned by GoFintech Quantum Innovation Limited (stock code: 0290.HK). MaiCapital Limited is licensed by the Securities and Futures Commission to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Fund, the General Partner, the Investment Manager and their respective ultimate beneficial owner(s) are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“Capital Contribution”	in respect of each Limited Partner, the aggregate amount of contribution to the Fund by such Limited Partner in cash or in kind pursuant to drawdown notices, including cash contributed to the Fund for the purposes of satisfying the management fee and any other fees, costs and expenses of the Fund as specified in the Limited Partnership Agreement
“Chairlady”	the chairlady of the Board
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“Class A Interest”	the preferred interest in the Fund
“Class A Limited Partner”	a Limited Partner subscribed to Class A Interest
“Class B Interest”	the ordinary interest in the Fund
“Class B Limited Partner”	a Limited Partner subscribed to Class B Interest
“Company,” “our Company,” “the Company” or “YH Entertainment”	YH Entertainment Group (乐华娱乐集团), an exempted company incorporated in Cayman Islands with limited liability on June 10, 2021
“Directors”	director(s) of the Company
“Fund”	SPL New Economy LPF (星光新經濟產業有限合夥基金), a limited partnership fund registered in Hong Kong on February 14, 2024 pursuant to the LPF Ordinance
“General Partner”	Star Light Blessing Limited (星光天佑有限公司), a limited liability company incorporated under the laws of Hong Kong on January 22, 2024

“Global Offering”	has the meaning ascribed to it in the prospectus of the Company published on December 30, 2022
“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\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Investment Manager”	MaiCapital Limited, a limited liability company incorporated under the laws of Hong Kong on January 17, 2018
“Limited Partner”	each person whose subscription has been accepted by the General Partner or who has been admitted to the Fund as a substitute Limited Partner, in each case for so long as they do not cease to be a limited partner in accordance with the terms of the Limited Partnership Agreement
“Limited Partnership Agreement”	the limited partnership agreement of the Fund entered into between the Company and the General Partner dated May 9, 2025, including all schedules to it, as may be amended from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“LPF Ordinance”	the Limited Partnership Fund Ordinance (Chapter 637 of the Laws of Hong Kong)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Partner(s)”	the General Partner and/or all or any of the Limited Partners, as the context may require
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Subscription”	the subscription of the Class A Interest in the Fund as a Class A Limited Partner with a capital commitment of HK\$100 million (exclusive of a subscription fee of HK\$2 million)
“Subscription Agreement”	the agreement entered into between the Company and the Fund dated May 9, 2025 in relation to the Subscription
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transaction Documents”	the Subscription Agreement, the Limited Partnership Agreement and the Letter of Confirmation
“Transfer”	the sale, assignment, transfer, exchange, pledge, encumbrance or other disposition or grant of any participation of all or any part of any Limited Partner’s interest (including any ultimate beneficial interest or any economic interest) in the Fund, whether voluntary or involuntary
“%”	Percentage

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

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

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

Hong Kong, May 9, 2025

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