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中期報告

YH Entertainment Group

INTERIM REPORT



乐华娱乐
YUE HUA
ENTERTAINMENT

乐华娱乐集团

YH Entertainment Group
Interim Report

股份代號 Stock Code:2306

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CORPORATE INFORMATION

BOARD OF 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. CHUNG Ming Fai

AUTHORIZED REPRESENTATIVES

Mr. SUN Yiding
Mr. CHUNG Ming Fai

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 6006, 6/F, Building One
Yard 28, Chuangyuan Road
Chaoyang District, Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman KY1-1111
Cayman Islands



CORPORATE INFORMATION (continued)



HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS

China Guangfa Bank
(Beijing International Exhibition Center Branch)
First Floor, Zhongjian Building
No. 18 Xibahe Dongli
Chaoyang District
Beijing, PRC

China Merchants Bank (Tianjin Binhai Branch)
No. 33 Second Road, Binhai New District
Tianjin, PRC

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
Registered public interest entity auditor
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

HONG KONG LEGAL ADVISOR

Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

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 <i>(Percentage except for percentage point)</i>
	2025	2024	
	<i>(RMB in thousands, except for percentages)</i> (Unaudited)	(Unaudited)	
Revenue	414,217	347,270	19.3%
Gross profit	109,415	89,072	22.8%
Gross profit margin	26.4%	25.6%	3.1%
Operating profit	65,899	35,197	87.2%
Profit before income tax	75,231	44,013	70.9%
Profit for the period	61,078	29,351	108.1%
Non-IFRS Accounting Standards measures:			
Adjusted net profit for the period	60,922	59,060	3.2%



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

Based on our full-fledged professional artist management system, we have been continually exploring diversified career path and training scheme for our managed artists and trainees. As of June 30, 2025, we had 62 managed artists and 51 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 movie “We Girls (向陽·花)”, drama series “Perfect Match (五福臨門)” and “Love in Pavilion (淮水竹亭)”, and the variety programs “Daughters and Mothers Season Two (是女兒是媽媽2)”, “The Top Racer (風馳賽車手)” and “Ride the Wind (乘風2025).”

During the Reporting Period, several of our managed artists successfully held their concerts, including Ms. Wu Xuanyi (吳宣儀)’s “9:31” concert, Mr. Zhu Zhengting (朱正廷)’s solo concert, Mr. Huang Minghao (黃明昊)’s “Imaginary World” concert in Beijing, Mr. Tang Jiuzhou (唐九洲)’s JOJOLAND tour concerts, NAME’s “Be Bold” tour and signing events in Tianjin, Beijing, Chengdu, and Hangzhou and Loong9’s nationwide signing tour.

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 3 digital albums covering a diverse range of genres, which enjoyed wide-ranged popularity.

During the Reporting Period, we continued to leverage our longstanding expertise in the pan-entertainment sector to further diversify and strengthen our IP operations businesses. In addition to advancing initiatives in virtual artist development and artist-related merchandise, we identified new growth opportunities that complemented our existing IP portfolio.

Within the artist-related merchandise segment, artist photocards continued to contribute positively, reflecting steady engagement from our audience. A key area of growth within artist-related merchandise was the development of artist photocards. Through curated campaigns and exclusive releases, we saw steady growth in audience engagement and sales performance, reinforcing the potential of photocard as a sustainable content-driven offering within the broader entertainment market. As an integral part of artist-related merchandise business, during the Reporting Period, artist photocards business is making meaningful contribution to our overall performance of the artist-related merchandise business.

In parallel, our pop toy business gained traction through targeted collaborations and strong consumer response. During the Reporting Period, Tianjin Yihua, our subsidiary, established Yuhuatongxing in partnership with Shenzhen Yiqi, as a platform to incubate and commercialize the pop toy IPs such as WAKUKU. This strategic initiative is aimed at strengthening our contribution to the WAKUKU brand’s operational execution and market positioning. The brand’s distinctive aesthetic and collectible appeal resonated particularly well with young customers, resulting in several successful product launches and increased visibility across online and offline channels. These developments have contributed positively to our IP commercialization portfolio and laid a solid foundation for future scalability.

Our total revenue increased from RMB347.3 million for the six months ended June 30, 2024 to RMB414.2 million during the Reporting Period, primarily due to the increase of revenue generated from artist management. We recorded a profit of RMB61.1 million during the Reporting Period, compared to a profit of RMB29.4 million for the six months ended June 30, 2024, primarily attributable to the decrease in equity settled share-based payments and the increase in revenue generated from artist management business during the Reporting Period.

As we enter the third year since our Listing on the Stock Exchange, we remain focused on unlocking long-term value across our core business segments. Drawing on the industry expertise and brand equity we have built through years of development and innovation in the entertainment sector, we will continue to execute our integrated development strategies with discipline and agility. Looking ahead, we pursue balanced and sustainable growth across our business areas. By fostering creativity, strengthening execution, and deepening collaboration, we enhance the value of our content and brand assets while expanding our presence in both domestic and international markets. We remain committed to building a resilient and adaptable entertainment business that captures evolving opportunities and delivers long-term value.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS ANALYSIS BY BUSINESS LINE

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

	For the six months ended June 30,				Period-over- Period change
	2025		2024		
	Amount	% of total revenue	Amount	% of total revenue	
	(RMB in thousands, except for percentages)				
	(Unaudited)		(Unaudited)		
Artist management	356,908	86.2%	303,183	87.3%	17.7%
Music IP production and operation	36,703	8.8%	35,049	10.1%	4.7%
IP commercialization business	20,606	5.0%	9,038	2.6%	128.0%
Total Revenue	414,217	100.0%	347,270	100.0%	19.3%

Artist Management

We continued to reinforce our leading position in China's artist management market during the Reporting Period and continuously identify candidates with high artistic potential to build a robust pipeline of trainees and provide comprehensive and high-quality training classes to 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 artist 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 17.7% from RMB303.2 million for the six months ended June 30, 2024 to RMB356.9 million during the Reporting Period, primarily attributable 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 8.8% from RMB65.2 million for the six months ended June 30, 2024 to RMB70.9 million during the Reporting Period. The gross profit margin for artist management decreased from 21.5% for the six months ended June 30, 2024 to 19.9% during the Reporting Period, as the increase in costs incurred for artist management outpaced the increase in revenue generated from artist management.

In the future, we will further increase the quality and quantity of our managed artists to solidify our advantage as a leading artist management company in China. With our own artist training center coming into use in the second half of 2025, our core capabilities in artist training will be enhanced and upgraded to the new level. Leveraging our professional and systematic Yuehua trainee program, we will continue to expand our roster of trainees with artistic potential. We plan to continue enhancing our artist operation capabilities to boost the popularity and commercial value of our managed artists and also increase our efforts in marketing and promoting our managed artists as well as recent debutants.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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, 2025, we had built an extensive music IP library comprising more than 1,400 musical works we produced for our managed artists. During the Reporting Period, we released 11 digital singles and 3 digital albums, comprising 41 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 4.7% from RMB35.0 million for the six months ended June 30, 2024 to RMB36.7 million during the Reporting Period, primarily due to an increase in revenue generated from music streaming platforms as a result of our music IPs licensing.

The gross profit for our music IP production and operation business increased from RMB17.2 million for the six months ended June 30, 2024 to RMB26.0 million during the Reporting Period. The gross profit margin for our music IP production and operation business increased from 49.0% for the six months ended June 30, 2024 to 70.7% for the six months ended June 30, 2025, primarily due to higher revenue generated from music streaming platforms, while the associated licensing costs remained relatively low.

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

IP Commercialization Business

In addition to artist management and music IP production and operation, during the Reporting Period, our IP commercialization business continued to evolve into a more structured and diversified segment, encompassing multiple sub-verticals, further enriching the breadth and depth of our pan-entertainment strategy. These include virtual artist development, artist-related merchandise, and the pop toy business. Each sub-segment reflects our commitment to expanding the commercial potential of creative assets through differentiated formats and audience engagement strategies.

The virtual artist business focuses on developing digital personas and immersive content experiences, while artist-related merchandise covers a broad range of physical and digital products derived from our talent portfolio. Meanwhile, among our operation of pop toy business, WAKUKU has emerged as a flagship collectible IP, gaining traction through targeted collaborations and retail expansion. Together, these initiatives form a cohesive and scalable framework for IP monetization across both domestic and international markets.

The revenue we generated from IP commercialization business increased by 128.0% from RMB9.0 million for the six months ended June 30, 2024 to RMB20.6 million for the six months ended June 30, 2025, primarily due to an increase in revenue generated from artist-related merchandise.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The gross profit for our IP commercialization business increased by 86.5% from RMB6.7 million for the six months ended June 30, 2024 to RMB12.5 million during the Reporting Period. The gross profit margin for our IP commercialization business decreased from 74.3% for the six months ended June 30, 2024 to 60.7% during the Reporting Period, primarily due to increased costs associated with artist-related merchandise and virtual artist development.

Looking ahead, we will continue to strengthen and refine our IP commercialization capabilities by exploring new content formats, expanding cross-sector collaborations, and enhancing the integration of creative and commercial resources. We aim to build a resilient and scalable business model that supports long-term growth, while maintaining flexibility to adapt to evolving market dynamics and consumer preferences. Through disciplined execution and continuous innovation, we seek to reinforce our position in the culture and entertainment industry and unlock new opportunities across both domestic and international markets.

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 culture trend worldwide.

Yuehua Korea is an important part of our global strategy. With its strong music production capabilities, Yuehua Korea has produced many musical works that are widely popular. During the Reporting Period, our managed artist Yena Choi held her “nemonemo” concert series in Seoul, Osaka, Tokyo, Macau, and Taipei, and our managed artist group TEMPEST staged their “RE: Full of Youth” concert in Macau. In addition to Korea, we were also actively expanding our business in other regions across the world during the Reporting Period. We will continue to build our team in Korea and enhance the artist operation capacities of Yuehua Korea through recruiting more professional instructors, establishing business cooperation with leading content producers and media platforms in Korea.

During the Reporting Period, we continued to explore the overseas markets and promote our managed artists globally. Movies starring Ms. Cheng Xiao (程瀟), such as “We Girls (向陽·花)”, “Love List (分手清單)” were distributed in Malaysia, Australia, the United Kingdom, New Zealand, Germany and Singapore. TV series starring Ms. Wu Xuanyi (吳宣儀) such as “Perfect Match (五福臨門)” and “Love in Pavilion (淮水竹亭)” and Mr. Tang Jiuzhou (唐九洲) such as “The Best Thing (愛你)” were released across various countries and regions including Hong Kong, Thailand, Korea, Japan, Canada and the United States. Mr. Tang Jiuzhou’s digital album “PRE2EN7” was officially released globally in March 2025. These series, movies, shows and music works have been widely popular since their international distribution.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Revenue

Our revenue increased by 19.3% from RMB347.3 million for the six months ended June 30, 2024 to RMB414.2 million during the Reporting Period, primarily due to an increase in revenue generated from artist management.

The revenue we generated from artist management business increased by 17.7% from RMB303.2 million for the six months ended June 30, 2024 to RMB356.9 million during the Reporting Period, primarily attributable to 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 4.7% from RMB35.0 million for the six months ended June 30, 2024 to RMB36.7 million during the Reporting Period, primarily due to an increase in revenue generated from music streaming platforms as a result of our music IPs licensing.

The revenue we generated from IP commercialization business increased by 128.0% from RMB9.0 million for the six months ended June 30, 2024 to RMB20.6 million during the Reporting Period, primarily due to an increase in revenue generated from artist-related merchandise.

Cost of Revenue

Our cost of revenue increased by 18.0% from RMB258.2 million for the six months ended June 30, 2024 to RMB304.8 million during the Reporting Period, primarily attributable to an increase in expenses incurred by artist management and increased depreciation and amortization charges.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB89.1 million and RMB109.4 million for the six months ended June 30, 2024 and 2025, respectively; and (ii) a gross profit margin of 25.6% and 26.4% for the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by businesses for the periods indicated.

	For the six months ended June 30,			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)			
	(Unaudited)		(Unaudited)	
Artist management	70,943	19.9%	65,176	21.5%
Music IP production and operation	25,959	70.7%	17,185	49.0%
IP commercialization business	12,513	60.7%	6,711	74.3%
Total Revenue	109,415	26.4%	89,072	25.6%

The gross profit for artist management increased by 8.8% from RMB65.2 million for the six months ended June 30, 2024 to RMB70.9 million during the Reporting Period. The gross profit margin for artist management decreased from 21.5% for the six months ended June 30, 2024 to 19.9% during the Reporting Period, as the increase in costs incurred for artist management outpaced the increase in revenue generated from artist management.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The gross profit for our music IP production and operation business increased significantly from RMB17.2 million for the six months ended June 30, 2024 to RMB26.0 million during the Reporting Period. The gross profit margin for our music IP production and operation business increased from 49.0% for the six months ended June 30, 2024 to 70.7% during the Reporting Period, primarily due to higher revenue generated from music streaming platforms, while the associated licensing costs remained relatively low.

The gross profit for our IP commercialization business increased by 86.5% from RMB6.7 million for the six months ended June 30, 2024 to RMB12.5 million for the six months ended June 30, 2025. The gross profit margin for our IP commercialization business decreased from 74.3% for the six months ended June 30, 2024 to 60.7% during the Reporting Period, primarily due to increased costs associated with artist-related merchandise and virtual artist development.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased by 29.4% from RMB21.1 million for the six months ended June 30, 2024 to RMB27.4 million during the Reporting Period, primarily due to increased advertising and promotional expenses, as well as higher depreciation and amortization charges.

General and Administrative Expenses

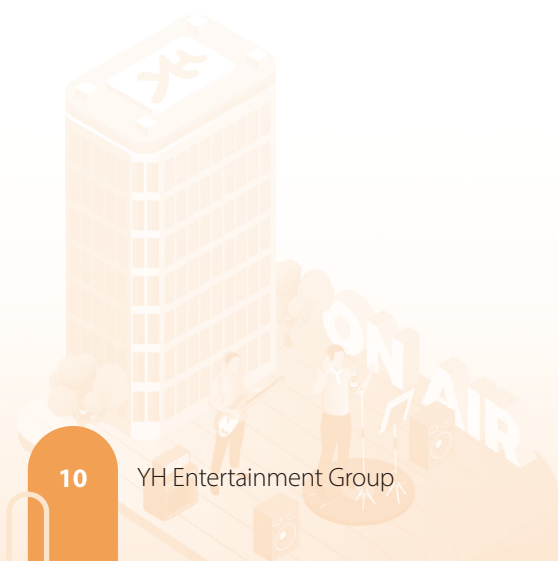
The Group's general and administrative expenses decreased by 31.0% from RMB44.5 million for the six months ended June 30, 2024 to RMB30.7 million during the Reporting Period, primarily due to a reduction in share-based payment expenses.

Net Impairment Losses/Reversal of Impairment Losses

Our net impairment gains/(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 reversal on impairment losses on financial assets of RMB0.9 million for the six months ended June 30, 2025 and 2024, 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.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The table below sets forth a breakdown of the components of our other income for the periods indicated.

	For the six months ended June 30,	
	2025	2024
	(RMB in thousands)	(RMB in thousands)
	(Unaudited)	(Unaudited)
Government subsidies	2,684	10,852
Rental income from investment properties	256	110
Total	2,940	10,962

Other Gains/(Losses), Net

Our other gains or losses primarily comprise (i) fair value gains from unlisted funds, (ii) impairment provision for investments accounted for using the equity method, (iii) fair value gains or losses from unlisted entities, (iv) fair value gains from wealth management products, and (v) net exchange gains or losses. Our net other gains during the Reporting Period were RMB12.7 million and our net other losses for the six months ended June 30, 2024 were RMB73.0 thousand.

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

	For the six months ended June 30,	
	2025	2024
	(RMB in thousands)	(RMB in thousands)
	(Unaudited)	(Unaudited)
Fair value gains from unlisted funds	3,191	2,622
Fair value gains from wealth management products	–	303
Fair value gains/(losses) from unlisted entities	8,250	(890)
Net loss on disposal of property, plant and equipment	(78)	–
Impairment provision for investments accounted for using the equity method	–	(1,785)
Net exchange gains/(losses)	843	(805)
Net losses on disposal of right-of-use assets	–	(84)
Loss on disposal of an associate	(295)	–
Net gain on disposal of investments in unlisted entities	422	–
Others	382	566
Total	12,715	(73)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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 increased from RMB7.9 million for the six months ended June 30, 2024 to RMB9.4 million during the Reporting Period, primarily due to a decrease in interest expenses on bank borrowings.

Share of (Losses)/Gains of Investment Accounted for Using the Equity Method

Our share of (losses)/gains 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 RMB53.0 thousand, compared to share of gains of RMB0.9 million for the six months ended June 30, 2024, primarily due to share of losses of our investments in our associates which recorded net losses for the six months ended June 30, 2025.

Income Tax Expense

Our income tax expense during the Reporting Period was RMB14.2 million.

Profit for the Period

As a result of the foregoing, we recorded a profit for the period of RMB61.1 million during the Reporting Period, compared to a profit for the period of RMB29.4 million for the six months ended June 30, 2024.

Non-IFRS Accounting Standards Measures

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

We define adjusted net profit as profit for the 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 on disposal of investments in unlisted entities. Equity settled share-based payments consist of non-cash expenses arising from granting RSUs to eligible individuals under our Share Incentive Plan. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

	For the six months ended June 30,	
	2025	2024
	(RMB in thousands, except for percentages)	
	(Unaudited)	(Unaudited)
Profit for the period	61,078	29,351
Adjusted for:		
Equity settled share-based payments	11,412	31,744
Fair value changes of financial assets	(11,441)	(2,035)
Loss from disposal of an associate	295	–
Gain on disposal of investments in unlisted entities	(422)	–
Non-IFRS Accounting Standards measures:		
Adjusted net profit	60,922	59,060
Adjusted net profit margin	14.7%	17.0%

Financial Assets at Fair Value Through Profit or Loss

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

Our financial assets at fair value through profit or loss increased by 16.7% from RMB374.1 million as of December 31, 2024 to RMB436.6 million as of June 30, 2025, primarily due to the subscription new funds during the Reporting Period.

Trade Receivables

Our net trade receivables decreased by 5.7% from RMB71.9 million as of December 31, 2024 to RMB67.8 million as of June 30, 2025, which was primarily due to enhanced collection measures implemented by the Company.

As of December 31, 2024 and June 30, 2025, we made allowance for impairment of trade receivables of approximately RMB12.7 million and RMB13.8 million, respectively, which we believe were sufficient as of December 31, 2024 and June 30, 2025, respectively.

Prepayments and Other Receivables

Our prepayments decreased from RMB40.2 million as of December 31, 2024 to RMB26.3 million as of June 30, 2025, primarily attributable to the impairment of the film investment during the Reporting Period.

Our other receivables increased from RMB35.8 million as of December 31, 2024 to RMB38.7 million as of June 30, 2025, primarily due to an increase in rental deposits during the Reporting Period.

Restricted Cash

As of June 30, 2025, we did not have any restricted cash balances.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Trade Payables

Our trade payables decreased by 16.5% from RMB202.7 million as of December 31, 2024 to RMB169.1 million as of June 30, 2025, which was attributable to the settlement of costs related to the 2024 family concert during the Reporting Period.

Other Payables and Accruals

Our other payables and accruals decreased by 20.8% from RMB50.2 million as of December 31, 2024 to RMB39.8 million as of June 30, 2025, primarily due to the payment of year-end bonuses to our employees for the fiscal year of 2024.

Contract Liabilities

Our contract liabilities decreased by 8.3% from RMB190.7 million as of December 31, 2024 to RMB175.0 million as of June 30, 2025, which was primarily attributable to the recognition of revenue following the satisfaction of relevant performance obligations 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 RMB386.1 million and RMB192.8 million and term deposits of RMB436.1 million and RMB470.5 million as of December 31, 2024 and June 30, 2025, respectively.

Compared with the bank borrowings of RMB162.3 million as of December 31, 2024, the bank borrowings as of June 30, 2025 was RMB63.2 million, primarily due to the fact that the Group had fully settled all outstanding loan balances in China as of June 30, 2025. As of June 30, 2025, our borrowings in Korea were secured by certain property, plant and equipment and investment properties with floating interest rates of 2.76% to 5.23% per annum. Our Group does not have any interest rate hedging policy as of the date of this 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 11.8% as of December 31, 2024, while our gearing ratio decreased to 4.6% as of June 30, 2025.

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.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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, 2025	Percentage of the Group's total assets (%)
A1 Orient Investments Limited	Alpn Group Limited	British Virgin Islands	Approved fund established under the laws of the British Virgin Islands	10,000 Class B Shares in the Fund	HK\$102 million	HK\$102.4 million	4.9%

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, 2025 (HK\$'000)	Dividend received for the six months ended June 30, 2025
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A1 Orient Investments Limited	427.0	0
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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 and May 28, 2025, respectively. As of June 30, 2025, no payment had been made by the Company in respect of the May 2025 Subscription. Accordingly, the May 2025 Subscription would not constitute a significant investment held by the Group during the Reporting Period and would not be reflected in the financial statements of the Group for the six months ended June 30, 2025.

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, 2025, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

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

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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, 2025.

Function	Number of Employees	% of Total
Artist operation	56	25.4%
Artist training	36	16.3%
Artist promotion	33	14.9%
Music and IP commercialization business	46	20.8%
Administration	50	22.6%
Total	221	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.

Our Company also has a pre-IPO employee share incentive plan.

The total employee benefit expenses, including share-based payments, for the six months ended June 30, 2025 were RMB49.4 million, as compared to RMB69.9 million for the six months ended June 30, 2024, representing a period-over-period decrease of 29.4%.

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, 2025, our net exchange gains were RMB0.8 million, as compared to net exchange losses of RMB0.8 million for the six months ended June 30, 2024. We currently have no hedging policy with respect to foreign exchange risks. Therefore, we have not entered into any hedging transactions to manage potential fluctuation in foreign currencies. We will closely monitor our foreign exchange risks and will utilize appropriate financial tools for hedging purposes when necessary to help reduce foreign exchange risk.

Pledge of Assets

As of June 30, 2025, certain property, plant and equipment and investment properties of our Group with an aggregate carrying value of RMB97.8 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, 2025, 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, 2025.

OTHER INFORMATION

CHANGES SINCE DECEMBER 31, 2024

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, 2024.

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. 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, 2025. The Audit Committee considered that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

As at the date of this interim report, there is no change in the information of the Directors or chief executive of the Company disclosed or required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION (continued)

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

During the Reporting Period, the Company repurchased a total of 25,683,000 Shares on the Stock Exchange for an aggregate consideration of HKD51,927,540 before expenses. All the repurchased Shares were held as treasury shares. The repurchased Shares were effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of purchase	No. of Shares purchased	No. of treasury shares	Purchase consideration per share		Aggregate consideration paid (HKD)
			Highest price paid (HKD)	Lowest price paid (HKD)	
January	1,041,000	1,041,000	0.64	0.60	648,840
February	885,000	885,000	0.67	0.60	565,320
March	–	–	–	–	–
April	5,319,000	5,319,000	0.63	0.58	3,241,500
May	4,680,000	4,680,000	1.83	0.67	7,737,930
June	13,758,000	13,758,000	3.48	2.27	39,733,950
Total	25,683,000	25,683,000			51,927,540

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

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

INTERIM DIVIDEND

The Board has resolved not to recommend payment of an interim dividend for the six months ended June 30, 2025.

OTHER INFORMATION (continued)



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, 2025, 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⁾		34,968,000	4.01%
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⁾		34,968,000	4.01%
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, 2025 (including treasury shares).
- (2) As of June 30, 2025, 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 34,968,000 treasury shares of the Company.
- (5) As of June 30, 2025, QINGDINGDANG LIMITED directly holds 24,825,000 Shares. QINGDINGDANG LIMITED is owned as to 99% by Dawei International Holding Limited (an entity controlled by Mr. Sun through a trust) and 1% by DingDangQing Limited (an entity 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 34,968,000 treasury shares of the Company.
- (7) As of June 30, 2025, 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, 2025, 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.

OTHER INFORMATION (continued)

DIRECTOR'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As of June 30, 2025 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, 2025, 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 ⁽¹⁾
Interform Construction Supplies Limited	Beneficial owner ⁽³⁾	Long position	106,875,000	12.26%
SAC Enterprises Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
Alibaba Pictures Group Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
Ali CV Investment Holding Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
Alibaba Investment Holding Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
Alibaba Investment Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
Alibaba Group Holding Limited	Interest in controlled corporation ⁽²⁾	Long position	106,875,000	12.26%
CMC Sports Investment Limited	Beneficial owner ⁽³⁾	Long position	85,161,000	9.77%
CMC Sports Acquisition Limited	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%
CMC Sports Group Limited	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%
CMC Inc.	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%
Gold Pioneer Worldwide Limited	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%
Brilliant Spark Holdings Limited	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%
Mr. LI Ruigang	Interest in controlled corporation ⁽³⁾	Long position	85,161,000	9.77%

OTHER INFORMATION (continued)



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, 2025.
- (2) Interform Construction Supplies Limited is wholly owned by SAC Enterprises Limited, which is in turn wholly owned by Alibaba Pictures Group 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, Alibaba Pictures Group 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.
- (3) CMC Sports Investment Limited is wholly owned by CMC Sports Acquisition Limited, which is in turn wholly owned by CMC Sports Group Limited, then wholly owned by CMC Inc. (formerly known as CMC Holdings Limited). CMC Inc. is a non wholly-owned subsidiary of Gold Pioneer Worldwide Limited, which holds the interest in CMC Inc. directly and also held by Brilliant Spark Holdings Limited. Gold Pioneer Worldwide Limited is wholly-owned by Brilliant Spark Holdings Limited, which is in turn wholly-owned and controlled by Mr. Li Ruigang. Therefore, each of CMC Sports Acquisition Limited, CMC Sports Group Limited, CMC Inc., Gold Pioneer Worldwide Limited, Brilliant Spark Holdings Limited and Mr. Li Ruigang is deemed to be interested in the Shares directly held by CMC Sports Investment Limited by virtue of the SFO.

Save as disclosed above, as of June 30, 2025, 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.

PRE-IPO SHARE INCENTIVE PLAN

The Company approved and adopted the 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. The Share Incentive Plan does not constitute a share scheme involving the issuance of new shares pursuant to the new Chapter 17 (effective on January 1, 2023) of the Listing Rules. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for existing share schemes.

Purpose

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

Eligible Participants

The Board, in the context of the 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 (“**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.

OTHER INFORMATION (continued)

Maximum Number of Shares

Unless otherwise duly approved by the Board, the total number of Shares underlying the 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 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 Share Incentive Plan had been granted to eligible participants prior to Listing, therefore, no further RSUs are available for grant under the 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 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 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

OTHER INFORMATION (continued)



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 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 Share Incentive Plan and in such event no further Award shall be offered but the provisions of the 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 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 Share Incentive Plan.

Remaining Life

The 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 June 30, 2025, the remaining life of the Share Incentive Plan was approximately 6.5 years.

All the Shares underlying the 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 Share Incentive Plan do not count towards the public float. Pursuant to the Share Incentive Plan and the trust deeds constituting the ARK Trust and Lightstone Trust (the “**Trust Deeds**”), the 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 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.

OTHER INFORMATION (continued)

Movements of the RSUs under the 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, 2025	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, 2025
Director(s) of the Company									
Mr. SUN Le	December 10, 2021	1,612,500	–	–	–	–	1,612,500	–	–
Other grantees (excluding the Director disclosed above)									
	December 10, 2021	2,925,000	–	–	–	–	2,925,000	–	–
	March 4, 2022	11,662,500	–	–	–	–	11,662,500	–	–
	December 20, 2022	2,550,000	–	–	–	–	2,550,000	–	–
		18,750,000	–	–	–	–	18,750,000		

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) As no RSUs were vested to the grantees during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs were vested was not applicable.
- (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 number of RSUs in the above table has been adjusted to reflect the Capitalization Issue.

For more details of the Share Incentive Plan, please refer to “D. Share Incentive Plan” of Appendix V of the Prospectus and Note 26 to the consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

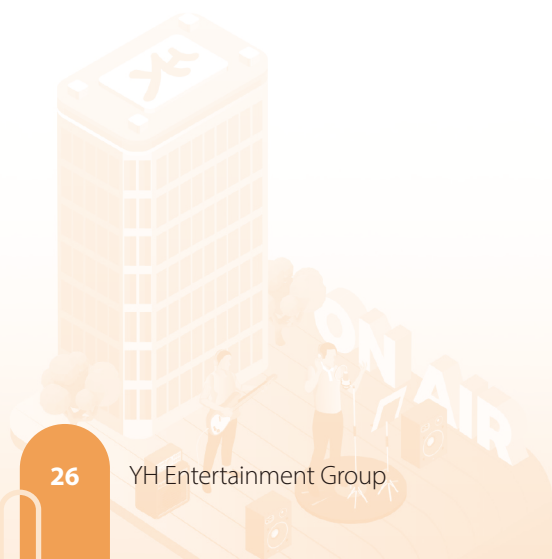
For the six months ended June 30, 2025

	Notes	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	6	414,217	347,270
Cost of revenue		(304,802)	(258,198)
Gross profit		109,415	89,072
Selling and marketing expenses		(27,352)	(21,131)
General and administrative expenses		(30,699)	(44,499)
Net impairment losses (provision)/reversal on financial assets		(1,120)	866
Other income	8	2,940	10,962
Other gains/(losses), net	9	12,715	(73)
Operating profit		65,899	35,197
Finance income	10	11,247	13,281
Finance costs	10	(1,862)	(5,393)
Finance income, net		9,385	7,888
Share of (losses)/gains of investments accounted for using the equity method		(53)	928
Profit before income tax		75,231	44,013
Income tax expenses	11	(14,153)	(14,662)
Profit for the period	7	61,078	29,351
Other comprehensive income/(expense)			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		9,417	(3,321)
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		(12,218)	7,280
Other comprehensive (expense)/income for the period, net		(2,801)	3,959
Total comprehensive income for the period		58,277	33,310

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the six months ended June 30, 2025

	Notes	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit/(loss) attributable to:			
Owners of the Company		58,099	30,796
Non-controlling interests		2,979	(1,445)
		61,078	29,351
Total comprehensive income/(expense) attributable to:			
Owners of the Company		55,492	35,273
Non-controlling interests		2,785	(1,963)
		58,277	33,310
Earnings per share (expressed in RMB per share)			
Basic	13	0.07	0.04
Diluted	13	0.07	0.04



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Notes	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	565,700	561,024
Right-of-use assets	15	1,912	1,960
Investment properties		50,613	64,312
Intangible assets		17,281	21,913
Investments accounted for using the equity method		6,099	8,947
Financial assets at fair value through profit or loss	16	124,770	129,413
Prepayments and other receivables	18	7,924	17,212
Deferred income tax assets		7,763	4,339
		782,062	809,120
Current assets			
Inventories		8,387	6,958
Trade receivables	17	67,839	71,912
Prepayments and other receivables	18	57,120	58,838
Other assets		31,006	23,151
Financial assets at fair value through profit or loss	16	311,796	244,653
Restricted cash	19	–	12,300
Term deposits	19	470,499	436,131
Cash and cash equivalents	19	192,805	386,063
		1,139,452	1,240,006
Total assets		1,921,514	2,049,126
EQUITY			
Share capital	20	587	587
Reserves		1,414,695	1,393,535
Equity attributable to owners of the Company		1,415,282	1,394,122
Non-controlling interests		7,275	446
Total equity		1,422,557	1,394,568

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at June 30, 2025

	Notes	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	21	–	91,492
Contract liabilities		6,667	6,667
Lease liabilities	15	788	576
Deferred tax liabilities		2,078	553
		9,533	99,288
Current liabilities			
Borrowings	21	63,158	70,831
Trade payables	22	169,135	202,652
Other payables and accruals	23	39,776	50,224
Contract liabilities		168,285	184,019
Current income tax liabilities		48,085	46,457
Lease liabilities	15	985	1,087
		489,424	555,270
Total liabilities		498,957	654,558
Total equity and liabilities		1,921,514	2,049,126

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

	Note	Attribute to the owners of the Company						Non-	Total
		Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	controlling interests 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 (expense)/ income for the period		-	-	-	(2,607)	58,099	55,492	2,785	58,277
Transactions with owners:									
Equity settled share-based payments	26	-	-	-	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)
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 CHANGES IN EQUITY

(continued)

For the six months ended June 30, 2025

	Notes	Attributable to the owners of the Company						Non-controlling interests	Total
		Share Capital	Share premium	Treasury shares	Reserves	Retained earnings	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024		587	1,418,444	(3)	(2,344,927)	2,245,980	1,320,081	3,064	1,323,145
Profit for the period		–	–	–	–	30,796	30,796	(1,445)	29,351
Currency translation differences		–	–	–	4,477	–	4,477	(518)	3,959
Total comprehensive income/ (expense) for the period		–	–	–	4,477	30,796	35,273	(1,963)	33,310
Transactions with owners:									
Equity settled share-based payments	26	–	–	–	31,744	–	31,744	–	31,744
Share repurchase		–	–	(60)	–	–	(60)	–	(60)
Total transactions with owners of the Company		–	–	(60)	31,744	–	31,684	–	31,684
As at June 30, 2024		587	1,418,444	(63)	(2,308,706)	2,276,776	1,387,038	1,101	1,388,139

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025



	Notes	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		56,306	45,337
Income taxes paid		(14,424)	(18,330)
Net cash from operating activities		41,882	27,007
Cash flows from investing activities			
Payments for term deposit with original maturity of more than three months		(435,368)	(320,208)
Payments for financial assets at fair value through profit or loss		(153,889)	(4,521)
Purchase of property, plant and equipment		(436)	(51,577)
Purchase of intangible assets		(38)	–
Investments in films, drama and non-drama		(8,284)	–
Advances of loans to third parties		(458)	(476)
Proceeds from disposals of financial assets at fair value through profit or loss		95,761	107,358
Withdrawal of short-term bank deposits		–	–
Interest received from bank deposits		2,473	5,969
Proceeds from disposal of property, plant and equipment		64	–
Repayments from loans to third parties		126	–
Proceeds from term deposits with original maturity of more than three months		408,881	95,854
Proceeds from disposal of investments measured at amortised cost		–	290,492
Interest income on financial assets at amortized cost		–	17,292
Prepayments for acquisition of assets in relation to virtual artists		–	(30,000)
Net cash (used in)/from investing activities		(91,168)	110,183
Cash flows from financing activities			
Repayment of bank borrowings		(103,070)	(8,390)
Interest paid for borrowings		(1,836)	(5,146)
Payments for lease liabilities – principal and interest		(576)	(3,909)
Payments for share repurchase		(47,162)	(60)
Capital injection by non-controlling interests		5,450	–
Net cash used in financing activities		(147,182)	(17,505)
Net (decrease)/increase in cash and cash equivalents		(196,468)	119,685
Cash and cash equivalents at beginning of the year		386,063	613,371
Effect of exchange rate changes on cash and cash equivalents		3,210	5,640
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		192,805	738,696

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the six months ended June 30, 2025

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 and IP Commercialization 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, 2025 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, 2024.

3 ACCOUNTING POLICIES

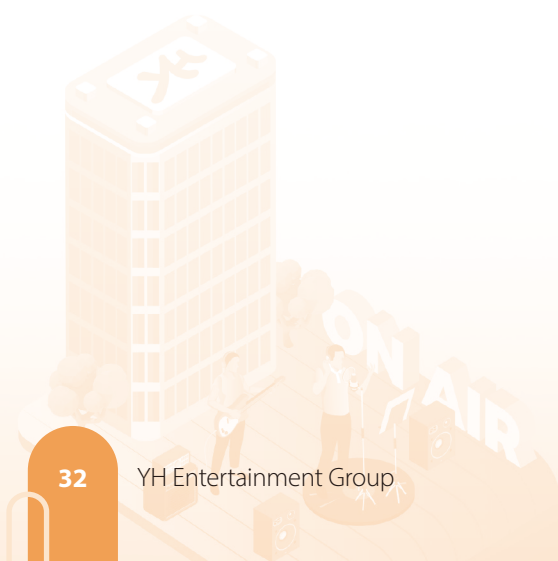
The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Amended Accounting Standards adopted by the Group

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

Amendments to IAS 21

Lack of Exchangeability



NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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 and fair value interest rate 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 2024 financial statements.

There have been no material changes in the risk management policies since December 31, 2024.

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 net debt divided by total capital. Net debt is calculated as total debt less cash and cash equivalents, term deposits and restricted cash. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debt. As at June 30, 2025 and December 31, 2024, 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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, 2025 and December 31, 2024 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, 2025				
Financial assets at FVPL				
Investments in unlisted entities				
– current portion	–	–	158,254	158,254
Investments in unlisted entities				
– non-current portion	–	–	32,939	32,939
Investments in a listed entity	–	14,930	–	14,930
Investment in unlisted funds				
– current portion	–	–	153,542	153,542
Investment in unlisted funds				
– non-current portion	–	–	76,901	76,901
	–	14,930	421,636	436,566

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2024				
Financial assets at FVPL				
Investments in unlisted entities				
– current portion	–	–	244,653	244,653
Investments in unlisted entities				
– non-current portion	–	–	39,256	39,256
Investments in a listed entity	–	14,930	–	14,930
Investment in unlisted funds				
– non-current portion	–	–	75,227	75,227
	–	14,930	359,136	374,066

There was no transfer of fair value hierarchy levels during the six months ended June 30, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 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 discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- 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, 2025 and 2024.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

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 wealth management products, investments in unlisted entities, and investments in unlisted funds for the 6 months ended June 30, 2025 and 2024.

	Investments in wealth management products RMB'000	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, 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
(Unaudited)						
As at January 1, 2024	107,000	–	40,157	–	68,418	215,575
Additions	–	–	4,521	–	–	4,521
Disposals	(107,303)	–	(110)	–	–	(107,413)
Fair value changes	303	–	(890)	–	2,622	2,035
Currency translation differences	–	–	102	–	442	544
As at June 30, 2024	–	–	43,780	–	71,482	115,262

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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 wealth management products, investments in unlisted entities and investment 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 investments in wealth management products mainly represent the acquisition of principal-guaranteed and interest-bearing transferrable certificate of deposit issued by a large and reputable PRC commercial bank. The Group used discounted cash flows approach to determine the fair value of the financial product as at year end.

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, 2025 and 2024, breakdown of the total revenue by geographical location of the external customers is as follows:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Mainland China	372,389	315,053
Korea	41,828	32,217
	414,217	347,270

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

5 SEGMENT INFORMATION (continued)

As at June 30, 2025 and December 31, 2024, the Group's non-current assets other than financial instruments and deferred income tax assets were located in Mainland China and Korea as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Mainland China	539,977	577,465
Korea	101,628	95,632
	641,605	673,097

6 REVENUE

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Artist management	356,908	303,183
Music IP production and operation	36,703	35,049
IP commercialization business	20,606	9,038
	414,217	347,270

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

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue at a point in time	85,714	69,205
Revenue over time	328,503	278,065
	414,217	347,270

During the six months ended June 30, 2025 and 2024, there were no customers who contributed to 10% or more of the total revenue of the Group in each respective period.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

7 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Staff costs (excluding equity settled shared-based payments):		
Wages, salaries and bonuses	32,047	32,071
Welfare, medical and other expenses	3,478	3,630
Contribution to pension plans	2,478	2,481
Total staff costs (including directors' emoluments and excluding equity settled shared-based payments)	38,003	38,182
Equity settled share-based payments	11,412	31,744
Revenue sharing for artist management business	244,009	189,202
Amortization of intangible assets	4,726	514
Depreciation of property, plant and equipment	14,858	4,961
Depreciation of right-of-use assets	771	3,131
Depreciation of investment properties	681	40

8 OTHER INCOME

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government subsidies (Note)	2,684	10,852
Rental income from investment properties	256	110
	2,940	10,962

Note: During the six months ended June 30, 2025 and 2024, the Group received unconditional subsidies which was granted by the local government in recognition of the Group's contributions.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

9 OTHER GAINS/(LOSSES), NET

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fair value gains from unlisted funds	3,191	2,622
Fair value gains from wealth management products	–	303
Fair value gains/(losses) from unlisted entities	8,250	(890)
Net loss on disposal of property, plant and equipment	(78)	–
Impairment provision for investments accounted for using the equity method	–	(1,785)
Net exchange gains/(losses)	843	(805)
Net losses on disposal of right-of-use assets	–	(84)
Loss on disposal of an associate	(295)	–
Net gain on disposal of investments in unlisted entities	422	–
Others	382	566
	12,715	(73)

10 FINANCE INCOME AND FINANCE COSTS

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income		
– Interest income from bank deposits	11,247	10,281
– Interest income from investments measured at amortised cost	–	3,000
	11,247	13,281
Finance costs		
– Interest expenses on bank borrowing	(1,836)	(5,146)
– Interest expenses on lease liabilities	(26)	(247)
	(1,862)	(5,393)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

11 INCOME TAX EXPENSES

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax:		
PRC corporate income tax	16,049	17,468
Deferred tax	(1,896)	(2,806)
Income tax expenses	14,153	14,662

12 DIVIDENDS

The Board of Directors did not recommend the payment of dividends for the six months ended June 30, 2025 and 2024.

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:

	Six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	58,099	30,796
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	837,922	843,755
Basic and diluted earnings per share (RMB)	0.07	0.04

During the six months ended June 30, 2025 and 2024 the potential ordinary shares were not included in the calculation of the diluted loss per share as they are anti-dilutive. Accordingly, diluted earnings per share for the six months ended June 30, 2025 and 2024 is the same as basic earnings per share.

14 MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2025, the Group paid approximately RMB436,000 on addition of property, plant and equipment (six months ended June 30, 2024: RMB51,577,000).

15 RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

During the six months ended June 30, 2025, the Group entered into 2 new arrangements in respect of buildings and motor vehicles. Right-of-use assets and lease liabilities of approximately RMB659,000 were recognised at the inception of the leases.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Current portion		
Investments in unlisted entities	158,254	244,653
Investments in unlisted funds	153,542	–
	311,796	244,653
Non-current portion		
Investments in unlisted funds	76,901	75,227
Investments in unlisted entities	32,939	39,256
Investment in listed entity	14,930	14,930
	124,770	129,413
	436,566	374,066

17 TRADE RECEIVABLES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade receivables	81,637	84,585
Less: allowance for impairment	(13,798)	(12,673)
Trade receivables, net	67,839	71,912

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

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Up to 3 months	51,377	53,117
3 to 6 months	9,484	12,254
6 months to 1 year	9,327	10,291
1 to 2 years	5,050	2,838
2 to 3 years	1,999	1,685
Over 3 years	4,400	4,400
Trade receivables	81,637	84,585

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

18 PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Other prepayments	41,279	40,231
Less: allowance for impairment	(14,941)	–
Prepayments	26,338	40,231
Loans to third parties	5,179	4,847
Rental and other deposits	11,659	3,565
Other tax recoverables	20,027	27,595
Others	3,007	982
	39,872	36,989
Less: allowance for impairment	(1,166)	(1,170)
Other receivables, net	38,706	35,819
Total prepayments and other receivables	65,044	76,050
Less: Non-current deposits and prepayments	(22,865)	(17,212)
Add: allowance for impairment	14,941	–
	57,120	58,838
Current portion		

19 CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Cash at bank and on hand	663,304	834,494
Less: Term deposit with original maturity of more than three months	(470,499)	(436,131)
Restricted cash	–	(12,300)
Cash and cash equivalents	192,805	386,063

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

20 SHARE CAPITAL AND TREASURY SHARES

As at June 30, 2025 and December 31, 2024, the authorised share capital of the Company comprised of:

	Number of ordinary shares	Nominal value of ordinary shares USD
As at January 1, 2023	500,000,000	50,000
Effect of capitalisation issue	1,500,000,000	150,000
As at December 31, 2023, January 1, 2024, December 31, 2024 and June 30, 2025	2,000,000,000	200,000

Upon completion of the initial public offering ("IPO"), each of the authorised and issued preferred shares be and is hereby converted into share of a par value of US\$0.0001 each on an one-to-one basis by redesignation and reclassification, such that after the reclassification and redesignation, the authorised share capital of the Company shall become US\$200,000 divided into 2,000,000,000 shares with a par value of US\$0.0001 each.

	Number of ordinary shares issued	Nominal value USD	Share capital RMB'000
(Unaudited)			
At January 1, 2024	871,881,000	87,188	587
Share Redemption	(108,000)	(11)	–
Sub total	871,773,000	87,177	587
Less: Treasury shares for restricted share unit scheme	(28,125,000)	(2,813)	–
As at June 30, 2024	843,648,000	84,364	587
(Unaudited)			
At January 1, 2025	862,596,000	86,260	587
Share Redemption	(25,683,000)	(2,568)	–
Less: Treasury shares for restricted share unit scheme	(18,750,000)	(1,875)	–
As at June 30, 2025	818,163,000	81,817	587

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

21 BORROWINGS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Long-term RMB bank borrowings, secured (a)	–	103,070
Long-term KRW bank borrowings, secured (b)	63,158	59,253
	63,158	162,323

- (a) As at December 31, 2024, the Group's RMB bank borrowings was secured by the property with carrying amount of RMB450,885,000 and restricted cash of RMB12,300,000. These bank borrowings carried a floating interest rate ranging from 3.0% to 3.6% per annum which is repayable by instalments and was fully repaid in March and April of 2025.
- (b) As at June 30, 2025 and December 31, 2024, the Group's KRW bank borrowings was secured by certain assets, including property, plant and equipment with carrying amount of RMB90,481,000 (2024: RMB85,087,000) and investment properties with carrying amount of RMB7,365,000 (2024: RMB6,956,000). These bank borrowings carried a floating interest rate ranging from 2.76% to 5.23% per annum, which will be repayable on August 29, 2025.

22 TRADE PAYABLES

Aging analysis of trade payables as at June 30, 2025 and December 31, 2024, based on date of recognition, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Up to 3 months	114,807	143,029
3 to 6 months	24,632	40,500
6 months to 1 year	12,199	6,150
Over 1 year	17,497	12,973
	169,135	202,652

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

23 OTHER PAYABLES AND ACCRUALS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Accrual for payroll, employee benefit and other expenses	20,150	25,550
Payables in respect of sharing in the receipts from movies and variety programs	8,005	8,005
VAT and surcharges payable	5,249	6,361
Others	6,372	10,308
	39,776	50,224

24 COMMITMENTS

Capital commitments

The Group mainly has capital commitments with respect to capital injection commitment to an associate and fund subscription. Significant capital expenditure contracted for as at June 30, 2025 and December 31, 2024, but not recognised as liabilities were as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Capital injection commitment to an associate	–	5,000
Fund subscription	93,019	–

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, 2025 and 2024 were as follows:

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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
Ms. YAO Lu (resigned on February 5, 2024)	Director of the Company to represent CMC Holdings Ltd (" CMC ")
CMC and its subsidiaries (collectively " CMC Group ")	CMC as a shareholder of the Company with the right to nominate an individual to represent CMC as a director of the Company, and CMC's subsidiaries
Quantum Jump's fellow subsidiaries under the common control of the same ultimate shareholder (collectively " Quantum Jump's fellow subsidiaries ")	Quantum Jump as a shareholder of the Company with the right to nominate an individual to represent Quantum Jump as a director of the Company, and fellow subsidiaries of Quantum Jump under the common control of the same ultimate shareholder as of June 28, 2023
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.
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
Nanjing Jenifer Biotechnology Co., Ltd. (南京婕妮芙生物科技股份有限公司, " Nanjing Jenifer ")	A company owned as to 80.1% 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 Runxihe Biotechnology Co., Ltd. (北京潤熙禾生物科技股份有限公司, " Runxihe ").	An associate of the Group owned as to 50.00%, and the shares held were disposed of in June

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(i) Revenue:		
APG	11,671	8,517
CMC Group	–	3,835
Quantum Jump's fellow subsidiaries	–	2,886
Yueying Huayi	453	–
Nice Future	4,678	–
	16,802	15,238
(ii) Cost of revenue:		
APG	195	–
	195	–

(b) Balances with related parties

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade nature		
(i) Trade receivables:		
APG	1,340	142
CMC Group	–	719
Nice Future	11,321	6,643
Yueying Huayi	428	–
	13,089	7,504
(ii) Other receivables:		
Runxihe	2,500	–

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

25 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
(iii) Trade payable:		
APG	94	895
Hangzhou Agile	9	9
Nanjing Jenifer	20	20
Runxihe	1	1
Nice Future	184	–
	308	925
(iv) Contract liabilities:		
APG	–	236
Nanjing Jenifer	35	35
	35	271

(c) Key management personnel compensation

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Wages, salaries and bonuses	3,485	2,220
Pension costs – defined contribution plans	152	107
Other social security costs, housing benefits and other employee benefits	191	196
Equity settled share-based payments	2,860	6,298
	6,688	8,821

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

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.

Details of RSUs are as follows:

Grant date	Number of RSUs*	Vesting condition
December 10, 2021	1,542,500	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	3,594,750	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	652,750	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

HKD0.1 per share will be paid by the Grantees upon the vesting and settlement of each of the RSUs.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(continued)

For the six months ended June 30, 2025

26 EQUITY SETTLED SHARE-BASED PAYMENTS (continued)

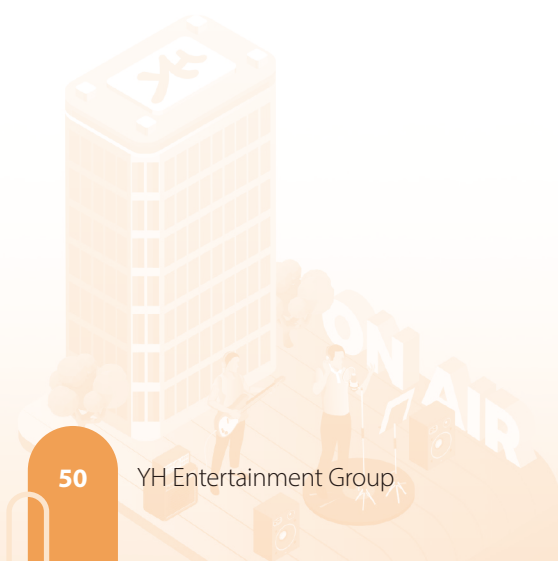
2021 Share Incentive Plan of the Company (the “2021 Share Incentive Plan”) (continued)

The share-based compensation expenses recognised during the six months ended June 30, 2025 and 2024 were summarised in the following table:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Share-based compensation expenses for eligible individuals	11,412	31,744

27 CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at June 30, 2025.



DEFINITIONS AND GLOSSARY



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

"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

DEFINITIONS AND GLOSSARY (continued)

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company published on December 30, 2022
"Reporting Period"	the six months ended June 30, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"Share Incentive Plan"	the share incentive plan that our Company adopted on December 10, 2021
"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
"Shenzhen Yiqi"	Shenzhen Yiqi Culture Co., Ltd. (深圳熠起文化有限公司), a limited liability company established in the PRC on November 23, 2020, an Independent Third Party
"Tianjin Yihua"	Tianjin Yihua Management Consulting Co., Ltd. (天津壹華管理諮詢有限責任公司), a limited liability company established in the PRC on February 22, 2019 and a wholly owned subsidiary of Yuehua Limited
"US\$" or "USD"	United States dollars, the lawful currency for the time being of the United States
"Yuehua Investment"	Tianjin Yuehua Management Consulting Co., Ltd. (天津樂華管理諮詢有限公司), formerly known as Tianjin Yuehua Investment Co., Ltd. (天津樂華投資有限公司), a limited liability company established in the PRC on September 24, 2021 and an indirect wholly-owned subsidiary of our Company in the PRC
"Yuehua Korea"	Yuehua Entertainment Korea Co., Ltd., a company incorporated in the Republic of Korea on August 28, 2014 and a non-wholly owned subsidiary of Yuehua Limited
"Yuehua Limited"	YueHua Entertainment Co., Ltd. (北京樂華圓娛文化傳播有限公司), a limited liability company established in the PRC on July 3, 2009 and a non-wholly owned subsidiary of Yuehua Investment
"Yuhuatongxing"	Yuhuatongxing (Beijing) Cultural Development Co., Ltd. (與華同行(北京)文化發展有限公司), a limited liability company established in the PRC on December 31, 2024 and a non-wholly owned subsidiary of Tianjin Yihua
"%"	percentage

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

In this report, the terms "affiliate", "associate", "controlling shareholder", "treasury shares" and "subsidiary" shall have the meanings given to such terms in the Listing Rules unless the context otherwise requires.