

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



乐华娱乐  
YUE HUA  
ENTERTAINMENT

**YH Entertainment Group**  
**乐华娱乐集团**

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

**(Stock Code: 2306)**

**(1) PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE PLAN;  
AND  
(2) PROPOSED CONDITIONAL GRANT OF SHARE AWARDS UNDER  
THE 2026 SHARE INCENTIVE PLAN**

**PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE PLAN**

On March 25, 2026, the Board considered and resolved to approve the proposed adoption of the 2026 Share Incentive Plan. The Share Awards under the 2026 Share Incentive Plan will be solely funded by the Company's Treasury Shares. The 2026 Share Incentive Plan is regarded as a share scheme involving the issue of new Shares under Chapter 17 of the Listing Rules. Pursuant to Rule 17.02(1)(a) of the Listing Rules, the adoption of the 2026 Share Incentive Plan will be subject to, among others, the approval of the Shareholders in general meeting.

**PROPOSED CONDITIONAL GRANT OF SHARE AWARDS UNDER THE 2026  
SHARE INCENTIVE PLAN**

On March 25, 2026, conditional upon the 2026 Share Incentive Plan taking effect, the Company proposed to grant a total of 12,500,000 RSUs pursuant to the 2026 Share Incentive Plan to Mr. Wang Yibo ("**Mr. Wang**"), a service provider of the Company, which is also conditional upon the approval of Shareholders at the EGM.

## **GENERAL**

An EGM will be convened for the purposes of considering and, if thought fit, the approval of, among others, (i) the proposed adoption of the 2026 Share Incentive Plan, and (ii) the proposed conditional grant of Share Awards under the 2026 share incentive plan to Mr. Wang. A circular containing, among others, further details of the aforesaid matters, together with a notice of the EGM, will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yuehuamusic.com](http://www.yuehuamusic.com)) in accordance with the requirements of the Listing Rules.

## **PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE PLAN**

On March 25, 2026, the Board considered and resolved to approve the proposed adoption of the 2026 Share Incentive Plan. The key terms of the 2026 Share Incentive Plan are summarized below:

### **1. Purposes of the 2026 Share Incentive Plan**

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

### **2. Eligible Participants**

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

### **3. Plan Limits and Sources of Share Awards**

- (a) The maximum number of Shares pursuant to the 2026 Share Incentive Plan will be 20,000,000 Shares (the “**Mandate Limit**”), being approximately 2.41% of the total number of Shares in issue on the date of approval of the 2026 Share Incentive Plan (excluding the Treasury Shares).
- (b) For the purposes of satisfying grants of RSUs under the 2026 Share Incentive Plan, the sources of the RSUs under the 2026 Share Incentive Plan shall be the Treasury Shares transferred from the Company to the Trustee. As of the date of this announcement, the Company has not adopted any Other Scheme that is subject to Chapter 17 of the Listing Rules.

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

#### 4. **Duration and Administration**

Subject to the conditions therein, the 2026 Share Incentive Plan shall be valid and effective for ten (10) years from the date on which the 2026 Share Incentive Plan is duly approved and adopted by our Company (the “**Applicable Period**”), after which period no further Share Awards shall be granted or accepted, but the provisions of the 2026 Share Incentive Plan shall remain in full force and effect in order to give effect to the vesting of Share Awards granted and accepted prior to the expiration of the Applicable Period.

The 2026 Share Incentive Plan shall be subject to the administration of the Board in accordance with the rules of the 2026 Share Incentive Plan. The Board may delegate the authority to administer the 2026 Share Incentive Plan to the Remuneration Committee or to any other person(s) deemed appropriate at the sole discretion of the Board (the “**Delegatee(s)**”).

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

#### 5. **Restrictions on Grants**

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

## **6. Grants to Connected Persons**

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

## **7. Vesting of Share Awards**

The Board, the Remuneration Committee or the Delegatee(s) has/have the sole discretion to determine the vesting schedule and vesting criteria (if any), which may include performance target(s) and Clawback provisions, for any grant of Share Award(s) to any Grantee. For the avoidance of doubt, the 2026 Share Incentive Plan does not specify any performance targets save as determined by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion and provided in the relevant Grant Letter. Having regard to the nature of the Group's business in the entertainment industry, the Board considers that it is not practicable or appropriate to prescribe fixed quantitative performance targets for all grants at the time of adoption of the 2026 Share Incentive Plan.

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

The RSU Trustee shall administer the vesting of Share Awards granted to each Grantee pursuant to the vesting schedule and vesting criteria (if any) determined by the Board, the Remuneration Committee or the Delegatee(s).

## **8. Termination**

The 2026 Share Incentive Plan may be terminated at any time prior to the expiry of the Applicable Period by the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder. For the avoidance of doubt, no further Share Awards shall be granted after the 2026 Share Incentive Plan is terminated but in all other respects the provisions of the 2026 Share Incentive Plan shall remain in full force and effect. No further Share Award shall be granted after such termination; however, all Share Awards granted prior to such termination and not vested on the date of termination shall remain valid. In such event, the Board, the Remuneration Committee or the Delegatee(s) shall notify the Trustee and all Grantees of such termination and how the Shares held by the RSU Trustee on trust and other interests or benefits in relation to the outstanding Share Awards shall be dealt with.

## 9. Conditions precedent of the 2026 Share Incentive Plan

The adoption of the 2026 Share Incentive Plan is conditional upon the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the 2026 Share Incentive Plan; (2) authorize the Board to grant Awards under the 2026 Share Incentive Plan; and (3) authorize the Board to allot and issue Shares in respect of any Awards to be granted pursuant to the 2026 Share Incentive Plan.

### PROPOSED CONDITIONAL GRANT OF SHARE AWARDS UNDER THE 2026 SHARE INCENTIVE PLAN

On March 25, 2026, conditional upon the 2026 Share Incentive Plan taking effect, the Company proposed to grant a total of 12,500,000 RSUs pursuant to the 2026 Share Incentive Plan to Mr. Wang Yibo (王一博) (“**Mr. Wang**”), a service provider of the Company. The grant to Mr. Wang accounts for approximately 1.51% of the number of total Shares in issue of the Company. In light of the grant exceed the Individual Limit set out in the 2026 Share Incentive Plan, such grant is subject to the approval by the Shareholders at a general meeting of the Company.

#### Proposed grant of Share Awards to Mr. Wang

Set out below are particulars of the proposed conditional grant of Share Awards to Mr. Wang pursuant to the 2026 Share Incentive Plan:

<b>Grant date:</b>	The date of the EGM
<b>Number of RSUs granted:</b>	12,500,000, representing approximately 1.51% of the total issued shares of the Company (excluding Treasury Shares) as of the date of this announcement
<b>Purchase price of the RSUs granted:</b>	HK\$0.01 per Share Award
<b>Closing price of the Shares on the date of grant:</b>	N/A (the closing price of Shares on the date of grant will be available on the date the EGM)

**Vesting periods of the RSUs granted:**

The vesting shall occur on each anniversary of the Grant Date, such that:

- o 25% of the RSUs shall vest on the first anniversary of the Grant Date;
- o 25% of the RSUs shall vest on the second anniversary of the Grant Date;
- o 25% of the RSUs shall vest on the third anniversary of the Grant Date;
- o The remaining 25% of the RSUs shall vest on the fourth anniversary of the Grant Date.

**Clawback mechanism:**

Upon the occurrence of any of the following clawback events, the Company shall claw back the RSUs granted to Mr. Wang which shall lapse automatically: (i) the material breach of the artist service contract by Mr. Wang and the Mr. Wang ceases to be a managed artist of the Group; (ii) Mr. Wang has been charged, convicted or held liable for any offense under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; (iii) Mr. Wang has breached material regulations such as non-competition, confidentiality or Company's information security; (iv) the Board, the Remuneration Committee or the Delegatee(s) is/are of the view that there exists circumstances that show or lead to any of the prescribed performance targets set out in the grant letter having been assessed or calculated in a materially inaccurate manner; and/or (v) other circumstances to be determined in the sole discretion of the Board, the Remuneration Committee or the Delegatee(s).

The Group has not provided any financial assistance to Mr. Wang to facilitate the purchase of Shares under the 2026 Share Incentive Plan. The Treasury Shares to be transferred upon the vesting of the Share Awards to Mr. Wang will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares then in issue in all respects, including voting rights, entitlement to dividends, transfer and other rights (including those arising on liquidation of the Company).

## **Reasons for and Benefits of the Grant of RSUs to Mr. Wang**

The Board proposes to grant RSUs to Mr. Wang in recognition of his substantial contributions to the Company's artist management and entertainment business. Mr. Wang has been engaged as a key service provider under the artist service contract with the Company, and through his active participation in endorsement deals, business promotion activities and other commercial engagements at the request of our customers, he has generated significant value to the Company's commercial operations.

The proposed grant of RSUs is intended to acknowledge Mr. Wang's professional experience in performing arts, music production and his social impact, which together have elevated the Company's profile and created long-term shareholder value. Mr. Wang's ability to combine artistic excellence with commercial viability has not only enhanced the Company's creative output but also strengthened its competitive advantage in the entertainment industry. The Board believes that granting RSUs to Mr. Wang will serve as an appropriate form of recognition and incentive, aligning his interests with those of the Company and its shareholders, and ensuring that his continued contributions are directed toward sustainable growth and innovation.

Furthermore, the grant will reinforce the Company's commitment to rewarding outstanding service providers who contribute strategically to its business development. By offering equity-based incentives, the Company seeks to maintain long-term cooperation with Mr. Wang, so as to support his continued growth in artistic talent, industry expertise and public influence thereby ensuring sustained benefits to the Group. The Board considers that Mr. Wang's unique combination of professional skills, creative achievements and social reach makes him an irreplaceable asset to the Company. The proposed grant is therefore viewed as a strategic measure to maintain the long-term cooperation with Mr. Wang, while at the same time demonstrating to other service providers the Company's dedication to recognizing exceptional contributions.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the proposed conditional grant and the terms of the conditional grant to Mr. Wang are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **Listing Rules Implications**

The 2026 Share Incentive Plan constitutes a share scheme involving issue of new shares by the Company under Chapter 17 of the Listing Rules. The provisions of the 2026 Share Incentive Plan will comply with the requirements of Chapter 17 of the Listing Rules. The proposed adoption of the 2026 Share Incentive Plan and the proposed authorization to the Board to handle matters relating to the 2026 Share Incentive Plan are subject to the approval of the Shareholders by ordinary resolution(s) at the EGM.

The grant of RSUs to Mr. Wang would result in the Shares issued and to be issued in respect of all awards granted to Mr. Wang (excluding any awards lapsed in accordance with the terms of the applicable scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the issued Shares (excluding Treasury Shares). As such, the grant of RSUs to Mr. Wang will be subject to approval by the Shareholders pursuant to Rule 17.03D(1) of the Listing Rules.

### **Number of Shares for future grant**

Assuming (i) the conditions of the conditional grant to Mr. Wang above are fulfilled; and (ii) no Shares are issued or cancelled between the date of this announcement and the actual grant date of the above conditional grant, the maximum number of Shares available for future grant under the 2026 Share Incentive Plan after the conditional grant is expected to be 7,500,000 Shares.

### **GENERAL**

An EGM will be convened for the purposes of considering and, if thought fit, the approval of, among others, (i) the proposed adoption of the 2026 Share Incentive Plan, and (ii) the proposed conditional grant of Share Awards under the 2026 share incentive plan to Mr. Wang. A circular containing, among others, further details of the aforesaid matters, together with a notice of the EGM, will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yuehuamusic.com](http://www.yuehuamusic.com)) in accordance with the requirements of the Listing Rules.

### **DEFINITIONS**

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

“2026 Share Incentive Plan”	the proposed share incentive plan of the Company to be considered and to be approved by Shareholders at the EGM
“Adoption Date”	the date on which the 2026 Share Incentive Plan is approved by the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Award(s)” or “Share Award(s)”	award(s) of RSU(s) granted by the Board and/or its Delegatee to a Grantee under the 2026 Share Incentive Plan

“Award Letter”	a letter issued by the Company to each Grantee in respect of an Award under the 2026 Share Incentive Plan in such form as the Board and/or the Delegatee(s) may from time to time determine setting out the terms and conditions of the Award
“Awarded Shares”	new Shares (including Treasury Shares) underlying an Award under the 2026 Share Incentive Plan
“Board”	the board of Directors of the Company
“China” or “PRC”	The People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Clawback”	the Company’s priority right, authorization and power to clawback or withhold the Awards (and relevant Shares) (as the case may be) granted to any participant in circumstances set out in the 2026 Share Incentive Plan Rules, which includes without limitation, (i) requiring the return or repayment of all or any specified portion of any Shares to be issued and allotted upon the exercise thereof by any participant; and/or (ii) terminating or modifying the participant’s right to receive or vest in all or any specified portion of any unvested Awards
“Company”	YH Entertainment Group (乐华娱乐集团), an exempted company incorporated in Cayman Islands with limited liability on June 10, 2021, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2306)
“Delegatee(s)”	the Board committee(s) and/or person(s) delegated by the Board. Unless otherwise determined by the Board, the delegatee shall be the Chairman
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving, among others, (i) the proposed adoption of the 2026 Share Incentive Plan, and (ii) the proposed conditional grant of Share Awards under the 2026 share incentive plan as detailed in this announcement

“Eligible Participant(s)”	for the 2026 Share Incentive Plan, including Employee Participants, Related Entity Participants and Service Providers
“employee(s)”	employee(s) who have entered into formal employment contracts with the relevant members of the Group
“Employee Participants”	any person who is an employee (whether full-time or part-time), director or officer of any member of the Group, including persons who are granted Awards under the 2026 Share Incentive Plan as an inducement to enter into employment contracts with any member of the Group
“Grant Date”	the date on which the Awarded Shares are granted to a Grantee, being the date of issuance of the Award Letter
“Grantee(s)”	any participant(s) who is granted the Awarded Shares in accordance with the terms of the 2026 Share Incentive Plan, holder of any outstanding Award, or (where the context so permits) a Personal Representative of such Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time
“Other Schemes”	any other share scheme of the Company subject to the provisions of Chapter 17 of the Listing Rules

“Personal Representative(s)”	in case of the death, physical or mental disability or incapacity of a Grantee or other events which, in the opinion of the Board, deprive a Grantee of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee), such person(s) recognized by the Company as the representative(s) to be assigned or vested with the Award(s) granted to such Grantee or otherwise acting on behalf of the Grantee in consequence of such events by operation of law and subject to provision of such evidence as to his or her entitlement as may from time to time be required by and to the satisfaction of the Board and/or the Delegatee
“Related Entity Participant(s)”	directors, chief executives and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“RSU(s)”	Restricted share unit(s) granted under the 2026 Share Incentive Plan
“Service Provider(s)”	Any person(s) (whether a natural person, a corporate entity or otherwise) who provides services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of our Group, and meets with the eligibility criteria as stipulated in the 2026 Share Incentive Plan
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Shares”	shall have the meaning ascribed to it under the Listing Rules; and for the purposes of the 2026 Share Incentive Plan, references to new shares include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares
“Trust”	the trust constituted under the Trust Agreement

“Trust Agreement(s)”	the trust management agreement(s) entered into between the Company and the Trustee for the purpose of the 2026 Share Incentive Plan
“Trustee(s)”	the trustee(s) to be appointed by the Company for the purpose of the Trust
“%”	per cent

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

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

Hong Kong, March 25, 2026

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