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乐华娱乐  
YUE HUA  
ENTERTAINMENT

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

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

**(Stock Code: 2306)**

**PROFIT WARNING**

This announcement is made by YH Entertainment Group (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended December 31, 2023 and the information currently available to the Board, the Group is expected to record (1) a net loss attributable to Shareholders within a range from RMB135.0 million to RMB155.0 million for the year ended December 31, 2023 as compared to a net profit attributable to Shareholders of approximately RMB1,725.2 million for the same period in 2022; and (2) an adjusted net profit within a range from RMB100.0 million to RMB120.0 million for the year ended December 31, 2023 as compared to that of approximately RMB266.6 million for the same period in 2022, representing a decrease by 55.0% to 62.5%.

Based on the information currently available to the Board, the Board believes that such net loss attributable to Shareholders and the decrease in the adjusted net profit for the year ended December 31, 2023 was primarily attributable to (i) a decrease in revenue from artist management for the year ended December 31, 2023, as our business partners tightened their budget for endorsement deals and business promotion activities due to the current economic condition; (ii) an increase in expenses incurred as a result of our increasing promotion and marketing expenses for concerts and other commercial activities our managed artists

participated in for the year ended December 31, 2023; and (iii) fair value loss recorded on convertible preferred shares for the year ended December 31, 2023 as compared to fair value gain recorded for the same period in 2022.

The Board wishes to highlight that the “adjusted net profit” is not defined under the International Financial Reporting Standards (“IFRSs”), and is a non-IFRSs measure. It is defined by the Group as profit for the year adjusted for (i) equity settled share-based payments; (ii) fair value changes of convertible preferred shares; (iii) listing expenses; (iv) interest expenses on redemption liabilities; and (v) fair value changes of financial instruments (the “**Adjusted Items**”). The management of the Company believes that the “adjusted net profit” would facilitate the comparison of the operating results of the Group from period to period by eliminating potential impact of the Adjusted Items, which is non-operating in nature and is not indicative of the actual operating performance of the Group.

As at the date of this announcement, the Company is still in the process of finalizing its annual results of the Group for the year ended December 31, 2023. The information contained in this announcement is only a preliminary assessment by the Board based on the figures and information currently available, and is not based on data or information audited or reviewed by the independent auditor or the audit committee of the Company. The actual results of the Group for the year ended December 31, 2023 may differ from the information contained in this announcement. Shareholders and potential investors should refer to and carefully read the annual results announcement of the Group for the year ended December 31, 2023, which is expected to be published on or before March 28, 2024.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

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

Hong Kong, March 15, 2024

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