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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)**

**CHANGE OF AUDITORS AND RENEWAL OF CONTINUING  
CONNECTED TRANSACTIONS**

**CHANGE OF AUDITORS**

The Board hereby announces that, in light of recent market information, and taking into account the Company's current business development and future needs for audit services, after the Company's communication with PwC on the proposed change of Auditor, PwC has agreed to resign as the Auditor with effect from December 5, 2024.

The Board further announces that, with the recommendation from the Audit Committee, the Board has resolved to appoint ShineWing as the Auditor to fill the casual vacancy following the resignation of PwC with effect from December 5, 2024 and to hold office until the conclusion of the next annual general meeting of the Company.

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH YOUKU**

Reference is made to the 2024 Business Cooperation Framework Agreement with Youku Information Technology as detailed in the announcement published by the Company on May 3, 2024, pursuant to which the term of the 2024 Business Cooperation Framework Agreement with Youku Information Technology shall expire on December 31, 2024. The Board is pleased to announce that on December 5, 2024, Yuehua Limited and Youku Information Technology entered into the 2025 Business Cooperation Framework Agreement with Youku, pursuant to which, the Continuing Connected Transaction with Youku is renewed commencing from January 1, 2025 and will expire on December 31, 2025.

Pursuant to the 2025 Business Cooperation Framework Agreement with Youku, Yuehua Limited (for itself and on behalf of its subsidiaries) shall procure suitable managed artists to perform relevant engagements with Youku Information Technology, including but not limited to entering into endorsement deals for the promotion of Youku membership, performing in variety programs, movies and drama series and other commercial activities.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH SHINE ENTERTAINMENT**

Reference is made to the 2024 Business Cooperation Framework Agreement with Shine Entertainment as detailed in the announcement published by the Company on May 8, 2024, pursuant to which the term of the 2024 Business Cooperation Framework Agreement with Shine Entertainment shall expire on December 31, 2024. The Board is pleased to announce that on December 5, 2024, Yuehua Limited and Shine Entertainment entered into the 2025 Business Cooperation Framework Agreement with Shine Entertainment, pursuant to which, the Continuing Connected Transaction with Shine Entertainment is renewed commencing from January 1, 2025 and will expire on December 31, 2025.

Pursuant to the 2025 Business Cooperation Framework Agreement with Shine Entertainment, (i) Yuehua Limited (for itself and on behalf of its subsidiaries) will license the music IP rights of musical works owned by Yuehua Limited for the commercial activities, including but not limited to the production of variety programs and commercial or non-commercial use; and (ii) Yuehua Limited shall procure managed artist(s) or artist group(s) to perform relevant engagements with Shine Entertainment, including but not limited to performing in variety programs, movies and drama series and participating in commercial or non-commercial activities.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (calculated with reference to Rule 14.07 of the Listing Rules) in respect of the Continuing Connected Transaction with Youku exceeds 0.1%, but all of the applicable percentage ratios of all the transactions under the 2025 Business Cooperation Framework Agreement with Youku are less than 5%, the Continuing Connected Transaction with Youku is subject to reporting, announcement and annual review requirements, but is exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (calculated with reference to Rule 14.07 of the Listing Rules) in respect of the Continuing Connected Transaction with Shine Entertainment is expected to be, on an annual basis, more than 0.1% but less than 5%, such transaction will constitute continuing connected transaction of the Company and subject to the reporting, announcement and annual review requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **CHANGE OF AUDITORS**

### **Resignation of Auditor**

At the annual general meeting of the Company held on June 21, 2024, PricewaterhouseCoopers (“**PwC**”) was re-appointed as the auditor of the Company (“**Auditor**”) to hold office until the conclusion of the next annual general meeting of the Company and the Board was authorised to fix its remuneration.

The Board hereby announces that, in view of recent market information and taking into account the Company’s current business situation and the future needs of audit services, the Company communicated with PwC on the proposed change of Auditor and PwC has agreed to resign as the Auditor with effect from December 5, 2024.

The Board, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), confirmed that the change of the Auditor following the resignation of PwC, as further detailed below, is in the interests of the Company and the Shareholders as a whole.

The Board and the Audit Committee have confirmed that there were no disagreements between the Company and PwC, or other matters save as disclosed above in relation to the change of auditors that need to be brought to the attention of the Shareholders.

As of the date of this announcement, the Board and the Audit Committee further confirmed that PwC has not commenced any audit work on the consolidated financial statements of the Group for the financial year ending December 31, 2024. The Board expects that the change of auditors will not have any significant impact on the annual audit and the release of annual results of the Group for the financial year ending December 31, 2024.

The Board would like to take this opportunity to express its sincere appreciation to PwC for the professional services it rendered to the Company during its tenure of office.

### **Appointment of Auditor**

The Board further announces that, with the recommendation from the Audit Committee, the Board has resolved to appoint SHINEWING (HK) CPA Limited (“**ShineWing**”) as the Auditor to fill the casual vacancy following the resignation of PwC with effect from December 5, 2024 and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of ShineWing as the Auditor, including but not limited to: (i) the audit proposal of ShineWing; (ii) its audit team's extensive experience, industry knowledge and technical competence in handling audit work for other companies listed on the Stock Exchange; (iii) its resources and capabilities; (iv) its independence and objectivity; (v) the audit fee proposed by ShineWing; and (vi) the relevant guidelines issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee has assessed and considered ShineWing to be eligible and suitable to act as the Auditor. The Board and the Audit Committee are of the view that the change of auditors would maintain audit quality and is in the interest of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to express its warm welcome to ShineWing on its appointment as the Auditor.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH YOUKU INFORMATION TECHNOLOGY**

Reference is made to the 2024 Business Cooperation Framework Agreement with Youku Information Technology as detailed in the announcement published by the Company on May 3, 2024, pursuant to which the term of the 2024 Business Cooperation Framework Agreement with Youku Information Technology shall expire on December 31, 2024. On December 5, 2024, Yuehua Limited (a wholly-owned subsidiary of the Company) and Youku Information Technology entered into the 2025 Business Cooperation Framework Agreement with Youku, pursuant to which, the Continuing Connected Transaction with Youku is renewed commencing from January 1, 2025 and will expire on December 31, 2025.

### **Principal Terms of the 2025 Business Cooperation Framework Agreement with Youku**

A summary of the principal terms of the 2025 Business Cooperation Framework Agreement with Youku is set out below:

**Date:** December 5, 2024

**Parties:** Yuehua Limited

Youku Information Technology

**Term:** January 1, 2025 to December 31, 2025

Pursuant to the 2025 Business Cooperation Framework Agreement with Youku, Yuehua Limited (for itself and on behalf of its subsidiaries) shall procure suitable managed artists to perform relevant engagements with Youku Information Technology, including but not limited to entering into endorsement deals for the promotion of Youku membership, performing in variety programs, movies and drama series and other commercial activities.

Separate underlying agreements will be entered into between the parties to set out the detailed terms, including details of engagements, promotion fee, milestone payment schedules and other rights and obligations of the parties, based on the principles and within the parameters provided under the 2025 Business Cooperation Framework Agreement with Youku. The definitive terms of each of such underlying agreements will be determined on a case-by-case basis and on fair and reasonable basis after arm's length negotiation between the parties.

The 2025 Business Cooperation Framework Agreement with Youku will commence from January 1, 2025 to December 31, 2025, and such term would be renewed for a term of no more than three years subject to the parties' negotiation and applicable laws and regulations.

### **Historical Figures**

The total historical transaction amounts of the respective services under relevant agreements with Youku Information Technology for the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024 were as follows:

<b>Period</b>	<b>Historical Transaction Amount</b> <i>RMB (in million)</i>
For the year ended December 31, 2022	37.30
For the year ended December 31, 2023	17.80
For the nine months ended September 30, 2024	9.88

### **Annual Cap and Basis of Determination of Annual Cap**

The proposed annual cap for the service fees payable by Youku Information Technology to our Group pursuant to the 2025 Business Cooperation Framework Agreement with Youku for the year ending December 31, 2025, is RMB25 million.

The above proposed annual cap for the year ending December 31, 2025 is determined with reference to: (i) the historical amounts incurred and the accrued amount in 2024 in connection with our cooperation with Youku Information Technology; (ii) the historical fluctuation rate of contractual amounts under service agreements signed with Youku Information Technology; (iii) the historical rates of engagement fees for our managed artists to attend the same and similar functions as those included in our cooperation with Youku Information Technology; and (iv) the estimated adjustment to the engagement fees for our managed artists in the near future.

## **Pricing Policy**

The fees we charge Youku Information Technology shall be determined after arm's length negotiation between the parties with reference to various related commercial factors, including (i) the forms of promotion activities and promotion period; (ii) the popularity of artists; (iii) the prevailing market rates of engagement fees for attending the same and similar functions by artists of the same ranking; (iv) the quality and impacts of the relevant engagements; and (v) the workload and duration of the relevant engagements. The aforesaid pricing policies are no more favorable than those available to our other customers which are Independent Third Parties.

## **Reasons for and Benefits of the 2025 Business Cooperation Framework Agreement with Youku**

Youku is one of the leading online video platforms in China and has great demand for engaging our artists. Our managed artists could in turn benefit from platform-based resources of Youku and gain more public exposure. Through market-oriented cooperation with various business units of Youku Information Technology, we can further enhance the reputation and social influence of our artists, which would bring greater value to our Group. In addition, the terms offered by our Group to Youku Information Technology under the existing underlying agreements are no more favorable than those offered to our other customers which are Independent Third Parties, and we will charge Youku Information Technology service fees with reference to the prevailing market price that is no less than those offered to our other independent customers, hence our services provided to Youku Information Technology are profitable and are in the interests of our Group and the Shareholders as a whole. As such, our services provided to Youku Information Technology under the 2025 Business Cooperation Framework Agreement with Youku are in the ordinary and usual course of our business and on normal commercial terms.

## **Listing Rules Implications**

As the highest applicable percentage ratio (calculated with reference to Rule 14.07 of the Listing Rules) in respect of the Continuing Connected Transaction with Youku exceeds 0.1%, but all of the applicable percentage ratios of all the transactions under the 2025 Business Cooperation Framework Agreement with Youku are less than 5%, the Continuing Connected Transaction with Youku is subject to reporting, announcement and annual review requirements, but is exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors was regarded as having a material interest in the 2025 Business Cooperation Framework Agreement with Youku and transactions thereunder, no Director shall be required to abstain from voting on the relevant Board resolutions.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH SHINE ENTERTAINMENT**

Reference is made to the 2024 Business Cooperation Framework Agreement with Shine Entertainment as detailed in the announcement published by the Company on May 8, 2024, pursuant to which the term of the 2024 Business Cooperation Framework Agreement with Shine Entertainment shall expire on December 31, 2024. On December 5, 2024, Yuehua Limited (a wholly-owned subsidiary of the Company) and Shine Entertainment entered into the 2025 Business Cooperation Framework Agreement with Shine Entertainment, pursuant to which, the Continuing Connected Transaction with Shine Entertainment is renewed commencing from January 1, 2025 and will expire on December 31, 2025.

### **Principal Terms of the 2025 Business Cooperation Framework Agreement with Shine Entertainment**

A summary of the principal terms of the 2025 Business Cooperation Framework Agreement with Shine Entertainment is set out below:

**Date:** December 5, 2024

**Parties:** Yuehua Limited (for itself and on behalf of its subsidiaries)

Shine Entertainment (for itself and on behalf of its subsidiaries)

**Term:** January 1, 2025 to December 31, 2025

Pursuant to the 2025 Business Cooperation Framework Agreement with Shine Entertainment, (i) Yuehua Limited (for itself and on behalf of its subsidiaries) will license the music IP rights of musical works owned by Yuehua Limited for the commercial activities, including but not limited to the production of variety programs and commercial or non-commercial use; and (ii) Yuehua Limited shall procure managed artist(s) or artist group(s) to perform relevant engagements with Shine Entertainment, including but not limited to performing in variety programs, movies and drama series and participating in commercial or non-commercial activities.

Separate underlying agreements will be entered into between the parties to set out the detailed terms, including details of engagements, promotion or licensing fee, milestone payment schedules and other rights and obligations of the parties, based on the principles and within the parameters provided under the 2025 Business Cooperation Framework Agreement with Shine Entertainment. The definitive terms of each of such underlying agreements will be determined on a case-by-case basis and on fair and reasonable basis after arm's length negotiation between the parties.

The 2025 Business Cooperation Framework Agreement with Shine Entertainment will commence from January 1, 2025 to December 31, 2025, and such term would be renewed for a term of no more than three years subject to the parties' negotiation and applicable laws and regulations.

### **Historical Figures**

The total historical transaction amounts of the respective services under relevant agreements with Shine Entertainment for the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024 were as follows:

<b>Period</b>	<b>Historical Transaction Amount</b> <i>RMB (in million)</i>
For the year ended December 31, 2022	7.20
For the year ended December 31, 2023	7.6
For the nine months ended September 30, 2024	6.75

### **Annual Cap and Basis of Determination of Annual Cap**

The proposed annual cap for the service fees payable by Shine Entertainment to our Group pursuant to the 2025 Business Cooperation Framework Agreement with Shine Entertainment for the year ending December 31, 2025, is RMB25 million.

The above proposed annual cap for the year ending December 31, 2025 is determined with reference to: (i) the historical amounts incurred and the accrued amount in 2024 in connection with our cooperation with Shine Entertainment; (ii) the historical rates of engagement fees for our managed artists and artist groups to attend the same and similar functions as those included in our cooperation with Shine Entertainment; and (iii) the expected cooperation with Shine Entertainment for the year ending December 31, 2025.



## **Pricing Policy**

The fees we charge Shine Entertainment shall be determined after arm's length negotiation between parties with reference to various related commercial factors, including (i) the forms of promotion activities and promotion period; (ii) the cost and expenses of the music IP production; (iii) the popularity of the managed artist who participated in the variety program or performed the designated song; (iv) the prevailing market rates of engagement fees for attending the same and similar functions by artists of the same ranking; (v) the quality and impacts of the relevant engagement; (vi) the prevailing market rates of engagement fees for licensing the same and similar music IPs; (vii) the popularity of the designated song; (viii) the forms in which the licensee would use the designated song; and (ix) the workload and duration of the relevant engagement. The aforesaid factors setting the consideration are no more favorable than those available to the Group's other customers which are Independent Third Parties.

## **Reasons for and Benefits of the 2025 Business Cooperation Framework Agreement with Shine Entertainment**

Given that Shine Entertainment has years of experience in the production of variety programs, filming and TV series in the PRC, the Group can leverage on the cooperation with Shine Entertainment to further enhance our managed artists and artist groups' public exposure through their participation across various variety programs. Furthermore, the cooperation will empower us with more opportunity to establish business relationships with our business partners such as business promotional activities.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the transactions under the 2025 Business Cooperation Framework Agreement with Shine Entertainment are conducted by the Group on normal commercial terms and in its ordinary and usual course of business, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the annual cap in respect of the continuing connected transactions under the 2025 Business Cooperation Framework Agreement with Shine Entertainment is also fair and reasonable.

## **Listing Rules Implications**

As the highest applicable percentage ratio (calculated with reference to Rule 14.07 of the Listing Rules) in respect of this transaction is expected to be, on an annual basis, more than 0.1% but less than 5%, such transaction will constitute continuing connected transaction of the Company and subject to the reporting, announcement and annual review requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors was regarded as having a material interest in the 2025 Business Cooperation Framework Agreement with Shine Entertainment and transactions thereunder, no Director shall be required to abstain from voting on the relevant Board resolutions.

## **INFORMATION OF THE PARTIES**

### **Yuehua Limited**

Yuehua Limited, is a limited liability company established in the PRC on July 3, 2009 and is wholly-owned subsidiary of the Company. Yuehua Limited is principally engaged in artist management and copyrights management businesses.

The Company is an established artist management company in China and has grown into a culture and entertainment platform comprising three complementary businesses of artist management, music IP production and operation, and pan-entertainment business since its establishment in 2009.

### **Youku Information Technology**

Youku Information Technology is a consolidated affiliated entity of Beijing Youku Technology Co., Ltd. (北京優酷科技有限公司), a company wholly owned by Alibaba Investment Limited, which is in turn wholly owned by Alibaba Group Holding Limited. Interform Construction Supplies Limited is an indirect wholly-owned subsidiary of Alibaba Pictures Group Limited. Accordingly, Youku Information Technology and Interform Construction Supplies Limited are fellow subsidiaries of Alibaba Group Holding Limited. Therefore, Youku Information Technology is an associate of Interform Construction Supplies Limited, one of our substantial shareholders. Youku Information Technology is principally engaged in the operation of online video platform.

### **Shine Entertainment**

Shine Entertainment is a company established in the PRC with limited liability. It is principally engaged in the production of variety programs and events planning. Shine Entertainment is a fellow subsidiary of our substantial shareholder, CMC Sports Group Limited. CMC Sports Group Limited and its associates are connected persons of the Company. Accordingly, transactions under the Business Cooperation Framework Agreement with Shine Entertainment constituted connected transactions for the Company and are subject to the requirements under Chapter 14A of the Listing Rules.

## **INTERNAL CONTROL MEASURES FOR THE TRANSACTIONS**

As part of the Group’s internal approval and monitoring procedures relating to the transactions with Youku Information Technology and Shine Entertainment, the Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group’s finance department for monitoring the annual cap of the relevant transactions. Our connected transaction task force (consisting of key members from finance department, internal control department, investor relations department and legal department) will continually review and monitor transactions conducted under the 2025 Business Cooperation Framework Agreement with Youku and 2025 Business Cooperation Framework Agreement with Shine Entertainment on a regular basis, so as to strictly comply with the requirements under Chapter 14A of the Listing Rules and the terms set in the each of the aforementioned agreements.

The independent non-executive Directors will review the continuing connected transactions contemplated under the aforementioned agreements each year so as to confirm that the relevant terms have been entered into in the ordinary and usual course of business of the Group and are fair and reasonable, on normal commercial terms or better than those offered to or by the Independent Third Parties and in the interests of the Company and the Shareholders as a whole. The auditor of the Company will provide a letter to the Board every year to confirm as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreement governing the transactions in all material respects or have exceeded the annual cap.

## **DEFINITIONS**

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

“2025 Business Cooperation Framework Agreement with Youku”	the framework agreement entered into between Youku Information Technology and Yuehua Limited, the material details of which are described in this announcement
“2025 Business Cooperation Framework Agreement with Shine Entertainment”	the framework agreement entered into between Shine Entertainment and Yuehua Limited, the material details of which are described in this announcement
“Board”	the board of Directors of the Company
“Chairlady”	the chairlady of the Board

“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“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
“Continuing Connected Transaction with Youku”	the transactions with Youku Information Technology contemplated under the 2025 Business Cooperation Framework Agreement with Youku Information Technology
“Continuing Connected Transaction with Shine Entertainment”	the transactions with Shine Entertainment contemplated under the 2025 Business Cooperation Framework Agreement with Shine Entertainment
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“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)
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.0001 each
“Shareholder(s)”	shareholder(s) of the Shares

“Shine Entertainment”	Shenzhen Shine Entertainment Co., Ltd. (深圳日月星光傳媒有限公司), a limited liability company established in the PRC on January 13, 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“Youku Information Technology”	Youku Information Technology (Beijing) Co., Ltd. (優酷信息技術(北京)有限公司), a limited liability company established in the PRC on February 24, 2006
“Yuehua Investment”	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 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
“%”	Percentage

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

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

Hong Kong, December 5, 2024

*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.*