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乐华娱乐
YUE HUA
ENTERTAINMENT

YH Entertainment Group
乐华娱乐集团

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2306)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF FUND

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that, on December 23, 2024, the Company entered into the Subscription Agreement with 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).

LISTING RULES IMPLICATIONS

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

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PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT AND THE MEMORANDUM

The principal terms of the Subscription Agreement are summarized as follows:

Date:

December 23, 2024

Parties:

- (i) The Company; and
- (ii) the Fund

Assets to be acquired and subscription amount:

Pursuant to the Subscription Agreement, 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), which is payable by the Company by cash from its internal resources. The subscription amount is determined based on the terms of the Memorandum and the condition of the Company's idle cash.

Major Terms of the Subscription Agreement and the Memorandum

Name of the Fund: A1 Orient Investments Limited

Participating shares for Subscription: The directors of the Fund have designated two classes of participating shares, being Class A shares and Class B shares ("**Class B shares**"), which are being offered under the terms of the Memorandum. Participating shares subscribed by the Company pursuant to the Subscription Agreement are Class B shares.

Pursuant to the Memorandum, holders of Class B shares shall be entitled to an annualized targeted return of five per cent (5%) per annum. The target return will be calculated at each Valuation Point.

Investment objective and strategies:	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; global futures exchanges; all investment varieties recognized by China QFII (Qualified Foreign Institutional Investor) special account wealth management; debt; illiquid investments; real estates, etc.
Distribution policy:	It is not envisaged that any income or gains will be distributed by way of dividend. This does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so.
Management:	The directors of the Fund have overall responsibility for the management and administration of the Fund. However, the directors have delegated to the Investment Manager investment management responsibilities and have delegated to the Administrator certain administrative functions.
Subscription price and subscription fee:	Participating shares are being offered for subscription at a fixed price of HK\$10,000 per Class B share. Subscriptions for Class B shares may be subject to a subscription fee of two per cent (2.00%) of the amount invested.
Redemption:	Subject to the Lock-up period and any other restrictions or suspensions set out in the Memorandum, Class B shares may be redeemed at the option of the shareholder of the Fund on any Redemption Day falling 12 calendar months or more after the date on which they were issued. The directors of the Fund may reduce or waive the Lock-up period either generally or in any particular case. Participating shares will be redeemed at the relevant Redemption Price. The Redemption Price of the Class B shares will be equal to its Net Asset Value per share as at the Valuation Day immediately preceding the relevant Redemption Day.

Management fee: The Fund will pay the Manager a management fee, out of the assets of the Fund, of one twelfth (1/12) of one per cent (1%) per month of the net asset value of the Class B shares (before deduction of that month's management fee) as at the last valuation day in each month, adjusted for any subscriptions and redemptions during the month.

Lock-up period: in respect of the Class B shares, a period of 12 calendar months from the relevant subscription day, or such shorter period as may be determined by the directors of the Fund, either generally or in any particular case, during which the relevant Class B shares may not be redeemed by the holder(s) thereof.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The principal purpose of the Subscription is to diversify the investment portfolio of the Company with an aim to enhancing 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.

INFORMATION OF THE GROUP

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

INFORMATION OF THE FUND, THE INVESTMENT MANAGER AND ADMINISTRATOR OF THE FUND

The Fund is an approved fund established under the laws of the British Virgin Islands (the "**Approved Fund**"). As an Approved Fund, the total number of investors in the Fund is limited to a maximum of twenty (20) investors and the Fund can only have investments not exceeding US\$100,000,000 in net assets or its equivalence in any other currency.

Alpn Group Limited, Investment Manager of the Fund, is a company incorporated in the British Virgin Islands with limited liability. The Investment Manager is registered with the Financial Services Commission in the British Virgin Islands as an approved manager pursuant to relevant laws and regulations in the British Virgin Islands. The Investment Manager has full discretion and authority to manage, invest and reinvest the assets of the Fund in pursuit of the investment objective and in accordance with the investment strategies and restrictions described in the Memorandum. The current directors of the Investment Manager in respect of the Fund are Independent Third Parties.

NuBright Fund Services Limited has been appointed by the Fund to act as administrator. It is an independent financial services organization providing fund administration, registrar and transfer agency services. The Administrator offers services and technology to funds, asset managers and family offices.

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

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Administrator”	NuBright Fund Services Limited
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are authorized to open for normal banking business and/or such other day or days as the Directors may determine, either generally or in any particular case, provided that where, as a result of a number 8 typhoon signal or higher, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day are reduced, such day shall not be a Business Day
“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

“Directors”	director(s) of the Company
“Fund”	A1 Orient Investments Limited, a British Virgin Islands business company incorporated
“Group,” “our Group,” “the Group,” “we,” “us,” or “our”	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Investment Manager”	Alpn Group Limited, a company incorporated in the British Virgin Islands with limited liability and registered with the Financial Services Commission in the British Virgin Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“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
“Memorandum”	the private offering memorandum issued in December 2024, as amended or supplemented from time to time and including, where the context permits, the relevant supplement(s) to the Memorandum in respect of a class or classes of Participating shares of the Fund
“Net Asset Value”	the net asset value of the Fund, determined using the valuation principles described in the Memorandum
“Net Asset Value per share”	the net asset value of the Fund divided by the number of participating shares in issue
“Participating share(s)”	a participating non-voting share of no par value in the capital of the Fund being offered for subscription under the terms of the Memorandum

“Redemption Day”	subject to the relevant Lock-up period, the first business day of each month and/or such other day or days as the directors of the Fund may determine, either generally or in any particular case
“Redemption Price”	the Net Asset Value per share as at the Valuation Point on the Valuation Day immediately preceding the relevant Redemption Day
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Class B shares of the Fund by the Company in the total subscription amount of HK\$102 million (inclusive of subscription fee)
“Subscription Agreement”	the agreement entered into between the Company and the Fund dated December 23, 2024 in relation to the Subscription
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“Valuation Day”	in respect of each class of participating shares, the business day immediately preceding each Redemption Day and each subscription day and/or such other day or days as the directors of the Fund may determine, either generally or in any particular case
“Valuation Point”	the close of business in the last market relevant to the Fund to close on each Valuation Day or such other time as the directors of the Fund may determine
“%”	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 23, 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.