**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in YH Entertainment Group, you should at once hand this circular and the accompanying form of proxy and reply slip, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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; (2) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR THE DELEGATEE TO HANDLE MATTERS RELATING TO THE 2026 SHARE INCENTIVE PLAN; (3) PROPOSED CONDITIONAL GRANT OF SHARE AWARDS UNDER THE 2026 SHARE INCENTIVE PLAN; AND (4) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

A letter from the board of directors of YH Entertainment Group (the "**Company**") is set out on pages 6 to 31 of this circular. A notice convening an extraordinary general meeting of the Company to be held at Room 6006, 6/F, Building One, Yard 28, Chuangyuan Road, Chaoyang District, Beijing, the PRC at 3:00 p.m. on Thursday, April 16, 2026 are set out on pages EGM-1 to EGM-3 of this circular. The proxy form for use at the aforesaid general meeting is enclosed with this circular. Such proxy form is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at www.yuehuamusic.com.

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting (i.e. not later than 3:00 p.m. on Tuesday, April 14, 2026 or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

Capitalized terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

March 25, 2026

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*In this circular, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

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| "2026 Share Incentive Plan" or "Plan" | the share incentive plan of the Company proposed to be approved by Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular |
| "2026 Share Incentive Plan Rules" or "Plan Rules" | the rules of the 2026 Share Incentive Plan which are set out in Appendix I to this circular |
| "Adoption Date" | the date on which the 2026 Share Incentive Plan is approved by the Shareholders at the EGM |
| "Announcement" | the announcement of the Company dated March 25, 2026 in relation to, among others, the proposed adoption of the 2026 Share Incentive Plan, and the proposed conditional grant of Share Awards under the 2026 Share Incentive Plan |
| "Applicable Period" | has the meaning ascribed to it under "II. Proposed Adoption of the 2026 Share Incentive Plan – 4. Duration and Administration" in this circular |
| "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 |
| "Audit Committee" | the audit committee of the Board |
| "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 |

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| "Board" | the board of Directors of the Company or, as the case may be, the Delegatee |
| "Business Day" | any day on which the Stock Exchange is open for the business of dealing in securities |
| "China" or "PRC" | The People's Republic of China, excluding, for the purposes of this circular 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" or "Extraordinary General Meeting" | the extraordinary general meeting of the Company to be held at 3:00 p.m. on Thursday, April 16, 2026 at Room 6006, 6/F, Building One, Yard 28, Chuangyuan Road, Chaoyang District, Beijing, the PRC, or any adjournment thereof |
| "Eligible Participant(s)" | for the 2026 Share Incentive Plan, including Employee Participants, Related Entity Participants and Service Providers |

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| "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 |
| "Grant Price" | the grant price of each Target Share in relation to Awarded Shares to be determined by the Board and/or the Delegatee when granting Awarded Shares |
| "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 |
| "Individual Limit" | has the meaning as defined in the paragraph headed "Source of Funds" in Appendix I to this circular |
| "Korea" | the Republic of Korea |
| "Latest Practicable Date" | March 25, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| "Listing" | the listing of the Shares on the Main Board of the Stock Exchange on January 19, 2023 |
| "Listing Committee" | the listing committee of the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time |

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| "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(ies)" | the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company |
| "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 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "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 (excluding (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (ii) professional service providers (such as auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity) |
| "Share(s)" | ordinary share(s) in the share capital of our Company with a par value of US$0.0001 each |

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| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Target Share(s)" | Share(s) of the Company involved in the 2026 Share Incentive Plan |
| "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 |
| "Trust Deed" | the trust deed entered into between the Company and the Trustee for the purpose of the 2026 Share Incentive Plan (as may be restated, supplemented and amended from time to time) |
| "Trustee(s)" | the trustee(s) to be appointed by the Company for the purpose of the Trust |
| "%" | per cent |

# YH Entertainment Group
# 乐华娱乐集团

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

**(Stock Code: 2306)**

***Board of Directors:***
*Executive Directors:*
Ms. DU Hua *(Chairlady of the Board)*
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

***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
Wanchai, Hong Kong

March 25, 2026

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE PLAN;**
**(2) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR THE DELEGATEE TO HANDLE MATTERS RELATING TO THE 2026 SHARE INCENTIVE PLAN;**
**(3) PROPOSED CONDITIONAL GRANT OF SHARE AWARDS UNDER THE 2026 SHARE INCENTIVE PLAN; AND**
**(4) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

## I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, the following resolutions to be put forward at the EGM: (i) the proposed adoption of the 2026 Share Incentive Plan; (ii) the proposed authorization to the Board, the Remuneration Committee and/or the Delegatee to handle matters relating to the 2026 Share Incentive Plan; (iii) the proposed conditional grant of the share awards under the 2026 Share Incentive Plan; and (iv) other matters contained in the notice of EGM, so that the Shareholders may make an informed decision on voting in respect of the resolutions to be tabled at the EGM.

## II. PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE PLAN

Save for the pre-IPO share incentive plan adopted by the Company on December 10, 2021 (the "**Pre-IPO Share Incentive Plan**"), as of the Latest Practicable Date, the Company had not adopted other subsisting share schemes. The terms of the Pre-IPO Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Incentive Plan does not involve the grant of new options or awards by the Company to subscribe for Shares after the Listing. After the Listing, no further grant has been or will be made under the Pre-IPO Share Incentive Plan and the grants under the pre-IPO Share Incentive Plan remains valid pursuant to the terms and conditions set forth therein.

Reference is made to the announcement of the Company dated March 25, 2026. The Board proposed the adoption of the 2026 Share Incentive Plan. 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 2026 Share Incentive Plan Rules are set out in Appendix I to the circular.

### 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 (as defined below) 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).

The Board, the Remuneration Committee or the Delegatee(s) may, within the Applicable Period, determine the Eligible Participant(s) to receive the Share Award(s) under the 2026 Share Incentive Plan at its discretion in accordance with the provisions set out in the 2026 Share Incentive Plan ("**Selected Person(s)**") to participate the 2026 Share Incentive Plan. Unless being so selected, no person shall be entitled to participate in the 2026 Share Incentive Plan. The Board, the Remuneration Committee or the Delegatee(s) has full discretion to determine, from time to time, the basis of eligibility of any Selected Person for participation in the 2026 Share Incentive Plan and the grant of Share Awards based on factors including, among other things, the present and expected contribution of the relevant Eligible Participants to the development of our Group, the general financial conditions of our Group, our Group's overall business objectives and future development plan, and any other factors as the Board, the Remuneration Committee or the Delegatee(s) deems appropriate.

For the avoidance of doubt, persons under the following categories do not belong to Service Providers: (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (ii) professional service providers (such as auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity.

In addition and without prejudice to the preceding paragraph, only Service Providers of the following categories may qualify as Selected Persons:

(a) supplier of products or services, including suppliers, advisors, consultants, agents or other professional firms with expertise in the provision of performing art activities and/or advisory services in relation to the development of our principal business activities including the artist management business of our Group including but not limited to (i) the Company's managed artists; (ii) service providers who provide artist training, performance coaching, choreography, styling, make-up and photography services; (iii) service providers who provide music production-related services such as composition, arrangement, recording and mixing; (iv) service providers who provide audiovisual content creation services such as editing, post-production, color grading and animation; (v) service providers who provide creative planning, scriptwriting and concept design for IP development; and (vi) service providers who provide digital distribution support, technical integration and platform operation services. When considering eligibility of, and the terms of grant to the Service Providers under this category, the Board, the Remuneration Committee or the Delegatee(s) will consider, among other things: (a) the nature, scope and frequency of products and/or services supplied; (b) the reliability and quality of products and/or services supplied; and (c) their potential and/or actual contribution or significance to the financial performance and business development of our Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period); or

(b) business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the entertainment industry that collaborate with our Group on continuing or direct business engagement, including but not limited to (i) music and audiovisual content distributors and digital streaming platforms; (ii) brand collaboration partners, e-commerce operators, marketing collaborators and event organizers that cooperate with the Group on artist promotion and IP commercialization; (iii) partners in joint-production for music, short video, film or live-performance projects; and (iv) marketing agencies, public relations partners and audience-operation service providers. When considering eligibility of, and the terms of Grant to the Service Providers under this category, the Board, the Remuneration Committee or the Delegatee(s) will consider, among other things: (a) the nature and scope of the collaborating projects; (b) their knowledge, expertise, knowhow and network in the industry; and (c) their potential and/or actual contribution or significance to the financial performance and business development of our Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration, the contract value and the number or variety of deliverables produced from such engagement for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period),

who are, or anticipated to be going forward, significant suppliers of products or services or business partners, or otherwise significant to our Group's business. Such persons may be remunerated with equity incentives to align the long-term interests of such persons with our Group.

In determining the eligibility of any Service Provider (including the suppliers and business partners mentioned above), the Board, the Remuneration Committee or the Delegatee(s) will consider, among other factors, (i) the content and duration of the services rendered and consistency for the assessment of service rendered with the market practice, (ii) whether such services directly support our artist management, music IP production and IP commercialization and operation, (iii) whether the services are provided in our ordinary and usual course of business, and (iv) whether the services are continuing or recurring, as evidenced by repeated engagements within the past 12 months or a subsisting agreement. The contribution of the Service Provider will then be assessed in an overall and balanced manner by reference to the revenue generated from the relevant business cooperation, the business impact (such as the popularity and development of the IPs, audience reach and market access), and the operational impact (such as the quality, timeliness and overall turnaround time of the deliverables).

In assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in our Group's ordinary and usual course of business, the Board, the Remuneration Committee or the Delegatee(s) shall consider whether the frequency of the services provided by a Service Provider is akin to that of its regular employees. Relevant factors will be considered as appropriate, including, among others, the following:

(a) the type(s) of services the Service Provider had performed for our Group in the past 12 months including whether such services relate to the Group's core business activities such as artist management, music production, content creation, IP commercialization, marketing and distribution;

(b) the industry experience of the Service Provider;

(c) the period of engagement of the Service Provider, including whether the Service Provider had entered into a technical and/or consultancy agreement with our Group in the past 12 months with a term of no less than 2 years; and

(d) the Service Provider's contribution and/or future contribution to the development and growth of our Group with reference to, among other metrics, professional or technical contribution, the design, development, or distribution of products/services provided by our Group, or otherwise contribute significantly to the growth of our Group's financial or business performance, based on quantitative performance indicators to be determined by the Board or the Remuneration Committee on a case-by-case basis and whether such contribution is expected to be part of the Group's ordinary and usual business activities on a continuing or recurring basis.

The Board (including the independent non-executive Directors) recognizes the importance of engaging and retaining eligible Service Providers who are capable of supporting the Group in a competitive business environment and an ever-evolving industry landscape. The Board is of the view that the proposed categories of Service Providers are appropriate and align with the Company's business needs, having regard to the nature of the Group's operations and its established working relationships with such Service Providers. Allowing flexibility to remunerate Service Providers through equity-based incentives is considered to be in the interests of the Company and its shareholders as a whole, as it enables the Group to better incentivize these contributors to remain committed to the Group's long-term development and growth strategy.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the inclusion of the Employee Participants, Related Entity Participants and Service Providers in the 2026 Share Incentive Plan and the basis of determining their respective eligibility are in line with the purpose of the 2026 Share Incentive Plan, enabling the Group to attract and retain talented employees and well-recognized and extraordinary service providers from both within and outside the Group and promote its long-term growth, the adoption of the 2026 Share Incentive Plan is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 3. Plan Limits

#### *(a) Mandate Limit*

As of the Latest Practicable Date, there were 830,559,000 Shares in issue (excluding the treasury shares). Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, 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). No Share Award shall be granted 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 pursuant to the 2026 Share Incentive Plan (excluding Share Awards that have lapsed or been canceled in accordance with the rules of the same Plan) shall exceed the Mandate Limit.

For the purposes of satisfying grants of RSUs under the 2026 Share Incentive Plan, the RSUs under the 2026 Share Incentive Plan will be solely funded by the treasury shares transferred from the Company to the Trustee. The 2026 Share Incentive Plan is regarded as a share scheme involving the issue of new Shares under Chapter 17 of the Listing Rules. As of the Latest Practicable Date, the Company has not adopted any Other Scheme that is subject to Chapter 17 of the Listing Rules.

#### *(b) Service Provider Sub-limit*

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)) 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**", together with the Mandate Limit, the "**Limits**").

The Service Provider Sub-limit was determined with reference to the following factors:

(i) the purposes of the 2026 Share Incentive Plan, that this sub-limit provides the Group with flexibility to provide incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or directors of the Group, but who may be able to provide valuable expertise and contributive services to the Group, and that a lower sub-limit is consistent with the level generally adopted by other listed issuers as an appropriate balancing mechanism between incentivization and dilution control, taking into account the importance of striking an appropriate balance between achieving the purposes of the 2026 Share Incentive Plan and protecting the Shareholders from excessive dilution resulting from Share Awards granted to Service Providers;

(ii) the rationale behind the scope and eligibility criteria of Service Providers, as detailed in this circular;

(iii) the Group's business needs and plannings with respect to the cooperation of Service Providers, including, among other things, participation in commercial endorsement, business collaborations with our commercial partners, participation in the recording and filming of variety programs, and the recording, production and creation of films, musical works and other entertainment content, which are integral to the Group's long-term business development; and

(iv) the service provider sub-limits (as a percentage of the scheme mandate limit) proposed or adopted by other companies listed on the Stock Exchange.

The Board is of the view that the Service Provider Sub-limit is fair and reasonable, taking into account the following factors:

(i) the potential dilutive effect (i.e. a maximum of approximately 1.69% of the issued Shares as at the Adoption Date) from grants to Service Providers is minimal and would not lead to an excessive dilution of shareholding of the existing Shareholders;

(ii) the importance of the balance between the 2026 Share Incentive Plan being able to achieve its purposes efficiently and protecting Shareholders from the dilution effect arising from granting substantial amount of Award Shares to Service Providers. In particular, the Service Provider Sub-limit has been set at 1.69% of the issued Shares, which the Board considers sufficient to cover the Group's foreseeable needs to incentivize Service Providers, while reserving the remaining portion of the Mandate Limit for Share Awards to Eligible Participants other than Service Providers. The Service Provider Sub-limit was adopted as an appropriate level taking into account the needs of the Group's business growth and overall development;

(iii) the rationale and eligibility criteria with respect to inclusion of Service Providers as Eligibility Participants in the 2026 Share Incentive Plan discussed in this circular, in particular, the significance of Service Providers' participation and contribution in the Group's long-term and sustainable development;

(iv) the ability and flexibility to provide equity incentives (instead of expending cash or other financial resources) to incentivize and reward participations and contributions from persons who are not employees or directors of the Group, including persons who have professional recognition in their field, persons who by business nature, customary practices and/or costs considerations are not employees or officers but the continuity and stability in supply of services are of great importance to the Group, and persons who may provide valuable contribution to the Group;

(v) that the Service Providers Sub-limit represents a maximum limit and the Company's discretion as to the extent of using such Service Provider Sub-limit, including the flexibility of allocating the portion under this limit to other Eligible Participants with reference to the Group's business and needs in the future;

(vi) the discretion of the Board, the Remuneration Committee and/or the Delegatee(s) to include additional granting and/or vesting condition(s); and

(vii) the applicable requirements under the Listing Rules, practices commonly adopted, as well as the service provider sub-limits set by other companies listed on the Stock Exchange.

***(c) Renewal of Limits***

Each of the Mandate Limit and the Service Provider Sub-limit may be refreshed after three (3) years from the date of approval of the Limits by the Shareholders at a general meeting or the date of approval of the last refreshment (as the case may be), subject to prior approval from the Shareholders of our Company. Any refreshment of each of the Mandate Limit and the Service Provider Sub-limit within any three-year period must be approved by the independent Shareholders of our Company, with all the Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding Independent Non-executive Directors) and the chief executive of our Company and their respective associates) abstaining from voting in favor of the relevant resolution at the general meeting.

In any event, the total number of Shares that may underlie the Share Awards granted following the date of approval of the refreshed Mandate Limit and Service Provider Sub-limit (the "**New Approval Date**") and any grant made pursuant to other share schemes adopted by our Company must both not exceed 10% of the number of Shares in issue as of the New Approval Date. Shares underlying the Share Awards granted under the 2026 Share Incentive Plan (including those outstanding, canceled or vested Share Awards) or any grant made pursuant to Other Schemes (including those outstanding, canceled or vested awards granted) prior to the New Approval Date will not be counted for the purpose of calculating the Limits to be refreshed.

**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 "**Adoption Date**") (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 has the power to construe and interpret the rules of the 2026 Share Incentive Plan and the terms of the Share Awards granted hereunder. Any decision of the Board made in accordance with the rules of the 2026 Share Incentive Plan shall be final and binding, provided in each case that such decision is made in accordance with the Articles of Association and any applicable laws. The Company shall comply with applicable disclosure requirement in accordance with Rule 17.12 of the Listing Rules and the requirements under Chapter 14A of the Listing Rules for any grant of Share Awards to its connected persons.

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)**"), including its powers to offer or grant the Share Awards and to determine the terms and conditions of such Share Awards, provided that such delegation of power shall not prejudice the Board's power to revoke the delegation at any time or derogate from the discretion rested with the Board.

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. No Trustee has been appointed under the 2026 Share Incentive Plan as of the Latest Practicable Date. None of the Directors will be the Trustee of the 2026 Share Incentive Plan or will have any direct or indirect interest in the Trustee of the 2026 Share Incentive Plan (if any). Subject to compliance with the laws of the Cayman Islands and the Articles of Association, our Company shall provide such assistance as may be appropriate or necessary to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Share Awards granted to the Grantees pursuant to the 2026 Share Incentive Plan.

## 5. Restrictions on Grants

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.

The Board, the Remuneration Committee or the Delegatee(s) shall not grant any Share Award to any Selected Person in any of the following circumstances:

(a) the requisite approvals for such grant from any applicable regulatory authorities have not been obtained;

(b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of Share Award(s) or in respect of the Scheme, unless the Board determines otherwise;

(c) the grant would result in a breach by our Group or any of its directors or senior management of any applicable laws, regulations or rules, including but not limited to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules and the SFO;

(d) the grant would result in breach of the Mandate Limit or the Service Provider Sub-limit (as set out in paragraphs 3(a) and (b) above) or other rules of the 2026 Share Incentive Plan; or

(e) after an event involving inside information in relation to affairs or securities of our Company has occurred or a matter involving inside information in relation to the securities of our Company has been the subject of a decision or come to our Company's knowledge, until (and including) the trading day after such price sensitive information has been announced by our Company in accordance with the requirements of the Listing Rules. In particular, during the period commencing 30 days immediately preceding the earlier of:

    (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement; and for the avoidance of doubt, no Share Award may be made during any period of delay in publishing a results announcement.

Without prejudice to the foregoing, if any Share Award is proposed to be granted to a Director, it shall not be granted on any day on which the financial results of our Company are published and during the period of:

(a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**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.

Where any grant of Share Award to:

(a) a Director (other than an Independent Non-executive Director) or chief executive of our Company or any of his/her associates would result in the Shares issued and to be issued in respect of all awards granted to such Grantee under all share awards schemes adopted by our Company in aggregate (excluding any awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of our Company; or

(b) an Independent Non-executive Director or substantial shareholder of our Company, or any of his/her associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person under all share schemes adopted by our Company (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of our Company, such further grant of Share Awards must be approved by Shareholders in general meeting in the manner set out in the Listing Rules, with such Grantee, his/her associates and all core connected persons of our Company abstaining from voting in favor of the relevant resolutions at such general meeting.

**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.

***Performance Targets & Clawback Mechanism***

Such performance targets may include: (i) aggregate amount of revenue of our Group generated by the Selected Person for the relevant financial year; (ii) compound annual growth rate on audited consolidated revenue of our Group for the relevant financial years as compared to the immediately preceding financial year; and/or (iii) other targets to be determined in the sole discretion of the Board, the Remuneration Committee or the Delegatee(s). 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 Group's business performance and the contributions of the Selected Persons are often project-based and subject to market conditions and other external factors. Accordingly, the vesting of RSUs will be determined by the Board, the Remuneration Committee or the Delegate(s) based on an overall assessment of the Group's business performance, the progress and outcome of relevant projects, and the individual contributions of the Selected Persons during the relevant period. This approach allows the Company to retain flexibility while ensuring that the 2026 Share Incentive Plan remains aligned with the Company's long-term development, value creation and the interests of the Company and its Shareholders.

Grounds on which such clawback mechanism may be triggered include: (i) resignation unilaterally and failure to meet the termination notice period requirements; (ii) being fired for violating our Company's relevant regulations and labor discipline; (iii) 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; (iv) breach of material regulations such as non-competition, confidentiality or Company's information security; (v) taking advantage of position impact to solicit Company's employee after termination, or spreading adverse public opinion regarding Company's brands; (vi) material misstatement in the audited financial statements of our Company that requires a restatement; (vii) if the Grant is linked to any performance targets and 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 having been assessed or calculated in a materially inaccurate manner; and/or (viii) other circumstances to be determined in the sole discretion of the Board, the Remuneration Committee or the Delegatee(s). For the avoidance of doubt, save as specified in Section 8 below, the 2026 Share Incentive Plan does not specify any clawback mechanism and hence save as determined by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion and provided in the relevant Grant Letter, there is no clawback which may recover or withhold the RSU(s) granted.

The Board (including the independent non-executive Directors) is of the view that, although there are no specifically fixed performance targets set in the 2026 Share Incentive Plan, the vesting of Share Awards based on the Group's business performance, the progress and outcome of relevant projects, and the individual contributions of the Selected Persons during the relevant period remains in line with the purposes of the 2026 Share Incentive Plan.

***Vesting Period***

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 each of the following circumstances:

(a) grants of "make-whole" Share Awards to new joiners to replace the share awards they forfeited when leaving the previous employer;

(b) grants of Shares to a participant whose employment is terminated due to death or disability or occurrence of any out of control event;

(c) grants of Shares with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants of Shares that are made in batches during a year for administrative and compliance reasons; and

(e) grants of Shares with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of twelve (12) months.

The Board (including the independent non-executive Directors) is of the view that the vesting period is appropriate given that it is in line with the requirements of the Listing Rules while providing the Company with sufficient flexibility to determine the vesting of Share Awards that can provide sufficient incentive to the Selected Persons to achieve the purpose of the 2026 Share Incentive Plan.

***Vesting of Share Awards***

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).

Upon fulfillment or waive of the vesting period and vesting criteria (if any) applicable to each of the Grantees, a vesting notice (the "**Vesting Notice**") will be sent to the Grantee by the Board, the Remuneration Committee, or the Delegatee(s), or by the RSU Trustee under the authorization and instruction by the Board, the Remuneration Committee or the Delegatee(s) confirming (a) the extent to which the vesting period and vesting criteria (if any) have been fulfilled or waived and (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive.

The Board, the Remuneration Committee or the Delegatee(s) may decide at its sole discretion to:

(i) direct and procure the RSU Trustee to transfer the Shares underlying the Share Award(s) (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) to the Grantee or its wholly owned entity; or

(ii) pay, or direct and procure the RSU Trustee to pay, to the Grantee in cash an amount which is equivalent to the value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) set out in sub-paragraph (i) above, under circumstances including, without limitation, that our Company, the RSU Trustee and/or the Grantee are prohibited from dealing in the Shares in the relevant times under the Listing Rules.

The Grantee is required to execute, after receiving the Vesting Notice, certain documents set out in the Vesting Notice that the Board, the Remuneration Committee or the Delegatee(s) consider(s) necessary (which may include, without limitation, a certification to our Group that he has complied with all the terms and conditions set out in the 2026 Share Incentive Plan and the Grant Letter). In the event that the Grantee fails to execute the required documents within seven (7) days after receiving the Vesting Notice, the vested Shares will lapse.

The Grantees shall not be required to bear or pay any price or fee for the application or acceptance of the grant of the Share Award(s), or the vesting of the RSU(s).

**8. Lapse of Share Awards**

Without prejudice to other rules under the 2026 Share Incentive Plan, a Share Award will automatically lapse immediately upon:

(a) termination of employment or service of any Grantee for any reason prior to the vesting date of the granted Share Awards;

(b) knowingly performs any act that may confer any competitive benefit or advantage upon any competitor of our Group, or becomes an officer, director, employee, consultant, advisor, partner of, or a stockholder or other proprietor owning more than a 5% interest in any competitor of our Group;

(c) the Grantee makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any Shares underlying the granted Share Awards or any interests or benefits in relation to the Share Awards; and

(d) commencement of winding-up of our Company.

If the event set out in the paragraph above (other than sub-paragraph (d)) occurs, the Share Award shall lapse on a proportional basis, in another word, based on the proportion of the time period commencing from the grant date of the Share Award through the occurrence of such event of the entire vesting period set out in the Grant Letter to the Grantee provided that other vesting criteria (if any) have been fulfilled or waived as of the date of occurrence of such event.

For the avoidance of doubt, the Share Award(s) lapsed in accordance with the terms of the 2026 Share Incentive Plan will not be regarded as utilized for the purpose of calculating the Mandate Limit and the Service Provider Sub-limit.

**9. Cancellation of Share Awards**

The Board may at its sole discretion cancel any Share Award that has not vested or lapsed, provided that:

(a) our Company or its appointees pay to the Grantee an amount equal to the fair value of the Share Award on the date of the cancellation as determined by the Board, after consultation with an independent financial adviser appointed by the Board;

(b) our Company or its appointees provides to the Grantee a replacement Share Award of equivalent value to the Share Award to be canceled; or

(c) the Board makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Share Award.

For the avoidance of doubt, where the Board cancels any Share Award and makes a new grant to the same Grantee, such new grant may only be made under the 2026 Share Incentive Plan with available Mandate Limit (and Service Provider Sub-limit, where applicable) approved by the Shareholders. The Share Award so canceled will be regarded as utilized for the purpose of calculating Mandate Limit (and Service Provider Sub-limit, where applicable).

**10. Rights Attached to Share Awards**

A Grantee does not have any contingent interest in any Shares underlying a Share Award unless and until the legal and beneficial ownership of these Shares are actually transferred to and in the Grantee from the Trustee in accordance with the terms of the 2026 Share Incentive Plan. Furthermore, a Grantee may not exercise any voting right in respect of the Shares underlying the Share Award prior to their transfer and, unless otherwise specified by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion in the Grant Letter to the Grantee, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the Share Award.

The Shares provisionally awarded to a Grantee pursuant to a Share Award shall be subject to all the provisions of the Articles of Association and the Companies Act (as Revised) of the Cayman Islands for the time being in force, and will rank pari passu with the fully paid Shares in issue on the date when such awarded Shares are vested in the Grantee and accordingly will entitle the holders to all voting rights and to participate in all dividends or other distributions paid or made on or after such vesting date, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the vesting date.

The Trustee shall not exercise the voting rights in respect of the Shares held under trust constituted by the Trust Deed and shall abstain from voting on matters that require the Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such direction is given.

Share Awards granted pursuant to the 2026 Share Incentive Plan shall be personal to each Grantee and shall not be assignable or transferrable, except assignment or transfer from each Grantee to a company wholly owned by him or between two companies both of which are wholly owned by him for the benefit of such Grantee and his family members which would continue to meet the purpose of the 2026 Share Incentive Plan and in accordance with the Listing Rules. Notwithstanding the above, the Grantees are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favor of any other person over or in relation to any property held by the Trustee on trust for the Grantees, Share Awards, Shares underlying any Share Awards or any interest or benefits therein. Any breach of the foregoing by any Grantee shall entitle our Company to cancel the Share Awards made to such Grantee and the Board shall notify the RSU Trustee in writing accordingly.

**11. Reorganization of capital structure**

In the event of any alteration in the capital structure of our Company, such as capitalization issue, rights issue, consolidation, sub-division and reduction of the share capital of our Company, the Board may make equitable adjustments that it considers appropriate, at its sole discretion, including:

(a) make arrangements for the grant of substitute Share Awards of equivalent fair value to an award in the purchasing or surviving company;

(b) reach such accommodation with the Grantee as it considers appropriate, including the payment of cash compensation to the Grantee equivalent to the fair value to a Share Award to the extent not vested;

(c) waive any conditions to vesting of a Share Award to the extent not already vested; or

(d) permit the continuation of a Share Award in accordance with its original terms.

For the avoidance of doubt, the issue of securities by our Company as consideration in a transaction may not be regarded as a circumstance requiring such equitable adjustments.

Any equitable adjustments required under the preceding paragraph above must give the Grantee the same proportion of the equity capital, rounded to the nearest whole share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). Such adjustments will be made in accordance with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No. 16 published by the Stock Exchange. Any such adjustments (other than any made on a capitalization issue) shall be subject to a written confirmation from an independent financial advisor or the Company's auditors, to have given the participants the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value.

**12. Alteration or amendment of 2026 Share Incentive Plan**

The terms of the 2026 Share Incentive Plan may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Grantee hereunder, subject to the paragraphs in this section below.

Any alteration, amendment or waiver to the 2026 Share Incentive Plan (i) of a material nature; (ii) relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Grantees; or (iii) relating to the authority of the Board or relevant administrator to alter the 2026 Share Incentive Plan, shall be approved by the Shareholders of our Company. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive. The amended terms of the 2026 Share Incentive Plan must comply with all applicable laws, rules and regulations (including without limitation the Listing Rules).

Any change to the terms of Share Awards granted must be approved by the Board, the Remuneration Committee, the Independent Non-executive Director and/or the Shareholders of our Company (as the case may be) if the initial Share Awards was approved by the Board, the Remuneration Committee, the Independent Non-executive Director and/or the Shareholders of our Company (as the case may be).

The amended terms of the Share Awards or the 2026 Share Incentive Plan (as the case may be) shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

**13. 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.

**14. 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.

## III. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS RELATING TO THE 2026 SHARE INCENTIVE PLAN

In order to ensure the successful implementation of the 2026 Share Incentive Plan, the Board proposed that subject to the approval of the 2026 Share Incentive Plan by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or the Delegatee(s) to deal with matters in relation to the 2026 Share Incentive Plan, including:

(i) to authorize the Board and/or the Delegatee(s) to enter into the Trust Agreement on behalf of the Company with the Trustee and to affix the Company seal onto such Trust Agreement, pursuant to which the Trustee will provide trust services for the 2026 Share Incentive Plan;

(ii) to authorize the Board and/or the Delegatee(s) to handle all the matters pertaining to the 2026 Share Incentive Plan, including:

(a) explain the rules of the 2026 Share Incentive Plan and the relevant provisions;

(b) make or modify the arrangements, guidelines, procedures and/or regulations for the management, interpretation, implementation and operation of the 2026 Share Incentive Plan, provided that such arrangements, guidelines, procedures and/or regulations shall not conflict with the rules of the 2026 Share Incentive Plan;

(c) grant Awards to the Eligible Participants selected by it from time to time;

(d) approve the form and content of the Award Letter;

(e) determine, review, approve and adjust the Grant Date, the list of Grantees, Awarded Shares to be granted, the Grant Price and the vesting conditions;

(f) establish, evaluate and set the vesting conditions, and review the satisfaction of the vesting conditions;

(g) adjust, evaluate and review any change of the vesting conditions, or adjust the Vesting Date of any Awarded Shares in accordance with the terms of the 2026 Share Incentive Plan;

(h) determine, review, approve and adjust the conditions or circumstances for the lapse of Awarded Shares, and adjust, evaluate and review the effectiveness of any Awarded Shares;

(i) review and approve the resolution for any special circumstance not specified in the 2026 Share Incentive Plan;

(j) decide other matters related to the implementation of the 2026 Share Incentive Plan in accordance with the applicable laws and regulations;

(k) select and appoint banks, accountants, trustees, lawyers, consultants and other professionals (if any) for the purpose of the 2026 Share Incentive Plan;

(l) sign, execute, amend and terminate all documents related to the 2026 Share Incentive Plan, conduct all procedures, filings and approvals related to the 2026 Share Incentive Plan, and take other steps or actions to give effect to the provisions, intention and implementation of the rules of the 2026 Share Incentive Plan;

(m) consider and approve all matters related to the trust arrangement;

(n) amend this 2026 Share Incentive Plan within the scope of authorization granted by the shareholders' meeting; and

(o) manage and conduct other matters necessary for the implementation of the Scheme, except those matters to be decided by the shareholders' meeting.

The aforementioned authorization to the Board and/or the Delegatee(s) shall be valid for the Applicable Period. 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.

## IV. 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.

The grant of Share Awards to Mr. Wang is intended to recognize and reward his extraordinary contribution as a service provider to the Group's overall operation of business, particularly in artist management. As a managed artist under the service contract entered into between the Group and Mr. Wang, Mr. Wang has built a powerful personal brand influence through continuous professional dedication and strong market appeal, and the Group is committed to supporting the further strengthening of his personal brand influence. The Board considers that, under the 2026 Share Incentive Plan, the proposed Share Award is appropriate and necessary and is granted through a proper incentive mechanism, demonstrating the Group's comprehensive support for Mr. Wang to continue serving in his key role in the Company's artist management and development business and to help drive the Company's sustainable growth and future development. The Board consider it necessary and appropriate to grant the Share Awards pursuant to the 2026 Share Incentive Plan to properly incentivize and motivate Mr. Wang to remain in his critical roles as a service provider of artist management and development business of our Company, to continue contributing across the Group's managed artists, and to devote his time and efforts to the sustained growth and future development of the Group. The Board is of the view that the grant of the Share Awards to Mr. Wang is fair and reasonable, made on normal commercial terms and in the best interests of the Company and its Shareholders as a whole.

In determining the number of RSUs to be granted to Mr. Wang, the Board (including the independent non-executive Directors) has considered the level and significance of his current and expected continued contribution to the Group's artist management and development business, the business value attributable to his ongoing cooperation with the Group, and the degree of incentive considered appropriate to motivate his continued participation in supporting the Group's long-term strategic development, together with the similar grant of share incentives by similar international companies in the entertainment industry. For example, prior to the initial public offering of a well known entertainment company listed in Korea in October 2020, its largest shareholder gifted a considerable number of shares held by him to one of the company's popular managed artist group. Such shares represented approximately 1.64% of the total issued share capital of the company and were granted as recognition of the artists' professional capabilities, as well as to maintain and strengthen the long-term cooperative relationship between the company and its managed artists. The size of the grant reflects the Board's assessment of the contributive value of his anticipated service performance and the importance of retaining his continued involvement, and is regarded as fair, reasonable and in the interests of the Company and its shareholders as a whole.

Details of the conditional grant of Shares Awards to Mr. Wang are set out below:

| | |
|---|---|
| Grant Date: | April 16, 2026 |
| Number of RSUs granted: | 12,500,000, representing approximately 1.51% of the total issued shares of the Company (excluding treasury shares) as of the date of this circular |
| Purchase price of the RSUs granted: | HK$0.01 per Share Award |
| Vesting periods of the RSUs granted: | The vesting shall occur on each anniversary of the Grant Date, such that: |

- 25% of the RSUs shall vest on the first anniversary of the Grant Date;
- 25% of the RSUs shall vest on the second anniversary of the Grant Date;
- 25% of the RSUs shall vest on the third anniversary of the Grant Date;
- 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 Shares to be allotted or transferred pursuant to the RSUs granted 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.

In the past three years, Mr. Wang has participated in over 30 endorsement deals annually, spanning a wide range of sectors including food and beverage, personal care and household products, footwear and apparel, skincare and cosmetics, sports equipment, home appliances, and automobiles, demonstrating his broad commercial appeal and market recognition across multiple industries. Mr. Wang's influence and popularity have also been recognized through the receipt of numerous honors and awards sponsored by leading social media platforms and institutions in China and overseas, which are presented to individuals in recognition of their achievements and influence in relevant fields. In addition, Mr. Wang has made appearances at Paris Fashion Week for four consecutive years and has achieved frequent appearances at international fashion shows organized by major brands. He was also the sole Chinese individual featured in the Celebrity Share of Voice (SOV) ranking of the 2026 Paris Fashion Week, reflecting his growing international media visibility. Such activities have contributed to enhancing the Company's commercial value and brand recognition, and have materially strengthened the Company's market position and reputation among corporate clients and business partners.

In addition to his commercial activities, Mr. Wang has provided entertainment content services of high quality and wide appeal. By starring in a diverse portfolio of movies such as "Hidden Blade (無名)", "Born to "Fly (長空之王)" and "One and Only (熱烈)," drama series such as "War of Faith (追風者)", documentary variety programs such as "Exploring the unknown (探索新境)" and other public performances, Mr. Wang has consistently attracted broad audiences and contributed to the Company's brand recognition and revenue growth. His popularity and professional standing in the performing arts industry have played a pivotal role in expanding the Company's influence in the entertainment sector.

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.

The Board is of the view that the proposed grant of RSUs to Mr. Wang is fair and reasonable and in the interests of the Company and its shareholders as a whole. Given the unique nature of artist services, the output and exposure of an artist's work are heavily dependent on third-party arrangements - such as program scheduling by broadcasters, production timelines of major producers, and the availability of live performance venues – making it impracticable to measure performance based on single, quantifiable targets. Instead, the Board has taken into account Mr. Wang's track record of consistently contributing to the Group's revenue over past years and the stable and foreseeable contribution expected from his continued cooperation. The Board also considers that securing his renewal and long-term engagement is crucial to the Group's operational stability. In addition, the RSUs will be mostly satisfied by using treasury shares previously repurchased by the Company, which supports aligning key artists and core employees with the Company's long-term development and encouraging their continued collaboration, without creating incremental dilution beyond what has already been recognized. The Board believes that the long-term stability and sustainable performance brought by retaining Mr. Wang outweigh the minimal dilution impact on minority Shareholders and better serve the overall interests of all Shareholders.

The independent non-executive Directors of the Company have reviewed the proposed grant of RSUs to Mr. Wang and are of the view that the inclusion of service providers as eligible participants under the 2026 Share Incentive Plan is necessary and reasonable, as professional talent and public influence in the entertainment industry are instrumental to the development of the Company. They consider that to include the proposed category of service providers as Eligible Participants under the 2026 Share Incentive Plan is not uncommon in the entertainment industry as an approach to retain and incentivize art talents, that the selection criteria reflect the Company's business needs, and that the vesting schedule and terms of the grants appropriately align with the purpose of the Plan. Accordingly, the independent non-executive Directors believe the grant supports the long-term interests of the Company and its Shareholders by incentivizing and retaining individuals whose contributions are critical to the Company's growth and market position.

Except as disclosed above and save for ARK Trust (Hong Kong) Limited and LIGHTSTONE TRUST (HONG KONG) LIMITED, the trustees holding unvested Shares of the pre-IPO share incentive plan adopted on December 10, 2021, which are required to abstain from voting on matters that require Shareholders' approval under Rule 17.05A of the Listing Rules, no other Shareholder is required to abstain from voting in respect of the resolutions to be proposed at the EGM. In the event that Shareholders' approval in the EGM is not obtained, the Company shall revoke the grant of RSUs to Mr. Wang and publish further announcement where appropriate.

In view of the above, the Board (including the independent non-executive Directors) is of the view that 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 grant of RSUs to Mr. Wang had been approved by the Board. 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.

## V. NOTICE OF EGM

The EGM will be held at 3:00 p.m. on Thursday, April 16, 2026 at Room 6006, 6/F, Building One, Yard 28, Chuangyuan Road, Chaoyang District, Beijing, the PRC. The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. The above documents and the proxy of form for use at the EGM are published on the website of the HKEX (www.hkexnews.hk) and the website of the Company (www.yuehuamusic.com).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting in respect of, the ordinary resolutions to be proposed at the EGM.

For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, April 13, 2026 to Thursday, April 16, 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for the purpose of ascertaining the eligibility of the Shareholders to attend and vote at the EGM is on Monday, April 13, 2026. In order to be eligible to attend and vote at the forthcoming EGM, Shareholders must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's Hong Kong branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on Friday, April 10, 2026.

Shareholders who intend to appoint a proxy to attend the EGM are required to complete and return the form of proxy to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 3:00 p.m. on Tuesday, April 14, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

## VI. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, the resolution set out in the notice of the EGM will be taken by poll. The poll results will be announced by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

## VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

## VIII. DOCUMENT AVAILABLE ON DISPLAY

A copy of the 2026 Share Incentive Plan will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.yuehuamusic.com) for at least 14 days prior to the date of the EGM and will be available for inspection at the EGM.

## IX. RECOMMENDATIONS

The Directors consider that the proposed resolutions set out in the notice of the EGM and the other matters contained in the notice of EGM, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM.

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

**YH ENTERTAINMENT GROUP**

# RULES OF THE 2026 SHARE INCENTIVE PLAN

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## 1. DEFINITIONS AND INTERPRETATION

**1.1** In this Plan, save where the context otherwise requires, the following expressions have the respective meanings set opposite to them:

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| "Acceptance Notice" | has the meaning ascribed to such term in Section 6.1; |
| "Adoption Date" | being the date on which this Plan is duly approved and adopted by the Shareholders of the Company; |
| "Articles" | means the third amended and restated memorandum and articles of association of the Company; |
| "associate(s)" | shall bear the meaning as defined in the Listing Rules; |
| "Award(s)" | means award(s) of RSU(s) granted to a Grantee pursuant to this Plan; |
| "Board" | means the board of Directors; |
| "Clawback" | has the meaning ascribed to such term in Section 6.1; |
| "Company" | means YH Entertainment Group (乐华娱乐集团), an exempted company incorporated on June 10, 2021 and existing under the laws of the Cayman Islands with limited liability; |
| "Conditions" | has the meaning ascribed to such term in Section 3.1; |
| "connected person(s)" | shall bear the meaning as defined in the Listing Rules; |
| "controlling shareholder(s)" | shall bear the meaning as defined in the Listing Rules; |
| "core connected person(s)" | shall bear the meaning as defined in the Listing Rules; |
| "Director(s)" | means the director(s) of the Company; |

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| "Dividend" | means dividend, including any interim dividend, final dividend, special dividend and any other distribution in respect of the Shares pursuant to the Articles; |
| "Eligible Person(s)" | means person(s) eligible to receive Awards under this Plan, who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider, 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), but excluding Excluded Persons; |
| "Employee Participant(s)" | means any director(s) or employee(s) (whether full time or part time, but explicitly excludes any former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of the Company or any of its subsidiaries (and including persons who are granted Awards under this Plan as an inducement to enter into employment contracts with these companies); |
| "Excluded Person(s)" | means any person(s) who is resident in a place where the grant of an Award and/or the vesting and transfer of Shares pursuant to the terms of the Plan is not permitted under the applicable laws and regulations of such place or where in the view of the Board or the RSU Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person; |
| "Grant Letter" | has the meaning ascribed to such term in Section 6.1; |
| "Grantee(s)" | means the Selected Person(s) who have accepted the grant(s) of Award(s) by the Board, the Remuneration Committee or the Delegatee(s) pursuant to this Plan; |
| "Group" | the Company and our Subsidiaries; |

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| "Independent Third Party" | means any entity or person who is not a connected person within the meaning ascribed under the Listing Rules; |
| "Individual Limit" | has the meaning ascribed to such term in Section 6.2; |
| "Limits" | has the meaning ascribed to such term in Section 4.2; |
| "Listing Rules" | means Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| "New Approval Date" | has the meaning ascribed to such term in Section 4.3; |
| "Performance Target(s)" | has the meaning ascribed to such term in Section 6.1; |
| "Plan" | means this 2026 Share Incentive Plan in its present or any amended form; |
| "Plan Mandate Limit" | has the meaning ascribed to such term in Section 4.1; |
| "Plan Period" | has the meaning ascribed to such term in Section 5.1; |
| "PRC" | means the People's Republic of China, except where the context requires, references in this Plan to "PRC" do not apply to the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan; |
| "Related Entity Participant(s)" | means any director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company; |
| "Remuneration Committee" | means the remuneration committee of the Board; |
| "RSU(s)" | means restricted share unit(s), a contingent right to receive either Share(s) or an equivalent value in cash with reference to the market value of the Share(s) on or about the date of vesting, as determined by the Board in its sole discretion; |

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| "RSU Trustee" | means a professional trustee or professional trustees, who is/are an Independent Third Party(ies), who may appoint by the Board to assist with the administration and vesting of Awards granted pursuant to this Plan; |
| "Selected Person(s)" | means Eligible Person(s) selected by the Board, the Remuneration Committee or the Delegatee(s) to receive the Award(s) under the Plan at its discretion in accordance with the provisions set out in the Plan; |
| "Service Provider(s)" | means any person(s) (whether a natural person, a corporate entity or otherwise) who provides services to the 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 the Group, and meets with the eligibility criteria as stipulated in Section 6.1(ii) of this Plan. For the avoidance of doubt, persons under the following categories do not belong to Service Providers: (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (ii) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity; |
| "Service Provider Sub-limit" | has the meaning ascribed to such term in Section 4.2; |
| "share award scheme" | shall bear the meaning as defined in the Listing Rules; |
| "share option scheme" | shall bear the meaning as defined in the Listing Rules; |
| "share scheme" | refers to a share award scheme or a share option scheme as defined under Chapter 17 of the Listing Rules; |
| "Shareholder" | means a holder of Share(s); |

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| "Shares" | ordinary shares of the Company of par value US$0.0001 each (or of such other nominal amount as shall result from capitalization, sub-division, consolidation, reclassification or re-construction of the share capital of the Company from time to time) with the rights ascribed in the Articles, as amended from time to time; |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "Subsidiary(ies)" | has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); |
| "substantial shareholder(s)" | shall bear the meaning as defined in the Listing Rules; |
| "Treasury Shares" | shall have the meaning ascribed to it under the Listing Rules; and for the purposes of the Scheme, references to new shares include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares; |
| "Trust Deed" | (if applicable) the trust deed or trust deeds entered/to be entered into between the Company as settlor and the RSU Trustee as trustee(s) in respect of Shares and other trust fund (if any) to be held by the RSU Trustee subject to the terms thereof, as amended from time to time; |
| "Vesting" | means, in relation to an Award, upon fulfillment of the vesting schedule and vesting criteria (if any), a Grantee becoming entitled to have the rights attached to the Shares pursuant to this Plan. The terms "vest", "vesting" and "vested" shall be constructed accordingly; and |
| "Vesting Notice" | has the meaning ascribed to such term in Section 7.5. |

**1.2 Construction of References**

In this Plan:

(i) any reference to a section is a reference to a section of this Plan;

(ii) any reference to any statute or statutory provision shall be construed as a reference to such statute or statutory provision as respectively amended, consolidated or re-enacted from time to time, or as its operation is modified by any other statute or statutory provision (whether with or without modification) from time to time, and shall include any subsidiary legislation enacted under the relevant statute; and

(iii) any reference to a person includes an individual, a body corporate, a partnership, other unincorporated body or association of persons and any state or state agency.

**1.3 Interpretation**

In this Plan:

(i) words importing the plural include the singular and vice versa; and

(ii) words importing a gender include every gender.

**1.4 Headings**

The headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Plan.

**2. PURPOSES AND OBJECTIVES OF THIS PLAN**

**2.1** The specific objectives of this 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 the Group; and

(ii) to attract suitable personnel for further development of the Group.

**2.2** These rules serve to set out the terms and conditions upon which the incentive arrangements for the Grantees shall operate.

## 3. CONDITIONS

**3.1** This Plan shall take effect 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 (the "**Conditions**").

## 4. SIZE OF THIS PLAN

### 4.1 Plan Mandate Limit

Subject to Section 4.3 below, no Award shall be granted pursuant to the Plan if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the Plan (excluding Awards that have lapsed in accordance with the rules of the Plan) and all other share schemes as adopted by the Company from time to time shall exceed 20,000,000 Shares, representing approximately 2.41% of the total number of Shares in issue as of the date of approval of this Plan (the "**Plan Mandate Limit**").

### 4.2 Service Provider Sub-limit

Subject to Section 4.3 below, no Award shall be granted to any Service Provider pursuant to the 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 Plan (excluding share awards that have lapsed in accordance with the rules of the Plan and other share award scheme(s) of the Company (if any)) and all other share schemes adopted by the Company granting options and/or awards to the Service Providers as adopted by the Company from time to time shall exceed 14,000,000 Shares, representing approximately 1.69% of the total number of Shares in issue as of the date of approval of this Plan (the "**Service Provider Sub-limit**", together with the Plan Mandate Limit, the "**Limits**").

### 4.3 Renewal of Limits

Each of the Plan Mandate Limit and the Service Provider Sub-limit may be refreshed after three years from the date of approval of the Limits by the Shareholders at a general meeting or the date of approval of the last refreshment (as the case may be), subject to prior approval from the shareholders of the Company.

Any refreshment of each of the Plan Mandate Limit and the Service Provider Sub-limit within any three-year period must be approved by the independent shareholders of the Company, with all the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) abstaining from voting in favor of the relevant resolution at the general meeting. This requirement does not apply if the refreshment is made immediately after an issue of securities by the issuer to its shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole share.

In any event, the total number of Shares that may underlie the Awards granted following the date of approval of the refreshed Plan Mandate Limit and Service Provider Sub-limit (the "**New Approval Date**") and any grant made pursuant to other share schemes adopted by the Company must not exceed 10% of the number of Shares in issue as of the New Approval Date (excluding Treasury Shares). Shares underlying the Awards granted under the Plan (including those outstanding, cancelled or vested Awards) or any grant made pursuant to other share schemes (including those outstanding, cancelled or vested awards granted) prior to the New Approval Date will not be counted for the purpose of calculating the Limits to be refreshed.

## 5. DURATION AND ADMINISTRATION OF THIS PLAN

**5.1** Subject to the fulfillment of the conditions in Section 3.1 and Section 15, this Plan shall be valid and effective for ten (10) years from the Adoption Date until April 16, 2036 (the "**Plan Period**"), after which period no further Awards shall be granted or accepted, but the provisions of this Plan shall remain in full force and effect in order to give effect to the vesting of Awards granted and accepted prior to the expiration of the Plan Period.

**5.2** This Plan shall be subject to the administration of the Board in accordance with the rules of this Plan. The Board has the power to construe and interpret the rules of this Plan and the terms of the Awards granted hereunder. Any decision of the Board made in accordance with the rules of this Plan shall be final and binding, provided in each case that such decision is made in accordance with the Articles and any applicable laws.

**5.3** The Board may delegate the authority to administer this Plan to the Remuneration Committee or to any other person(s) deemed appropriate at the sole discretion of the Board (the "**Delegatee(s)**"), including its powers to offer or grant the Share Awards and to determine the terms and conditions of such Share Awards, provided that nothing in this Rule 5.3 shall prejudice the Board's power to revoke the delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1.

**5.4** The Board may appoint the RSU Trustee to administer the granting and vesting of Awards granted to the Grantees pursuant to this Plan. Subject to compliance with the laws of the Cayman Islands and the articles of association of the Company, the Company shall provide such assistance as may be appropriate or necessary to enable the RSU Trustee to satisfy its obligations in connection with the administration and vesting of Awards granted to the Grantees pursuant to this Plan.

## 6. GRANT OF AWARDS

**6.1** On and subject to the rules of this Plan and all applicable laws and other regulations,

(i) the Board, the Remuneration Committee or the Delegatee(s) may, within the Plan Period, determine the Selected Persons to participate this Plan. Unless being so selected, no person shall be entitled to participate in this Plan. The Board, the Remuneration Committee or the Delegatee(s) has/have full discretion to determine, from time to time, the basis of eligibility of any Selected Person for participation in this Plan and the grant of Awards based on factors including, among other things, the present and expected contribution of the relevant Eligible Persons to the development of the Group, the general financial conditions of the Group, the Group's overall business objectives and future development plan, and any other factors as the Board, the Remuneration Committee or the Delegatee(s) deem(s) appropriate;

(ii) in addition and without prejudice to Section 6.1(i), only Service Providers of the following categories may qualify as Selected Persons:

(a) supplier of products or services, including suppliers, advisors, consultants, agents or other professional firms with expertise in the provision of performing art activities and/or advisory services in relation to the development of our principal business activities including the artist management business of the Group including but not limited to (i) the Company's managed artists; (ii) service providers who provide artist training, performance coaching, choreography, styling, make-up and photography services; (iii) service providers who provide music production-related services such as composition, arrangement, recording and mixing; (iv) service providers who provide audiovisual content creation services such as editing, post-production, color grading and animation; (v) service providers who provide creative planning, scriptwriting and concept design for IP development; and (vi) service providers who provide digital distribution support, technical integration and platform operation services. When considering eligibility of, and the terms of grant to the Service Providers under this category, the Board, the Remuneration Committee or the Delegatee(s) will consider, among other things: (a) the nature, scope and frequency of products and/or services supplied; (b) the reliability and quality of products and/or services supplied; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period); or

(b) business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the entertainment industry that collaborate with the Group on continuing or direct business engagement, including but not limited to (i) music and audiovisual content distributors and digital streaming platforms; (ii) brand collaboration partners, e-commerce operators, marketing collaborators and event organizers that cooperate with the Group on artist promotion and IP commercialization; (iii) partners in joint-production for music, short video, film or live-performance projects; and (iv) marketing agencies, public relations partners and audience-operation service providers. When considering eligibility of, and the terms of Grant to the Service Providers under this category, the Board, the Remuneration Committee or the Delegatee(s) will consider, among other things: (a) the nature and scope of the collaborating projects; (b) their knowledge, expertise, knowhow and network in the industry; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration, the contract value and the number or variety of deliverables produced from such engagement for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period),

who are, or anticipated to be going forward, significant suppliers of products or services or business partners, or otherwise significant to the Group's business. Such persons may be remunerated with equity incentives to align the long-term interests of such persons with the Group.

(iii) in assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in the Group's ordinary and usual course of business, the Board, the Remuneration Committee or the Delegatee(s) shall consider whether the frequency of the services provided by a Service Provider is akin to that of its regular employees. Relevant factors will be considered as appropriate, including, among others, the following:

(a) the type(s) of services the Service Provider had performed for the Group in the past 12 months including whether such services relate to the Group's core business activities such as artist management, music production, content creation, IP commercialization, marketing and distribution;

(b) the industry experience of the Service Provider;

(c) the period of engagement of the Service Provider, including whether the Service Provider had entered into a technical and/or consultancy agreement with the Group in the past 12 months with a term of no less than 2 years; and

(d) the Service Provider's contribution and/or future contribution to the development and growth of the Group with reference to, among other metrics, professional or technical contribution, the design, development, manufacturing or distribution of products/services provided by the Group, or otherwise contribute significantly to the growth of the Group's financial or business performance, based on quantitative performance indicators to be determined by the Board, the Remuneration Committee or the Delegatee(s) on a case-by- case basis and whether such contribution is expected to be part of the Group's ordinary and usual business activities on a continuing or recurring basis.

(iv) If applicable, the Board, the Remuneration Committee or the Delegatee(s) shall, after the selection process, inform the RSU Trustee of the name(s) of the Selected Person(s), the number of Shares underlying the Award(s) to be granted to each of the Selected Person (s), the vesting schedule of the Award(s) and other terms and conditions (if any) that the Award(s) are subject to as determined by the Board, the Remuneration Committee or the Delegatee(s);

(v) Subject to limitations and conditions of this Plan, the Company or the RSU Trustee, upon receipt of the notification from the Board, the Remuneration Committee or the Delegatee(s) (as the case may be) shall grant to each of the Selected Persons an offer of grant of Award(s) by way of a letter in substantially the form set out in **Appendix A** to this Plan (the "**Grant Letter**"), subject to the conditions that the Board, the Remuneration Committee or the Delegatee(s) think(s) fit.

The Grant Letter shall, among other things, address the following matters:

(a) the Selected Person's name;

(b) the manner of acceptance of the Award(s) specified in the Grant Letter;

(c) the last date for acceptance by the Selected Person;

(d) the number of Shares underlying the Award;

(e) the vesting schedule and vesting criteria (if any), which may include, but not limited to, the fulfilment of the company performance target and personal performance targets by the relevant Selected Person prescribed by the Group (the "**Performance Targets**"), or triggering of any clawback mechanism to recover or withhold the remuneration, which may include any RSU(s) granted to any Selected Person (the "**Clawback**"); and

(f) other terms and conditions that the Board, the Remuneration Committee or the Delegatee(s) may determine at its discretion.

The Grant Letter shall attach an acceptance notice (the "**Acceptance Notice**") in substantially the form set out in **Appendix B** to this Plan;

(vi) If the Selected Person accepts the offer of grant of Award(s), he is required to sign the Acceptance Notice and return it to the Company within the time period and in a manner prescribed in the Grant Letter. Upon the receipt from the Selected Person of a duly executed Acceptance Notice, the Award(s) is granted to the Selected Person, who becomes a Grantee in this Plan;

(vii) To the extent that the offer of grant of an Award is not accepted by the Selected Person within the time period or in a manner prescribed in the Grant Letter, it shall be deemed that such offer has been irrevocably declined and thus the grant has immediately lapsed; and

(viii) The Grantee(s) shall not be required to bear or pay any price or fee for the application or acceptance of grant of Award(s) or the vesting of the RSU(s).

**6.2 Restrictions on Grants**

(i) The Board, the Remuneration Committee or the Delegatee(s) shall not grant any Award to any Selected Person in any of the following circumstances:

(a) the requisite approvals for such grant from any applicable regulatory authorities have not been obtained;

(b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of Award(s) or in respect of this Plan, unless the Board determines otherwise;

(c) the grant would result in a breach by the Group or any of its directors or senior management of any applicable laws, regulations or rules, including but not limited to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

(d) the grant would result in breach of the Plan Limit or the Service Provider Sub-limit (as set out in Sections 4.1 to 4.3 above) or other rules of this Plan; or

(e) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision or come to the Company's knowledge, until (and including) the trading day after such price sensitive information has been announced by the Company in accordance with the requirements of the Listing Rules. In particular, during the period commencing 30 days immediately preceding the earlier of:

(1) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement; and for the avoidance of doubt, no Award may be made during any period of delay in publishing a results announcement.

(ii) The maximum number of Shares which may be awarded to any one Selected Person under the Plan may not exceed:

(a) 1% of the issued share capital of the Company (excluding Treasury Shares), taking into account of the Shares issued and to be issued in respect of all options and awards granted to such Grantee under all share plans adopted by the Company in aggregate (excluding any Awards lapsed in accordance with terms of this Plan and other share award plan(s) 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 of the Company in general meeting, with such Grantee and his close associates (as defined under the Listing Rules) (or associates if the participant is a connected person) abstaining from voting.

**6.3 Grant to Directors**

If any Award is proposed to be granted to a Director, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

(i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**6.4 Grants to Connected Persons**

(i) Any grant of an Award to any Director, chief executive or substantial shareholder of the 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 Awards) and shall otherwise be subject to compliance with the requirements of the Listing Rules.

(ii) Where any grant of Award to a Director (other than an independent non-executive Director) or chief executive of the Company or any of his associates would result in the Shares issued and to be issued in respect of all awards granted to such Grantee under all share awards schemes adopted by the Company in aggregate (excluding any Awards lapsed in accordance with the terms of this Plan) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company (excluding Treasury Shares), such further grant of Awards must be approved by shareholders of the Company in general meeting in the manner set out in the Listing Rules, with such Director, his associates and all core connected persons of the Company abstaining from voting in favor at such general meeting.

(iii) Where any grant of Award to an independent non-executive Director or substantial shareholder of the Company, or any of his associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person under all share schemes adopted by the Company (excluding any Awards lapsed in accordance with the terms of this Plan) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company (excluding Treasury Shares), such further grant of Awards must be approved by shareholders of the Company in general meeting in the manner set out in the Listing Rules, with such Grantee, his associates and all core connected persons of the Company abstaining from voting in favor at such general meeting.

(iv) Notwithstanding the above and to the extent permissible by the Listing Rules, any grant of an Award to a Director as part of such Director's remuneration under his/her service contract with the Company shall be exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.73(6) of the Listing Rules.

## 7. VESTING OF AWARDS

**7.1** Subject to Section 7.2 below, the Board, the Remuneration Committee or the Delegatee(s) has the sole discretion to determine the vesting schedule and vesting criteria (if any), which may include Performance Target(s) and Clawback, for any grant of Award(s) to any Grantee.

(i) Such performance targets may include: (i) aggregate amount of revenue of the Group generated by the Selected Person for the relevant financial year; (ii) compound annual growth rate on audited consolidated revenue of the Group for the relevant financial years as compared to the immediately preceding financial year; and/or (iii) other targets to be determined in the sole discretion of the Board, the Remuneration Committee or the Delegatee(s). For the avoidance of doubt, this Plan does not specify any Performance Targets and hence save as determined by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion and provided in the relevant Grant Letter, there is no Performance Target which must be achieved by the Selected Persons before any of the Shares can be vested.

(ii) Grounds on which such Clawback mechanism may be triggered include: (i) resignation unilaterally and failure to meet the termination notice period requirements; (ii) being fired for violating the Company's relevant regulations and labor discipline; (iii) been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; (iv) breach of material regulations such as non-competition, confidentiality or Company's information security; (v) taking advantage of position impact to solicit Company's employee after termination, or spreading adverse public opinion regarding Company's brands; (vi) material misstatement in the audited financial statements of the Company that requires a restatement; (vii) if the Grant is linked to any Performance Targets and 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 having been assessed or calculated in a materially inaccurate manner; and/or (viii) other circumstances to be determined in the sole discretion of the Board, the Remuneration Committee or the Delegatee(s). For the avoidance of doubt, save as specified in Section 9 below, this Plan does not specify any Clawback mechanism and hence save as determined by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion and provided in the relevant Grant Letter, there is no Clawback which may recover or withhold the RSU(s) granted.

**7.2** The vesting period for the Award(s) shall not be less than twelve (12) months, subject to Sections 7.3 and the acceleration clause in Section 8 below.

**7.3** Without prejudice to Section 8 below, 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 each of the following circumstances:

(i) grants of "make-whole" Awards to new joiners to replace the share awards they forfeited when leaving the previous employer;

(ii) grants of Shares to a participant whose employment is terminated due to death or disability or occurrence of any out of control event;

(iii) grants of Shares with performance-based vesting conditions in lieu of time-based vesting criteria;

(iv) grants of Shares that are made in batches during a year for administrative and compliance reasons; and

(v) grants of Shares with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of twelve (12) months.

**7.4** The RSU Trustee of the Company (as the case may be) shall administer the vesting of 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).

**7.5** Upon fulfillment or waive of the vesting period and vesting criteria (if any) applicable to each of the Grantees, a vesting notice (the "**Vesting Notice**") will be sent to the Grantee by the Board, the Remuneration Committee or the Delegatee(s), or by the RSU Trustee under the authorization and instruction by the Board, the Remuneration Committee or the Delegatee(s) confirming (a) the extent to which the vesting period and vesting criteria (if any) have been fulfilled or waived and (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive.

**7.6** The Grantee is required to execute, after receiving the Vesting Notice, certain documents set out in the Vesting Notice that the Board, the Remuneration Committee or the Delegatee(s) consider(s) necessary (which may include, without limitation, a certification to the Group that he has complied with all the terms and conditions set out in this Plan and the Grant Letter).

**7.7** Subject to the execution of documents by the Grantee set out in Section 7.6 above, the Board, the Remuneration Committee or the Delegatee(s) may decide at its sole discretion to:

(i) To issue, transfer, or direct and procure the RSU Trustee to transfer, the Shares underlying the Award(s) (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) to the Grantee or its wholly owned entity. This may be satisfied by issuing and allotting Shares, transferring Shares under the existing share scheme, or transferring Treasury Shares in accordance with this Plan, the Listing Rules and any other applicable laws and regulations; or

(ii) pay, or direct and procure the RSU Trustee to pay, to the Grantee in cash an amount which is equivalent to the value of the Shares (and, if applicable, the cash or noncash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) set out in Section 7.7(i) above, under circumstances including, without limitation, that the Company, the RSU Trustee and/or the Grantee are prohibited from dealing in the Shares in the relevant times under the Listing Rules.

**7.8** In the event that the Grantee fails to execute the required documents within seven (7) days after receiving the Vesting Notice, the vested Shares will lapse.

## 8. ACCELERATION OF VESTING

The Board, the Remuneration Committee or the Delegatee(s) has/have the sole discretion to determine, at any time, to accelerate the vesting of any Award granted to any Grantee for various considerations.

### Rights on a Takeover

**8.1** In the event a general offer by way of takeover, merger or otherwise in a like manner (other than by way of scheme of arrangement pursuant to Section 8.2 below) is made to all the shareholders of the Company (or shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects prior to the vesting, the Award(s) of the Grantee will vest immediately to be extent and on a date specified in a notice given by the Company.

### Rights on a Scheme of Arrangement

**8.2** In the event a general offer for Shares by way of scheme of arrangement is made by any person to all the shareholders of the Company and has been approved by the necessary number of shareholders at the requisite meetings prior to the vesting, the Award(s) of the Grantee will vest immediately to be extent and on a date specified in a notice given by the Company.

**Rights on a Compromise or Arrangement**

**8.3** If a compromise or arrangement between the Company and its shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement prior to the vesting, the Award(s) of the Grantee will vest immediately to be extent and on a date specified in a notice given by the Company.

**Rights on a Voluntarily Winding-up**

**8.4** In the event that an effective resolution is passed during the Plan Period for voluntarily winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement as set out above) prior to the vesting, the Award(s) of the Grantee will vest immediately to be extent and on a date specified in a notice given by the Company provided that all unexercised Awards must be exercised and effected by no later than one business day before the day of the proposed general meeting to be convened for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (or to pass written resolutions of the shareholders to the same effect).

**9. LAPSE OF AWARDS**

**9.1** Without prejudice to other rules under this Plan, an Award will automatically lapse immediately upon:

(i) termination of employment or service of any Grantee for any reason prior to the vesting date of the granted Awards;

(ii) knowingly performs any act that may confer any competitive benefit or advantage upon any competitor of the Group, or becomes an officer, director, employee, consultant, advisor, partner of, or a stockholder or other proprietor owning more than a 5% interest in any competitor of the Group;

(iii) the Grantee makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any Shares underlying the granted Awards or any interests or benefits in relation to the Awards; and

(iv) commencement of winding-up of the Company.

**9.2** If the event set out in Section 9.1 (other than sub-paragraph (iv)) occurs, the Award shall lapse on a proportional basis, in another word, based on the proportion of the time period commencing from the grant date of the Award through the occurrence of such event of the entire vesting period set out in the Grant Letter to the Grantee provided that other vesting criteria (if any) have been fulfilled or waived as of the date of occurrence of such event.

**9.3** For the avoidance of doubt, the Award(s) lapsed in accordance with the terms of the Plan will not be regarded as utilized for the purpose of calculating the Plan Mandate Limit and the Service Provider Sub-limit.

**10. CANCELLATION OF AWARDS**

**10.1** The Board may at its sole discretion cancel any Award that has not vested or lapsed, provided that:

(i) the Company or its appointees pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board, after consultation with an independent financial adviser appointed by the Board;

(ii) the Company or its appointees provides to the Grantee a replacement Award of equivalent value to the Award to be cancelled; or

(iii) the Board makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Award.

**10.2** For the avoidance of doubt, where the Board cancels any Award and makes a new grant to the same Grantee, such new grant may only be made under this Plan with available Plan Mandate Limit (and Service Provider Sub-limit, where applicable) approved by the shareholders. The Award so cancelled will be regarded as utilized for the purpose of calculating Plan Mandate Limit (and Service Provider Sub-limit, where applicable).

**11. RIGHTS ATTACHED TO AWARDS AND SHARES**

**11.1** A Grantee does not have any contingent interest in any Shares underlying an Award unless and until the legal and beneficial ownership of these Shares are actually transferred to and in the Grantee from the Company or the RSU Trustee in accordance with the terms of this Plan. Furthermore, a Grantee may not exercise any voting right in respect of the Shares underlying the Award prior to their transfer and, unless otherwise specified by the Board, the Remuneration Committee or the Delegatee(s) in its sole discretion in the Grant Letter to the Grantee, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the Award.

**11.2** The Shares provisionally awarded to a Grantee pursuant to an Award shall be subject to all the provisions of the articles of association of the Company and the Companies Act (as Revised) of the Cayman Islands for the time being in force, and will rank *pari* *passu* with the fully paid Shares in issue on the date when such awarded Shares are vested in the Grantee and accordingly will entitle the holders to all voting rights and to participate in all dividends or other distributions paid or made on or after such vesting date, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the vesting date.

**11.3** (*If applicable*) The RSU Trustee shall not exercise the voting rights in respect of the Shares held under trust constituted by the Trust Deed and shall abstain from voting on matters that require the Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

## 12. ASSIGNMENT OF AWARDS

**12.1** Awards granted pursuant to this Plan shall be personal to each Grantee and shall not be assignable or transferrable, except assignment or transfer from each Grantee to a company wholly owned by him or between two companies both of which are wholly owned by him for the benefit of such Grantee and his family members which would continue to meet the purpose of this scheme and in accordance with the Listing Rules. Notwithstanding the above, the Grantees are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favor of any other person over or in relation to any property held by the RSU Trustee on trust for the Grantees, Awards, Shares underlying any Awards or any interest or benefits therein. Any breach of the foregoing by any Grantee shall entitle the Company to cancel the Awards made to such Grantee and, if applicable, the Board shall notify the RSU Trustee in writing accordingly.

## 13. REORGANIZATION OF CAPITAL STRUCTURE

**13.1** In the event of any alteration in the capital structure of the Company, such as capitalization issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company, the Board may make equitable adjustments that it considers appropriate, at its sole discretion, including:

(i) make arrangements for the grant of substitute Awards of equivalent fair value to an award in the purchasing or surviving company;

(ii) reach such accommodation with the Grantee as it considers appropriate, including the payment of cash compensation to the Grantee equivalent to the fair value to an Award to the extent not vested;

(iii) waive any conditions to vesting of an Award to the extent not already vested; or

(iv) permit the continuation of an Award in accordance with its original terms.

For the avoidance of doubt, the issue of securities by the Company as consideration in a transaction may not be regarded as a circumstance requiring such equitable adjustments.

**13.2** Any equitable adjustments required under Section 13.1 above must give the Grantee the same proportion of the equity capital, rounded to the nearest whole share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). Such adjustments will be made in accordance with the requirements of the guidance materials published by the Stock Exchange. Any such adjustments (other than any made on a capitalization issue) shall be subject to a written confirmation from an independent financial advisor or the Company's auditors, to have given the Participants the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value.

## 14. DISPUTES

Any dispute arising in connection with this Plan shall be referred to the determination or interpretation of the Board who shall act as experts and not as arbitrators and whose decision shall be final and binding.

## 15. ALTERATION OR AMENDMENT OF THIS PLAN

**15.1** The terms of this Plan may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Grantee hereunder, subject to Sections 15.2 and 15.3 below.

**15.2** Any alteration, amendment or waiver to the Plan (i) of a material nature; (ii) relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Grantees; or relating to the authority of the Board or relevant administrator to alter this Plan, shall be approved by the shareholders of the Company. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive. The amended terms of this Plan must comply with all applicable laws, rules and regulations (including without limitation the Listing Rules).

**15.3** Any change to the terms of Awards granted must be approved by the Board, the Remuneration Committee, the independent non-executive Director and/or the shareholders of the Company (as the case may be) if the initial Awards was approved by the Board, the Remuneration Committee, the independent non-executive Director and/or the shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Plan.

**15.4** The amended terms of the Awards or this Plan (as the case may be) shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

## 16. TERMINATION

This Plan may be terminated at any time prior to the expiry of the Plan 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 Awards shall be granted after this Plan is terminated but in all other respects the provisions of this Plan shall remain in full force and effect. No further Award shall be granted after such termination; however, all Awards granted prior to such termination and not vested on the date of termination shall remain valid. In such event and if applicable, the Board, the Remuneration Committee or the Delegatee(s) shall notify the RSU 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 Awards shall be dealt with.

## 17. MISCELLANEOUS

**17.1** The Company shall bear the costs of establishing and administering this Plan. For the avoidance of doubt, the Company shall not be liable for any tax, duty, expense or liability that the Grantee(s) is subject to as a result of his participation in this Plan, including any sale, purchase, vesting or transfer of the Shares hereunder.

**17.2** A Grantee shall be responsible for obtaining any governmental or other official consent or complying with other form(s) of legal, regulatory or judicial requirements that may be required by any country or jurisdiction in order to permit the vesting of his Award. By accepting an Award, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Plan or the vesting of any Award.

**17.3** Any notice or other communication between any of the Board, the Remuneration Committee, the Delegatee(s) or the RSU Trustee, and the Grantee(s) shall be given by prepaid post or hand delivery to the respective address as notified from time to time.

**17.4** Any notice or other communication shall:

(i) if served by the Board, the Remuneration Committee, the Delegatee(s) or the RSU Trustee by post, be deemed to have been served 24 hours after it was put in the post or, if delivered by hand, be deemed to be served when delivered; and

(ii) if served by the Grantee(s), be deemed to have been served when it is actually received by the Board, the Remuneration Committee, the Delegatee(s) or the RSU Trustee.

**17.5** This Plan shall not confer, directly or indirectly, on any person any legal or equitable rights (other than those constituting the Award(s) themselves) or give rise to any cause of action at law or in equity against the company.

**17.6** This Plan shall not form part of any contract of employment or for services between any member of the Group and any Grantee, and the rights and obligations of any Grantee under the terms of his office or employment or provision of service shall not be affected by his participation in this Plan or any right he may have to participate in it and this Plan shall afford such Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment or provision of service for any reason.

**17.7** The grant of an Award on a particular basis in any year does not create any right to or expectation of the grant of Awards on the same basis, or at all, in any future year. Participation in this Plan does not imply any right to participate, or to be considered for participation in any later operation of this Plan. Subject to any applicable legislative requirement, any Award will not be regarded as remuneration for pension purposes or for the purposes of calculating payments on termination of employment. By accepting an Award, a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for or in respect of any loss of any rights or benefits under any Award then held by him or otherwise in connection with this Plan.

**17.8** The Board may, from time to time, adopt such operational rules as it considers appropriate for the purposes of giving effect to or implementing this Plan, provided that these rules do not conflict with this Plan or contravene any of the applicable laws, regulations or rules.

**17.9** Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of this Plan, and any such deletion shall not affect the enforceability of the rules of this Plan as remain not so deleted.

**17.10** This Plan shall operate subject to the Articles, the law of the Cayman Islands and any applicable law.

## 18. GOVERNING LAW

**18.1** The rules of this Plan shall be governed by and construed in accordance with the laws of Hong Kong.

## APPENDIX A
## FORM OF GRANT LETTER

PRIVATE AND CONFIDENTIAL
FOR ADDRESSEE ONLY

***[Selected Person's Name and Position]***
***[Selected Person's Address]***

***[Date]***

Dear ***[Name]***

In recognition of your services to YH Entertainment Group (the "**Company**"), the Board has determined to invite you to participate in the Company's 2026 Share Incentive Plan (the "**Plan**"). The terms used in this Grant Letter shall have the same meaning given to them in the Plan.

The Company agrees to grant to you *[number]* RSU awards of the Company under this Plan. The vesting and grant of RSU awards shall be subject to the terms and conditions of this Grant Letter and the Plan may be amended from time to time pursuant to the provisions therein, a copy of which is enclosed herewith.

Please note that you will have an interest in the RSU awards, but that this interest will be contingent until the date(s) set out in the vesting schedule below [until the conditions referred to below are satisfied or waived by the Board, the Remuneration Committee and/or the Delegatee(s)].

**Vesting Schedule**

[●]

**Vesting criteria (if any)**

[●]

In order to accept the RSU awards agreed to be granted under this letter, please sign and return the enclosed Acceptance Notice, by [date], failing which the opportunity to accept this award will automatically lapse.

We would recommend you that you seek specific advice from your own tax adviser on how this Award may affect your tax status.

Yours faithfully
For and on behalf of
**YH Entertainment Group**

Name:
Position:

## APPENDIX B
## FORM OF ACCEPTANCE NOTICE

To: The Board of Directors
YH Entertainment Group (the "**Company**")
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Attn: *[Head of Human Resource Department of YH Entertainment Group]*

Terms and expressions defined in the Company's 2026 Share Incentive Plan (the "**Plan**") and the grant letter dated *[date]* issued by the Company to me ("**Grant Letter**") pursuant to the Plan shall have the same meanings when used in this Acceptance Notice, unless the context requires otherwise.

In consideration of the Company's agreement to grant the Awards to me subject to the terms and conditions of the Plan, I hereby acknowledge, accept and agree for the benefit of the Company as follows:

1. I have read the rules of the Plan and the Grant Letter, and agree to be bound by the terms and conditions thereof.

2. I hereby acknowledge that neither you nor your subsidiaries and other companies in the Group has made any representation or warranty or given me any expectation of employment or services engagement or continued employment or services engagement to induce me to accept the Award and that the terms of the Plan and this Acceptance Notice constitutes the entire agreement between us relating to the grant of the RSU awards under the Plan.

3. I acknowledge and agree that any action taken or decision made by the Company arising out of or in connection with the construction, administration, management, interpretation, effect or performance of the Plan shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on me. By accepting the RSU awards granted to me under the Plan, I shall be conclusively deemed to have indicated (i) acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board, the Remuneration Committee, the Delegatee(s) or any of their representatives and (ii) acceptance of the terms and conditions of the Plan.

4. I acknowledge:

   (i) that this grant of the Awards under the Plan is a one-time benefit which does not create any contractual right to receive additional rights or compensation;

(ii) that the Awards will not form part of my remuneration; and

(iii) that the future value of the Shares underlying the Awards is unknown and cannot be predicted with certainty.

5. I agree, accept and undertake, to enter into any such additional documentation as the Board, in its absolute discretion, requires in order to facilitate the administration of the Plan.

6. I acknowledge that any rights or benefits that I may have to the RSU awards are subject to the approval of such grant and/or the compliance from time to time with the Articles or any other laws, rules or regulations which may be applicable to such grant.

7. I understand that the Company may hold certain personal information about me, including but not limited to my name, home address and telephone number, date of birth, identity card number, passport number, salary, nationality, job title, any Shares or directorships held in the Company, details of documentation relating to the Restricted Shares, for the purposes of implementing, administering and managing the Plan (together, "**Data**"). As a condition of the grant of the Awards, I consent to the collection, use, retention and transfer of Data for such purposes.

8. I acknowledge and confirm that I have obtained all relevant regulatory, governmental and official consent or approvals required for me to participate in the Plan and, to own and/or have the Shares underlying the Awards registered in my or my nominee's name.

9. I acknowledge and confirm the Company or any of its directors, officers, employees or representatives, will not be responsible whatsoever for any tax or other liability to which I may become subject as a result of my participation in the Plan.

10. I acknowledge to and agree with the Company not to exercise any rights or interest which I may have or derive in connection with any RSU awards nor to directly or indirectly, sell, assign, transfer, permit to exist any lien, donate, give, bequeath, hypothecate or otherwise deal with or dispose of any right or interests in relation to any RSU awards in favor of any other person until the transfer of the RSU awards to me have been completed.

I further understand that the Company and its subsidiaries may transfer Data amongst themselves for the purposes of implementing, administering and managing my participation in the Plan, and that the Company and its subsidiaries may each further transfer Data to any third parties assisting the implementation, administration and management and performance of the Plan and who has a duty of confidentiality to the transferor of such Data. I understand that these recipients of such Data may be located in the PRC, Hong Kong or overseas. I authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan.

**PLEASE PRINT IN BLOCK LETTERS**

Name in full:

Position:

Address:

Nationality:

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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**EGM**") of YH Entertainment Group (the "**Company**") will be held at Room 6006, 6/F, Building One, Yard 28, Chuangyuan Road, Chaoyang District, Beijing, the PRC on Thursday, April 16, 2026 at 3:00 p.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions:

### AS ORDINARY RESOLUTIONS

1. To consider and if thought fit, pass with or without amendments, the proposed adoption of the 2026 Share Incentive Plan.

2. To consider and if thought fit, pass with or without amendments, the proposed authorization to the Board and/or the Delegatee(s) to handle matters in relation to the 2026 Share Incentive Plan.

3. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

   "**THAT**:

   (a) the 2026 Share Incentive Plan be and is hereby approved and adopted;

   (b) the total number of Shares to be allotted and issued pursuant to (a) above, shall not exceed such number of Shares as equals to 2.41% of the Shares in issue as at the date of passing of this resolution;

(c) conditional upon passing the resolution (a) above, the Service Provider Sub-limit (under the Mandate Limit) of 14,000,000 Shares which may be issued in respect of all Share Awards under the 2026 Share Incentive Plan be and is hereby approved and adopted;

(d) the Directors be and are hereby authorized to do all such acts and to enter into all such arrangements as may be necessary or expedient in order to give full effect to the 2026 Share Incentive Plan, including but without limitation to: (i) grant awards under 2026 Share Incentive Plan and subject to the Listing Rules; and (ii) consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2026 Share Incentive Plan;

(e) conditional upon passing the resolution (a) above, the grant of 12,500,000 RSUs under the 2026 Share Incentive Plan to Mr. Wang on the terms and conditions as set out in this circular be and is hereby approved, confirmed and ratified in all respects and that any one director of the Company be and is hereby authorized to do all such acts and/or execute all other documents as he may deem necessary or expedient in order to give full effect to such grant and vesting of such RSUs."

Details of the above resolutions proposed at the EGM are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.yuehuamusic.com).

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 notice, 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.*

*Notes:*

(1) Resolutions to be submitted at the EGM shall be voted on by poll.

(2) For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, April 13, 2026 to Thursday, April 16, 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for the purpose of ascertaining the eligibility of the Shareholders to attend and vote at the EGM is on Monday, April 13, 2026. In order to be eligible to attend and vote at the forthcoming EGM, Shareholders must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's Hong Kong branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on Friday, April 10, 2026.

(3) Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number and class of Shares in respect of which each such proxy is so appointed shall be specified in the appointment of the proxy.

(4) The form of proxy must be signed by the Shareholder or by an authorized person appointed by the Shareholder in writing. If the Shareholder is a legal person, it must be stamped with the seal of the legal person or signed by a director or duly authorized attorney. If the form is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.

(5) In order to be valid, in the case of Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authorization document on behalf of the appointer, a notarially certified copy of that power of attorney or other authorization document, must be deposited with the Hong Kong branch Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 3:00 p.m. on Tuesday, April 14, 2026).

(6) In case of registered joint holders of any Shares, any one of the registered joint holders can vote on such Shares at the EGM in person or by proxy as if he/she is the only holder entitled to vote. If more than one registered joint holders attend the EGM in person or by proxy, only the vote of the person whose name appears first in the register of members of the Company relating to such Shares (in person or by proxy) will be accepted as the sole and exclusive vote of the joint holders.

(7) Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she/it so wish. In this case, the power of attorney will be deemed to have been revoked.

(8) The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the EGM are responsible for their own transportation and accommodation expenses.

(9) All times refer to Hong Kong local time, except as otherwise stated.