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Strawbear Entertainment Group
稻草熊娱乐集团

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2125)

VOLUNTARY ANNOUNCEMENT
RESOLVING OF HIGH CONCENTRATION OF SHAREHOLDING

This is a voluntary announcement made by the Company to inform its Shareholders and Potential Investors of the shareholding structure of the Company as at December 31, 2022.

Based on the results of the Analysis of the shareholding structure of the Company as at December 31, 2022 and the information available, the Board is satisfied that (i) the then high concentration of shareholding in the Company as at April 19, 2021 as stated in the SFC Announcement no longer exists; and (ii) there is no concentration of shareholding of the Company in the hands of a limited number of Shareholders as at December 31, 2022.

This is a voluntary announcement made by Strawbear Entertainment Group (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) to inform the shareholders (the “**Shareholders**”) and potential investors (the “**Potential Investors**”) of the Company of the shareholding structure of the Company as at December 31, 2022.

This announcement is made in response to the shareholding concentration announcement (the “**SFC Announcement**”) dated May 6, 2021 and issued in respect of the Company by the Securities and Futures Commission (the “**SFC**”) regarding the then high concentration of shareholding in the Company as at April 19, 2021.

BACKGROUND

According to the SFC Announcement, as at April 19, 2021, a group of 21 Shareholders held an aggregate of 167,905,000 shares of the Company (the “**Shares**”), representing approximately 24.41% of the then issued Shares. Such shareholding, together with 507,709,000 Shares (representing approximately 73.80% of the then issued Shares) held by 4 substantial Shareholders, represented approximately 98.20% of the then issued Shares as at April 19, 2021. Therefore, only 12,353,000 Shares (representing approximately 1.80% of the then issued Shares) were held by other Shareholders.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to remind the Shareholders and Potential Investors that the information disclosed in the SFC Announcement only reflected the shareholding structure of the Company as at April 19, 2021, and is not representative of the current shareholding structure of the Company.

ANALYSIS OF THE BOARD

In order to enhance the transparency of the shareholding structure of the Company, the Board has conducted an analysis of the shareholding structure of the Company based on the information provided by an independent service provider engaged by the Company (the “**Analysis**”). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the updated shareholding structure of the Company as at December 31, 2022 is as follows:

Shareholders	Number of Shares held (Shares)	% of total number of issued Shares (%)
LEADING GLORY INVESTMENTS LIMITED ⁽¹⁾	290,480,000	41.70
Taurus Holding Ltd. ⁽²⁾	97,320,000	13.97
GLESASON GLOBAL LIMITED ⁽³⁾	73,600,000	10.57
Futu Trustee Limited (“ Futu Trustee ”) ⁽⁴⁾	26,780,000	3.84
GORGEOUS HORIZON LIMITED ⁽⁵⁾	1,882,400	0.27
A group of 6 Shareholders (comprising individual, corporate and institutional investors) which held 5,000,000 Shares to less than 32,000,000 Shares	68,095,000	9.78
A group of 131 Shareholders (comprising individual, corporate and institutional investors) which held 120,000 Shares to less than 5,000,000 Shares	68,368,000	9.81
A group of 1,201 Shareholders (comprising individual, corporate and institutional investors) which held 10,000 Shares to less than 120,000 Shares	35,378,000	5.08
Other Shareholders ⁽⁶⁾	34,726,000	4.98
Total	696,629,400	100.00

Notes:

- (1) LEADING GLORY INVESTMENTS LIMITED is owned as to (i) 99% by MASTER GENIUS GLOBAL LIMITED, the holding vehicle used by Vistra Trust (Singapore) Pte. Limited, the trustee of the LXF Family Trust which is a discretionary trust established by Mr. Liu Xiaofeng (“**Mr. Liu**”) (the Chairman and an executive Director of the Company) as the settlor and protector and Mr. Liu’s wholly-owned holding company Master Sagittarius Holding Limited as the beneficiary; and (ii) 1% by Master Sagittarius Holding Limited which is wholly owned by Mr. Liu.
- (2) Taurus Holding Ltd. is wholly owned by iQIYI, Inc.

- (3) GLESASON GLOBAL LIMITED is owned as to (i) 99% by BEYOND VAST LIMITED, the holding vehicle used by Vistra Trust (Singapore) Pte. Limited, the trustee of the LSS Family Trust which is a discretionary trust established by Ms. Liu Shishi (“**Ms. Liu**”) as the settlor and protector and Ms. Liu’s wholly-owned holding company Gold Pisces Holding Limited as the beneficiary; and (ii) 1% by Gold Pisces Holding Limited which is wholly owned by Ms. Liu.
- (4) Futu Trustee Limited is the trustee appointed by the Company for the administration of the restricted share unit scheme adopted by the Company on September 15, 2021 (the “**2021 RSU Scheme**”) and the restricted share unit scheme adopted by the Company on April 28, 2022 (the “**2022 RSU Scheme**”), which holds the Shares underlying the restricted share units granted to the selected participants (including (i) employees of the Company; (ii) senior management of subsidiaries of the Company; and (iii) business partners of the Group) under the 2021 RSU Scheme and the 2022 RSU Scheme for the benefit of such selected participants.
- (5) GORGEOUS HORIZON LIMITED, being the beneficial owner of the outstanding share options (the “**Pre-IPO Share Options**”) granted under the pre-IPO share option scheme approved and adopted by the Company on May 11, 2020 (the “**Pre-IPO Share Option Scheme**”), is wholly owned by SUCCESS TALE ENTERPRISES LIMITED which is wholly owned by Vistra Trust (Hong Kong) Limited, the trustee of the Strawbear Employee Trust. The Strawbear Employee Trust is a discretionary trust established by Mr. Liu as the settlor and protector and Mr. Liu’s wholly-owned holding company Master Sagittarius Holding Limited as the beneficiary. On May 12, 2022, 1,882,400 Shares were issued to GORGEOUS HORIZON LIMITED upon the exercise of the Pre-IPO Share Options by Mr. Liu under the Pre-IPO Share Option Scheme. As of the date of this announcement, the number of Shares underlying the outstanding Pre-IPO Share Options held by GORGEOUS HORIZON LIMITED is 35,765,600 Shares.
- (6) Other Shareholders comprised (i) those identified under the Analysis to be each holding less than 10,000 Shares and in aggregate, holding 3,892,816 Shares, representing approximately 0.56% of the total issued Shares; and (ii) those that cannot be individually identified under the Analysis.

As set out in the above shareholding structure of the Company, as at December 31, 2022, (i) 290,480,000 Shares were held by LEADING GLORY INVESTMENTS LIMITED, (ii) 97,320,000 Shares were held by Taurus Holding Ltd., (iii) 73,600,000 Shares were held by GLESASON GLOBAL LIMITED, (iv) 26,780,000 Shares were held by Futu Trustee Limited, and (v) 1,882,400 Shares were held by GORGEOUS HORIZON LIMITED, representing approximately 70.35% of the total issued Shares in aggregate. Save for aforementioned, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at December 31, 2022, approximately 24.67% of the issued Shares were held by over 1,338 identified Shareholders (each holding 10,000 Shares or more) and the remaining approximately 4.98% of the issued Shares were held by other Shareholders.

ACTIONS TAKEN SINCE THE PUBLICATION OF THE SFC ANNOUNCEMENT

Since the publication of the SFC Announcement, actions have been taken to diversify the shareholding structure of the Company. The Board notes that the Company has formulated and implemented an investor relations plan, including hosting existing shareholder conferences, investor calls and roadshows, increasing interactions with domestic and international investment banks, brokers and other institutional investors, maintaining relationships with international rating agencies, and raising the Company’s profile amongst the investment and financial community, agencies and institutional analysts.

The Board considers that the above-mentioned actions contributed to the broadening of the shareholding base of the Company, and the shareholding structure of the Company has been diversified, instead of being highly concentrated, as compared to that as at April 19, 2021.

CONCLUSION

In light of the above, the Company is of the view that the concern over the high shareholding concentration as mentioned in the SFC Announcement has been resolved and the high shareholding concentration of the Company as at April 19, 2021 as stated in the SFC Announcement should not be used as a basis for evaluating the current status of the shareholding structure of the Company.

Based on the results of the Analysis of the shareholding structure of the Company as at December 31, 2022 and the information available, the Board is satisfied that (i) the then high concentration of shareholding in the Company as at April 19, 2021 as stated in the SFC Announcement no longer exists; and (ii) there is no concentration of shareholding of the Company in the hands of a limited number of Shareholders as at December 31, 2022.

By order of the Board
Strawbear Entertainment Group
Liu Xiaofeng
Chairman

Nanjing, PRC, February 20, 2023

As of the date of this announcement, the Board comprises Mr. Liu Xiaofeng, Ms. Zhang Qiuchen, Mr. Chen Chen and Ms. Zhai Fang as executive Directors; Mr. Wang Xiaohui and Ms. Liu Fan as non-executive Directors; and Mr. Zhang Senquan, Mr. Ma Zhongjun and Mr. Chung Chong Sun as independent non-executive Directors.