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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)

GRANT OF RSUS UNDER THE 2022 RSU SCHEME

Reference is made to the announcement of the Company dated April 28, 2022 in relation to the adoption of the 2022 RSU Scheme, in which a summary of the principal terms of the 2022 RSU Scheme was set out.

The Board is pleased to announce that, on November 14, 2022, it has resolved to grant an aggregate of 310,000 RSUs, representing 310,000 Underlying Shares and approximately 0.04% of the total number of Shares in issue as at the date of this announcement, to one Selected Participant, who is a top screenwriter and a business partner of the Group, at nil consideration pursuant to the 2022 RSU Scheme, subject to acceptance by the Grantee. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, as at the date of this announcement, the Grantee is an third party independent of the Company and is not a connected person of the Company.

The grant of an aggregate of 310,000 RSUs to the Grantee shall be satisfied by the purchase of 310,000 existing Shares by the Trustee on the market. The Company will provide sufficient funds through its internal resources to the Trustee to enable the Trustee to satisfy its obligations in connection with the vesting of RSUs granted to the Grantee.

No new Shares will be issued and allotted by the Company upon vesting of the RSUs granted to the Grantee, and accordingly, the grant of RSUs to the Grantee will not result in any dilution effect on the shareholdings of existing Shareholders.

After the grant of 310,000 RSUs to the Grantee, the number of Shares underlying the RSUs available for future grant pursuant to the 2022 RSU Scheme is 14,391,410 Shares, representing approximately 2.07% of the total number of Shares in issue as at the date of this announcement.

MARKET VALUE

Based on the closing price of HK\$0.77 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of the Underlying Shares is HK\$238,700.

VESTING SCHEDULE

The 310,000 RSUs granted to the Grantee shall vest on May 1, 2023.

The RSUs shall vest in the Grantee in accordance with the above vesting schedule and subject to satisfaction of the vesting condition that certain drama series, for which the Grantee engaged by the Group to act as the screenwriter, shall be broadcast before May 1, 2023. The Committee shall assess whether such vesting condition is satisfied (or may be waived) before serving the vesting notice.

TRUSTEE

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, as at the date of this announcement, the Trustee and its ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company.

Pursuant to the 2022 RSU Scheme, the Trustee will not exercise any voting rights in respect of any Shares underlying the unvested RSUs held under the Trust or any Shares in the Nominee Account held on behalf of the Selected Participants, and will therefore abstain from voting on any general meeting.

REASONS FOR AND BENEFITS OF THE GRANT OF RSUS

The 2022 RSU Scheme forms part of the incentive schemes of the Group. The Grantee is a top screenwriter and a business partner of the Group. The Board considers the grant of the RSUs to the Grantee is to reward such Grantee for the contribution to the Group's business operations and to motivate the Grantee who plays an important role in the production of drama series of the Group, so as to promote the development of the Group.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“2022 RSU Scheme”	the 2022 restricted share unit scheme adopted by the Group on April 28, 2022, as amended from time to time
“Board”	the board of directors of the Company (and in respect of the administration of the 2022 RSU Scheme, includes the Committee)
“Committee”	a committee established and delegated with the power and authority by the Board to administer the 2022 RSU Scheme

“Company”	Strawbear Entertainment Group (稻草熊娱乐集团), an exempted company with limited liability incorporated under the laws of Cayman Islands on January 3, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	include the (i) employees of the Company; (ii) senior management of subsidiaries of the Company; and (iii) business partners of the Group (including top artists such as directors, screenwriters, producers, etc.) who the Board or its delegate(s) considers, in their sole discretion, have contributed or will contribute to the Group, and who are not Excluded Persons
“Excluded Person”	(i) at the time of the proposed grant of a RSU, any connected person or core connected person of the Company, or (ii) any Eligible Participant who is a resident in a place where the award of the RSUs and/or the vesting and transfer of the Shares underlying the vested RSUs pursuant to the terms of the 2022 RSU Scheme is not permitted under the laws and regulations of such place such that in the view of the Board or the Committee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Grant Letter”	the letter pursuant to which RSUs are granted to a Selected Participant
“Grantee”	one Selected Participant, to whom 310,000 RSUs were granted under the 2022 RSU Scheme on November 14, 2022
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nominee Account”	an account operated by the Trustee in which the Shares underlying the vested RSUs are held on behalf of individual Selected Participant

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Restricted Share Unit(s)” or “RSU(s)”	restricted share unit(s) to be granted under the 2022 RSU Scheme, each of which represents one underlying Share, and represent a conditional right granted to any Selected Participant under the 2022 RSU Scheme to obtain the corresponding economic value of the underlying Shares, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion
“Selected Participant(s)”	any Eligible Participant approved by the Board for participation in the 2022 RSU Scheme on the relevant grant date
“Share(s)”	ordinary share(s) of US\$0.000025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee on April 28, 2022 (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee (which is independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2022 RSU Scheme, which currently is Futu Trustee Limited
“Underlying Shares”	310,000 Shares underlying the RSUs granted to the Grantee
“US\$”	the lawful currency of the United States
“%”	per cent

By order of the Board
Strawbear Entertainment Group
Liu Xiaofeng
Chairman

Nanjing, PRC, November 14, 2022

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.