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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)**

### **PROFIT WARNING**

This announcement is made by Strawbear Entertainment Group (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 and the information currently available to the Board, it is expected that the Group will record (i) a consolidated net profit attributable to Shareholders of approximately RMB46.1 million to RMB55.3 million for the year ended December 31, 2022 as compared to that of approximately RMB169.2 million for the year ended December 31, 2021, representing a decrease by approximately 72.8% to 67.3%; and (ii) an adjusted net profit of approximately RMB68.7 million to RMB77.9 million for the year ended December 31, 2022 as compared to that of approximately RMB194.1 million for the year ended December 31, 2021, representing a decrease by approximately 64.6% to 59.9%.

Based on the information currently available to the Board, the Board believes that such decrease in the consolidated net profit attributable to Shareholders and the adjusted net profit was primarily attributable to the decrease in revenue resulting from the decrease in the number of drama series of the Group broadcast during the year ended December 31, 2022, which was due to the delay in filming and post-production of drama series and obtaining the broadcast permissions caused by the reduction of mobility of production staff due to the outbreak of COVID-19 pandemic; and was partly offset by the decrease in selling and distribution expenses by approximately RMB179.7 million due to the aforementioned decrease in the number of drama series of the Group broadcast during the year ended December 31, 2022.

The Board wishes to highlight that the “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards. It is defined by the Group as net profit adjusted by adding back (i) changes in fair value of financial liabilities at fair value through profit or loss (the “**Changes in Fair Value**”); (ii) equity-settled share award expense; and (iii) listing expenses incurred (collectively, the “**Adjusted Items**”). The management of the Company believes that the “adjusted net profit” would facilitate the comparison of the operating results of the Group from period to period by eliminating potential impacts of the Adjusted Items, which are either non-operating or one-off in nature and are not indicative of the actual operating performance of the Group. In particular, Changes in Fair Value refer to redeemable preferred shares of the Company, which were converted into ordinary shares immediately prior to the listing of the shares of the Company and are not expected to recur after such conversion.

As of the date of this announcement, the Company is in the process of finalizing the consolidated annual results of the Group for the year ended December 31, 2022. The information contained in this announcement is based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company. The actual results of the Group for the year ended December 31, 2022 may differ from the information contained in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the year ended December 31, 2022, which is expected to be released in March 2023.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Strawbear Entertainment Group**  
**Liu Xiaofeng**  
*Chairman*

Nanjing, PRC, February 24, 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.*