Strawbear Entertainment Group
稻草熊娛乐集团

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2125)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

Revenue for the year ended December 31, 2024 amounted to approximately RMB1,124.5 million, representing an increase of 33.8% from approximately RMB840.7 million for the year ended December 31, 2023.

Gross profit for the year ended December 31, 2024 amounted to approximately RMB151.5 million, representing an increase of 139.5% from approximately RMB63.3 million for the year ended December 31, 2023.

Loss for the year ended December 31, 2024 amounted to approximately RMB3.0 million, representing a decrease of 97.2% from a loss of approximately RMB107.5 million for the year ended December 31, 2023.

Adjusted net profit (Non-HKFRS measure)* for the year ended December 31, 2024 amounted to approximately RMB12.2 million, as compared to an adjusted net loss of approximately RMB88.1 million for the year ended December 31, 2023.

Net assets as of December 31, 2024 amounted to approximately RMB1,753.3 million, representing an increase of 0.8% from approximately RMB1,739.3 million as of December 31, 2023.

The Board does not recommend the payment of any dividend for the year ended December 31, 2024.

* The Group defines adjusted net profit/(loss) as loss for the year adjusted by adding back equity-settled share award expense incurred during the respective year.

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024 together with the comparative figures for the same period in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	*4*	**1,124,537**	840,663
Cost of sales		**(973,067)**	(777,406)
Gross profit		**151,470**	63,257
Other income and gains	*4*	**13,346**	15,569
Selling and distribution expenses		**(39,252)**	(56,698)
Administrative expenses		**(79,014)**	(102,239)
Impairment of financial assets, net	*5*	**(14,677)**	(23,510)
Other expenses		**(2,493)**	(778)
Finance costs		**(14,088)**	(14,248)
Share of profits and losses of:			
Joint ventures		**(235)**	(452)
Associates		**(748)**	1,613
PROFIT/(LOSS) BEFORE TAX	*5*	**14,309**	(117,486)
Income tax (expense)/credit	*6*	**(17,269)**	9,977
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,960)**	(107,509)
Attributable to:			
Owners of the parent		**(2,124)**	(109,307)
Non-controlling interests		**(836)**	1,798
		(2,960)	(107,509)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	*8*	**(0.3) cents**	(16.1) cents
Diluted (RMB)	*8*	**(0.3) cents**	(16.1) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**4,627**	4,931
Right-of-use assets		**7,601**	7,830
Goodwill	*9*	**108,341**	108,341
Other intangible assets		**17,405**	8
Investments in joint ventures		**1,494**	1,314
Investments in associates		**6,070**	21,432
Financial assets at fair value through profit or loss		**10,876**	–
Deferred tax assets		**14,334**	20,474
Total non-current assets		**170,748**	164,330
CURRENT ASSETS			
Inventories	*10*	**1,233,034**	1,308,481
Trade and notes receivables	*11*	**647,816**	554,173
Prepayments, other receivables and other assets		**435,951**	328,325
Financial assets at fair value through profit or loss		**5,000**	11,147
Restricted cash		**–**	5
Pledged deposits		**92,289**	62,778
Cash and cash equivalents		**79,326**	154,389
Total current assets		**2,493,416**	2,419,298
CURRENT LIABILITIES			
Trade and notes payables	*12*	**293,835**	300,794
Other payables and accruals	*13*	**318,819**	224,421
Interest-bearing bank borrowings	*14*	**283,300**	278,663
Lease liabilities		**4,604**	3,614
Tax payable		**966**	2,770
Total current liabilities		**901,524**	810,262

	Note	**2024**	2023
		RMB'000	*RMB'000*
NET CURRENT ASSETS		**1,591,892**	1,609,036
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,762,640**	1,773,366
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*14*	**–**	28,000
Lease liabilities		**1,915**	3,321
Deferred tax liabilities		**7,384**	2,727
Total non-current liabilities		**9,299**	34,048
Net assets		**1,753,341**	1,739,318
EQUITY			
Equity attributable to owners of the parent			
Share capital		**115**	114
Treasury shares		**(28,820)**	(37,375)
Reserves		**1,782,070**	1,775,767
		1,753,365	1,738,506
Non-controlling interests		**(24)**	812
Total equity		**1,753,341**	1,739,318

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. CORPORATE AND GROUP INFORMATION

Strawbear Entertainment Group (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 3 January 2018. The registered address of the Company is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries were principally involved in the production, distribution and licensing of broadcasting rights of TV/Web series ("**drama series**").

The Company does not have an immediate holding company or ultimate holding company. Mr. Liu Xiaofeng, Master Sagittarius Holding Limited and Leading Glory Investments Limited, are the controlling shareholders of the Company, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

During the years ended 31 December 2024 and 2023, the Group operated within one geographical segment because all of the Group's revenue was generated from customers located in Mainland China.

(b) Non-current assets

The Group's non-current assets are all located in Mainland China.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the years ended 31 December 2024 and 2023 is set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer 1	**886,032**	324,434
Customer 2	**113,982**	N/A*
Customer 3	**N/A***	94,985

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,124,537**	840,663

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Licensing of the broadcasting rights of drama series	**1,124,141**	749,233
Made-to-order drama series production	**–**	83,647
Others	**396**	7,783
Total	**1,124,537**	840,663

Geographical markets

All of the Group's revenue was generated from customers located in Mainland China during the years ended 31 December 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**1,124,141**	757,016
Services transferred over time	**396**	83,647
Total	**1,124,537**	840,663

The following table shows the amounts revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	**76,563**	91,712

All revenue arising from made-to-order drama series production for the reporting period was recognised from performance obligations partially satisfied in previous periods due to constraints on variable consideration.

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Licensing of the broadcasting rights of drama series

The performance obligation is satisfied as the broadcasting rights are authorised and the customer can begin exhibiting or selling the drama series and payment is generally due within three months to six months.

Made-to-order drama series production

The performance obligation is satisfied as the drama series are complete in accordance with the terms of the contract and the customer can begin exhibiting or selling the drama series.

Others

The revenue received from artist agency services and the licensing of drama series' side products including sale of script copyrights, provision of script-based role play game services, and payment is generally within six months.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**245,726**	189,771

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Government grants*	**4,181**	4,677
Bank interest income	**2,736**	2,968
Interest income from loans receivable	**4,171**	6,881
Investment income from financial assets at fair value through profit or loss	**207**	–
Penalty income from contracts	**1,487**	–
Others	**564**	1,043
Total other income and gains	**13,346**	15,569

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these government grants.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Cost of inventories sold		**955,469**	760,456
Depreciation of property, plant and equipment*		**1,980**	1,580
Depreciation of right-of-use assets*		**5,005**	4,012
Amortisation of other intangible assets*		**3**	3
Government grants	*4*	**(4,181)**	(4,677)
Bank interest income	*4*	**(2,736)**	(2,968)
Interest income from loans receivable	*4*	**(4,171)**	(6,881)
Investment income from financial assets at fair value through profit or loss	*4*	**(207)**	–
Changes in fair value of financial assets at fair value through profit or loss		**1,124**	255
Lease payments not included in the measurement of lease liabilities		**549**	615
Auditor's remuneration		**2,800**	2,800
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		**19,734**	18,874
Equity-settled share award expense		**4,326**	5,790
Pension scheme contributions**		**2,288**	1,678
Staff welfare expenses		**613**	237
Total		**26,961**	26,579
Loss on disposal of items of property, plant and equipment		**–**	29
Gain on bargain purchase***		**(27)**	–
Gain on step acquisition of a subsidiary***		**(163)**	–
Foreign exchange differences, net		**89**	380
Impairment of financial assets, net:			
Impairment of trade receivables, net	*11*	**(7,846)**	22,666
Impairment of other receivables, net		**22,523**	844
Total		**14,677**	23,510
Write-down of inventories to net realisable value****		**17,598**	16,950

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets for the year are included in "Cost of sales" and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

*** Gain on bargain purchase and gain on step acquisition of a subsidiary are included in "Other income and gains" in the consolidated statement of profit or loss and other comprehensive income.

**** The write-down of inventories to net realisable value for the year is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiary are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The statutory tax rate for the subsidiary in Hong Kong is 16.5% (2023: 16.5%). No Hong Kong profits tax on this subsidiary has been provided as there was no assessable profit arising in Hong Kong during the year.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law. Certain PRC subsidiaries are recognised as Small and Low-profit Enterprises, and the assessable profits less than RMB3,000,000 (2023: RMB3,000,000) are entitled to a preferential tax rate of 5% (2023: 5%) during the year.

(a) The major components of the income tax expense/(credit) of the Group during the year are analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**11,060**	3,764
Deferred tax	**6,209**	(13,741)
Total tax charge/(credit) for the year	**17,269**	(9,977)

(b) A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) before tax	**14,309**	(117,486)
Tax at the statutory tax rate of 25% (2023: 25%)	**3,577**	(29,372)
Effect of tax rate differences in other jurisdictions	**487**	842
Effect of tax exemption granted to subsidiaries	**1,057**	244
Expenses not deductible for tax	**12,546**	12,786
Tax losses utilised from previous periods	**(3,494)**	(1,112)
Profits and losses attributable to joint ventures and associates	**27**	405
Temporary differences not recognised	**377**	1,741
Tax losses not recognised	**2,692**	4,489
Tax charge/(credit) at the Group's effective tax rate	**17,269**	(9,977)

7. DIVIDENDS

The board of directors has resolved not to recommend payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the year, as adjusted to reflect the shares repurchased for the trustee under the restricted share unit scheme adopted by the Company in 2021 ("**2021 RSU Scheme**") and 2022 ("**2022 RSU Scheme**") during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares arising from the restricted share units and the share options.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**(2,124)**	(109,307)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**686,283,476#**	677,263,086#
Effect of dilution – weighted average number of ordinary shares	**N/A***	N/A*

\# The weighted average number of shares was after taking into account the effect of treasury shares held.

* No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2024 and 2023 in respect of a dilution as the impact of the restricted share units and share options had an anti-dilutive effect on the basic loss per share amount presented.

9. GOODWILL

	2024	2023
	RMB'000	*RMB'000*
Cost and net carrying amount at beginning of year and at end of year	**108,341**	108,341

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the Hangzhou Yide cash-generating unit for impairment testing.

The recoverable amount of the Hangzhou Yide cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The pre-tax discount rate applied to the cash flow projections and the growth rate and gross profit margin used to extrapolate the cash flows of the Hangzhou Yide cash-generating unit beyond the five-year period are as follows:

	2024	2023
	%	*%*
Gross profit margin	**14**	14
Terminal growth rate	**2**	3
Pre-tax discount rate	**20.0**	20.0

Assumptions were used in the value in use calculation of the Hangzhou Yide cash-generating unit for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Gross profit margin and operating expenses – Gross profit margin is based on the average gross profit margin achieved in the year immediately before the budget year and is increased over the budget period for anticipated efficiency improvements. Estimates on operating expenses reflect management's commitment to maintain them at an acceptable level.

Terminal growth rate – the rate is based on published industry research.

Pre-tax discount rate – the rate reflects management's estimate of the risks specific to the unit.

The values assigned to the key assumptions on gross profit margin and operating expenses, annual revenue growth rate, discount rate and terminal growth rate are consistent with management's past experience and external information sources.

10. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**303,533**	220,144
Work in progress	**615,401**	682,032
Finished goods	**314,100**	406,305
Total	**1,233,034**	1,308,481

11. TRADE AND NOTES RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**679,852**	554,578
Notes receivable	**1,000**	40,700
	680,852	595,278
Impairment	**(33,036)**	(41,105)
Net carrying amount	**647,816**	554,173

The Group's trading terms with its customers are mainly on credit. The credit period is generally 15 to 365 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**41,409**	139,309
3 to 6 months	**124,549**	176,124
6 to 12 months	**440,316**	128,125
1 to 2 years	**39,746**	37,271
2 to 3 years	**796**	32,644
Total	**646,816**	513,473

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing and past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Trade receivables ageing					
	Current	**Less than 1 year and past due**	**1 to 2 years and past due**	**2 to 3 years and past due**	**More than 3 years and past due**	**Total**
Expected credit loss rate	**0.73%**	**2.25%**	**7.38%**	**19.60%**	**100.00%**	**4.86%**
Gross carrying amount *RMB'000*	**242,660**	**373,811**	**42,913**	**990**	**19,478**	**679,852**
Expected credit losses *RMB'000*	**1,775**	**8,422**	**3,167**	**194**	**19,478**	**33,036**

As at 31 December 2023

	Trade receivables ageing					
	Current	Less than 1 year and past due	1 to 2 years and past due	2 to 3 years and past due	More than 3 years and past due	Total
Expected credit loss rate	0.59%	1.94%	15.77%	32.91%	100.00%	7.41%
Gross carrying amount *RMB'000*	129,622	314,583	44,248	57,903	8,222	554,578
Expected credit losses *RMB'000*	759	6,094	6,977	19,053	8,222	41,105

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**41,105**	18,439
Impairment losses recognised, net *(note 5)*	**(7,846)**	22,666
Amount written off as uncollectible	**(223)**	–
At end of year	**33,036**	41,105

The decrease (2023: increase) in the loss allowance of RMB8,069,000 (2023: RMB22,666,000) was mainly due to a decrease of trade receivables which were aging 2 to 3 years and past due (2023: an increase of trade receivables which were past due for over 2 years).

Included in the Group's trade and notes receivables were amounts due from the Group's related parties of RMB482,335,000 (2023: RMB208,209,000), which were repayable on credit terms similar to those offered to the major customers of the Group.

The Group's notes receivable were all aged within one year and were neither past due nor impaired.

The Group's trade receivables with an aggregate net carrying value of approximately RMB172,600,000 (2023: RMB5,200,000) were pledged to secure bank loans granted to the Group (note 14).

At 31 December 2024, notes receivable of RMB1,000,000 (2023: RMB40,700,000), whose fair values approximate to their carrying values, were classified as financial assets at fair value through other comprehensive income under HKFRS 9.

As at 31 December 2024, the Group discounted certain notes receivable accepted by certain banks in Mainland China (the "**Discounted Notes**") with a carrying amount in aggregate of RMB5,200,000 (2023: RMB8,400,000). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes and the Discounted Notes have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**").

In the opinion of the directors, the Group has transferred substantially all the risks and rewards relating to certain Discounted Notes accepted by large and reputable banks with an amount of RMB5,200,000 (2023: RMB8,400,000) as at 31 December 2024 (the "**Derecognised Notes**"). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes.

The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

During the year, the Group recognised the interest expense on the discounted notes receivable amounting to RMB167,000 (2023: RMB1,814,000).

12. TRADE AND NOTES PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**268,835**	300,794
Notes payables	**25,000**	–
Total	**293,835**	300,794

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**88,582**	97,013
3 to 6 months	**138,989**	61,063
6 to 12 months	**10,195**	99,021
1 to 2 years	**1,560**	33,871
2 to 3 years	**22,112**	7,955
Over 3 years	**7,397**	1,871
Total	**268,835**	300,794

Included in the trade and notes payables were trade payables of RMB192,663,000 (2023: RMB225,249,000) due to the Group's related parties which were repayable within 120 days, which represented credit terms similar to those offered by the related parties to their major customers.

The trade payables are generally non-interest-bearing and are normally settled on 90-day to 365-day terms, except for a trade payable amount of RMB13,560,000 bears interest at 10% per annum and repayable within one year. During the year an interest expense of RMB1,095,000 (2023: nil) was recognised in profit or loss.

13. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Contract liabilities *(note (a))*	**287,119**	215,527
Other payables *(note (b))*	**12,199**	4,580
Amount received under the co-investment arrangements without share of copyrights *(note (c))*	**10,951**	–
Other tax payables	**6,814**	2,191
Payroll and welfare payable	**1,736**	2,123
Total	**318,819**	224,421

Notes:

(a) Details of contract liabilities are as follows:

	2024	2023
	RMB'000	*RMB'000*
Short-term advances received from customers		
Licensing of the broadcasting rights of drama series	**245,726**	188,988
Made-to-order drama series production	**41,393**	25,756
Others	**–**	783
Total	**287,119**	215,527

Contract liabilities include short-term advances received from the licensing of the broadcasting rights of drama series, made-to-order drama series production and others. The increase in contract liabilities in 2024 was mainly due to the increase in short-term advances received from customers in relation to the licensing of the broadcasting rights of drama series.

Included in the contract liabilities are advances received from the Group's related parties of RMB160,459,000 (2023: RMB189,463,000).

(b) Other payables are non-interest-bearing and repayable on demand.

(c) Included in the amount received under the co-investment arrangements without share of copyrights are advances received from the Group's related parties of RMB7,791,000 (2023: nil).

14. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	**Maturity**	**2024**
	(%)		***RMB'000***
Current			
Bank loan – secured *(note (a))*	**3.65**	**2025**	**198,571**
Bank loan – secured *(note (b))*	**3.55**	**2025**	**28,063**
Bank loan – secured *(note (b))*	**3.45**	**2025**	**10,061**
Bank loan – unsecured	**2.70**	**2025**	**19,544**
Bank loan – unsecured	**3.30**	**2025**	**10,023**
Bank loan – unsecured	**3.50**	**2025**	**10,023**
Bank loan – unsecured	**3.65**	**2025**	**7,015**
Total			**283,300**

	Effective interest rate *(%)*	Maturity	2023 *RMB'000*
Current			
Bank loan – secured *(note (a))*	3.80	2024	160,562
Bank loan – secured *(note (a))*	5.20	2024	50,000
Bank loan – secured *(note (b))*	3.65	2024	10,006
Bank loan – secured *(note (b))*	3.55	2024	8,042
Bank loan – unsecured	3.80	2024	10,012
Bank loan – unsecured	3.50	2024	10,012
Bank loan – unsecured	3.55	2024	10,006
Bank loan – unsecured	3.90	2024	10,011
Bank loan – unsecured	3.65	2024	10,012
Total – current			278,663
Non-current			
Bank loan – secured *(note (b))*	3.55	2025	28,000
Total			306,663

	2024 ***RMB'000***	2023 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year	**283,300**	278,663
In the second year	**–**	28,000
Total	**283,300**	306,663

Notes:

(a) The Group's bank loans are secured by the pledge of certain of the Group's trade receivables and short-term deposits amounting to RMB172,600,000 (2023: RMB5,200,000) and RMB92,289,000 (2023: RMB62,778,000), respectively, and are guaranteed by the Company.

(b) The Group's bank loans are guaranteed by the subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

The Group is a major drama series producer and distributor in the PRC, principally engaged in the investment, development, production and distribution of TV series and web series. In 2024, under the proper leadership of the Board, the Group, led by the Company's management who unite all staff members, proactively adapted to the ever-changing market landscape of the film and television industry, put its green operation philosophy into practice and achieved outstanding performance in terms of the broadcasted drama series.

During the Reporting Period, with the continuously efficient and orderly exercise of the Group's platform operation model alongside the continuously enhanced management capacity of the internal "comprehensive middle platform", the Group has been able to gather premium industrial resources in a relatively quick manner and carry out in-depth exploration of such resources. Leveraging on further refined business management service capabilities, the Group has been able to make possible rapid allocation of the industrial quality resources, systematically integrate talented screenwriters, producers, directors and actors and actresses, filming and production studios, as well as external quality control specialists into a comprehensive ecosystem, and continue to enhance the adhesion of cooperation with the high-quality resources in the industry that it has already partnered with, and at the same time, continue to attract and expand new high-quality partners to co-create high-quality content.

Meanwhile, the Group continuously adhered to its development strategy of persevering in producing quality contents as a long-termist. It strengthened the principal business by selecting the best contents to increase the quality of drama series and by flexibly controlling the broadcast rhythm, so as to adapt to the rapid changes in audience demand and the ever-growing appetite for high-quality content. During the Reporting Period, the Group has broadcast four high-quality drama series, namely *The Swimsuit Saga* (《乘風踏浪》), *In the Name of the Brother* (《哈爾濱一九四四》), *Lost Identity* (《孤戰迷城》) and *Love's Rebellion* (《四海重明》), which achieved positive broadcasting results and received favorable market feedback. As of December 31, 2024, the Group also had a pipeline of drama series with wide range of themes and genres to be broadcast and under preparation. As of the date of this announcement, *Drifting Away* (《漂白》), a contemporary criminal detective drama series directed by Cao Kai (曹凱), scripted by Chen Ping (陳枰), and starred by Guo Jingfei (郭京飛), Wang Qianyuan (王千源) and Zhao Jinmai (趙今麥) was broadcast on iQiyi on January 17, 2025; *The Trident 2* (《三叉戟2》), a police detective drama series directed by Liu Haibo (劉海波) and Cao Kai (曹凱), scripted by Shen Rong (沈嶸), Lv Zheng (呂錚) and Xiong Yuzhen (熊語真), and starred by Chen Jianbin (陳建斌), Dong Yong (董勇) and Hao Ping (郝平) was broadcast on iQiyi, and simultaneously broadcast on Beijing Satellite TV and Dragon TV via satellite on January 23, 2025, both of which achieved remarkable broadcasting results. Among them, *Drifting Away* (《漂白》) has broken 10,000 hits in six days of broadcasting at LIGHT LIGHT ON (愛奇藝迷霧劇場), becoming the first 10,000-hit drama at LIGHT LIGHT ON, and People's Daily Online commented that it has made"the value of the people's police guarding have a concrete image".

During 2024, while the Group was pushing ahead with its own business, it has never left behind the fulfillment of corporate responsibilities. It continued to strengthen the construction and practice of environmental, social and governance ("**ESG**") management system, paid close attention to the compliance of corporate governance and business operation, enhanced the performance of corporate governance of the Group, laid a solid systemic foundation for the Group's future healthy and sustainable development, and strived for the organic compatibility between social and economic efficiency. At the "All Blossom • ESG She Power Conference (萬物生長•ESG她力量峰會)" held in Hangzhou on April 25, 2024, the Group was honored with two awards, namely "ESG She Power Model Organization of the Year (年度ESG她力量榜樣機構)" and "ESG She Power Female Trailblazer of the Year (年度ESG她力量女性開拓者)". At the "Hong Kong Green and Sustainability Contribution Awards 2024 (香港綠色和可持續貢獻大獎2024)" held in Hong Kong on May 30, 2024, the Group was awarded the "ESG Connect Pioneer Star (Society – Mainland) (ESG Connect 先鋒星章（社會－內地）)" for its outstanding performance in proactive management and ESG practices. At the 14th Public Welfare Festival and 2024 ESG Impact Annual Conference held in Beijing on January 9, 2025, the Group, after obtaining the "2023 ESG Pioneer Enterprise Award (2023年度ESG先鋒企業獎)", was once again recognized by the relevant Jury and awarded the "2024 ESG Influence Special Award (2024年度ESG影響力特別獎)", and Ms. Zhai Fang, an executive director and the chief operating officer of the Group and a member of the environmental, social and governance committee of the Group, was honored with the "2024 ESG Pioneer Award (2024年度ESG先鋒人物獎)".

During the Reporting Period, while pragmatically strengthening its principal business, the Group has also continued to steadily explore and prudently participate in diversified options for monetization that are suitable for the Group. This served as a precursor to the subsequent commercial monetization of the Group's content, so as to promote diversification of the Group's revenue streams and, in turn, ongoing and healthy development in the future and the higher value of Shareholders.

In the future, the Group will continue to deepen the application of platform operation model, continuously insist on its development strategy of persevering in producing quality contents as a long-termist, actively put its green operation philosophy into practice, and cautiously and optimistically expand diversified realization channels, in an effort to build the content brand "STRAWBEAR ENTERTAINMENT" that centers on quality contents with contemporary influence.

The Group's Drama Series to be Broadcast and the Group's Pipeline Drama Series Projects

As of December 31, 2024, the Group has produced and/or distributed but yet to broadcast five TV series and four web series. The table below sets forth certain details of such drama series:

Name of the Drama Series	Genre	Director(s) and Major Cast Members	Role	Production Type	Status as of December 31, 2024	Expected Broadcasting Time
TV Series						
The Trident 2 (《三叉戟2》)	Crime	Liu Haibo (劉海波), Cao Kai (曹凱), Chen Jianbin (陳建斌), Dong Yong (董勇), Hao Ping (郝平)	Production and distribution	Original	To be broadcast	2025
No One but You (《也許這就是愛情》)	Metropolitan	Wu Qiang (吳強), Chen Yuqi (陳鈺琪), Fang Yilun (方逸倫)	Production and distribution	Adaptation	To be broadcast	2025
Cat & Thief (《鬥賊》)	Crime	Gong Zhaohui (龔朝暉), Huang Jingyu (黃景瑜), Xiu Rui (修睿)	Production and distribution	Adaptation	Completed and under examination	2025
Drifting Away (《漂白》)	Crime	Cao Kai (曹凱), Guo Jingfei (郭京飛), Wang Qianyuan (王千源), Zhao Jinmai (趙今麥)	Production and distribution	Adaptation	Completed and under examination	2025
Breaking the Shadows (《烏雲之上》)	Crime	Hua Qing (花箐), Sun Li (孫儷), Luo Jin (羅晉)	Production and distribution	Original	Post-production	2025
Web Series						
Light My Way (《偷走他的心》)	Metropolitan	Wu Qiang (吳強), Ma Sichao (馬思超), Wan Peng (萬鵬)	Production and distribution	Adaptation	To be broadcast	2025
Win or Die (《夜不收》)	Period Military	Cao Dun (曹盾), Jing Boran (井柏然), Wu Xingjian (吳幸鍵), Zhang Yifan (張藝凡)	Production and distribution	Original	Completed and under examination	2025
What a Wonderful World (《在人間》)	Metropolitan	Xu Bing (徐兵), Zhao Liling (趙麗穎), Yin Fang (尹昉)	Production and distribution	Original	Post-production	2025
Move Heaven and Earth (《赴山海》)	New-style martial art	Ren Haitao (任海濤), Cheng Yi (成毅)	Production and distribution	Adaptation	Post-production	2025

As of December 31, 2024, the Group had several TV series/web series that had applied for public record/filed with the local counterparts of the NRTA. The table below sets forth certain details of such pipeline drama series projects:

Proposed Name of the Drama series	Genre	Copyright Ownership	Status as of December 31, 2024	Time of Public Record/Filing
TV Series				
The Wind Catcher (《捕風者》)	Modern Revolution	The Group	Pre-production	2023
Burning As Her (《再青春》)	Metropolitan	The Group	Under filming	2024
The Song of Youth (《青春之歌》)	Modern Revolution	The Group	Pre-production	2024
Web Series				
All Hands on Deck (《開工日記》)	Metropolitan	The Group	Pre-production	2023
Please Find Me in Your World (《請在你的世界發現我》)	Metropolitan	The Group	Pre-production	2023
A Sudden Love (《一場突如其來的愛情》)[1]	Romantic fantasy	The Group	Pre-production	2023
Legend of Gan Mo (《甘墨傳》)	Period fantasy	The Group	Pre-production	2024
A Nan (《阿南》)	Metropolitan romance	The Group	Pre-production	2024
Speed and Love (《雙軌》)	Metropolitan	The Group	Pre-production	2024

Business Analysis by Business Line

(i) Licensing of broadcasting rights of the drama series to TV channels, online video platforms and third-party distributors

In 2024, the Group broadcast four drama series of various genres, including *The Swimsuit Saga* (《乘風踏浪》), a contemporary entrepreneurial comedy directed by Zhang Silin (張思麟), scripted by Xu Zhengchao (徐正超), and starred by Qiao Shan (喬杉) and Yang Zishan (楊子姍); *In the Name of the Brother* (《哈爾濱一九四四》), a period drama series about spy war directed by Zhang Li (張黎), scripted by Wang Xiaoqiang (王小槍), Liu Tianzhuang (劉天壯) and Liu Jinfei (劉勁飛), and starred by Qin Hao (秦昊) and Yang Mi (楊冪); *Lost Identity* (《孤戰迷城》), a modern spy war drama series directed by Xie Ze (謝澤), scripted by Dai Jin (戴津) and Jiang Feng (蔣峰), and starred by Huang Jingyu (黃景瑜) and Xin Zhilei (辛芷蕾); and *Love's Rebellion* (《四海重明》), a fairy tale romance drama series directed by Wen Deguang (溫德光), scripted by Fang Qiangqiang (方羌羌), and starred by Jing Tian (景甜) and Zhang Linghe (張淩赫). The revenue generated from the Group's licensing of the broadcasting rights of drama series amounted to RMB1,124.1 million for the year ended December 31, 2024 as compared to RMB749.2 million for the year ended December 31, 2023. The increase in revenue from licensing of broadcasting rights of the drama series by the Group was mainly due to the corresponding increase in revenue per drama series broadcast by the Group, which was due to the adjustments in the themes and types of broadcast drama series, an increase in investment scale and a greater popularity of drama series.

1 The name of the drama series *Say Bye to Wild Weasel* (《再見野鼬鼠》) had been changed to *A Sudden Love* (《一場突如其來的愛情》). The name of the drama series is subject to final approval of the NRTA. As of the date of this announcement, *A Sudden Love* (《一場突如其來的愛情》) was under filming.

The drama series broadcast by the Group in 2024 have all achieved good market reputation and broadcasting results. For example, *In the Name of the Brother* (《哈爾濱一九四四》) was highly anticipated by the market before broadcast and was honored with the "Most Expected Drama Series of 2024" of the Golden Pufferfish Awards (金河豚獎) at the CEIS 2024 China Entertainment Industry Annual Conference in January 2024. It has been co-broadcast on iQiyi, Dragon TV, Jiangsu TV and BRTV since April 21, 2024, which was the first commercial drama co-broadcast on three major satellite TV channels in recent years. It even broke a number of records during the period of broadcasting, with its hits peaking at 9,350 on iQiyi, a new hits record on the first day of broadcasting on iQiyi in 2024 and the fastest hits record of exceeding 8,500 on iQiyi in 2024, ranking Top 1 of iQiyi Hits (愛奇藝熱播榜), Top 1 of iQiyi Drama Series Hits (愛奇藝電視劇熱播榜), Top 1 of iQiyi Drama Series Rising (愛奇藝電視劇飈升榜), and Top 1 of iQiyi Mystery Drama Series (愛奇藝電視劇懸疑榜). *Love's Rebellion* (《四海重明》) was broadcast on iQiyi on August 1, 2024. It has been ranked Top 1 in romance TV drama (電視劇愛情榜) and Top 2 on period TV drama (電視劇古裝榜) on iQIYI, Top 1 on iQiyi's most sought TV series in 13 overseas countries and regions, Top 1 in hit topic TV series (話題熱搜榜) and Top 2 in most sought TV series (電視劇熱搜榜) on Mango TV for a number of times during the broadcast period and has also ranked among the top on a number of ranking lists in most influential drama series on Weibo (微博劇集影響力榜) and in real-time popular TV drama on Douban.

As of December 31, 2024, the Group has a number of high-quality and diverse drama series to be broadcast or under preparation. These include *Cat & Thief* (《鬥賊》), a crime comedy directed by Gong Zhaohui (龔朝暉), scripted by Li Song (李松) and Lou Kexin (婁可心), and starred by Huang Jingyu (黃景瑜) and Xiu Rui (修睿); *Breaking the Shadows* (《烏雲之上》), a realistic mystery drama series directed by Hua Qing (花箐), scripted by Wang Bu (王不) and Yi Ying (一瑩), and starred by Sun Li (孫儷) and Luo Jin (羅晉); *Win or Die* (《夜不收》), an ancient military drama series directed by Cao Dun (曹盾), co-scripted by Gong Xue (鞏雪), Zhao Cong (趙聰), Wang Shilong (王士龍) and Pang Sanjing (胖三井), and starred by Jing Boran (井柏然), Wu Xingjian (吳幸鍵) and Zhang Yifan (張藝凡); *What a Wonderful World* (《在人間》), a metropolitan drama series directed and scripted by Xu Bing (徐兵) and starred by Zhao Liying (趙麗穎) and Yin Fang (尹昉); *Drifting Away* (《漂白》), a crime drama series directed by Cao Kai (曹凱), scripted by Chen Ping (陳枰), and starred by Guo Jingfei (郭京飛), Wang Qianyuan (王千源) and Zhao Jinmai (趙今麥) (which was broadcast on iQiyi on January 17, 2025); and *The Trident 2* (《三叉戟2》), a police detective drama series directed by Liu Haibo (劉海波) and Cao Kai (曹凱), scripted by Shen Rong (沈嶸), Lv Zheng (呂錚) and Xiong Yuzhen (熊語真), and starred by Chen Jianbin (陳建斌), Dong Yong (董勇) and Hao Ping (郝平) (which was broadcast on January 23, 2025).

(ii) Production of made-to-order drama series per online video platforms' orders

For the year ended December 31, 2023, the Group generated revenue of approximately RMB83.6 million from made-to-order drama series production. For the year ended December 31, 2024, the Group did not generate revenue from made-to-order drama series production as the Group did not deliver made-to-order drama series to customers for the year ended December 31, 2024, and the Group's made-to-order drama series were also not broadcast during this period.

(iii) Others

The Group's other business primarily refers to the provision of script-based role play game services and the artist agency services for the year ended December 31, 2024, while the Group's other business primarily includes transfer of IP copyrights held by the Group to independent third parties for the year ended December 31, 2023.

OUTLOOK

Looking ahead to 2025, the Group will continue to practice and continuously optimize platform-based operational model, adhering to the long-term principle of high-quality content, and focus on creating and exporting high-quality drama series to the audience, consolidating its position as a leading enterprise in the film and television industry by adopting the development strategy of "integration, series development, and rejuvenation (集大成 · 鑄系列 · 煥新生)"; strengthening the management of IP operation, adhering to the equal emphasis on original creation of high-quality products and IP development, optimizing the structure of products, enriching the genres of films and television, and improving the quality of production works to provide source power for the export of high-quality content and continuously consolidate its advantages in the film and television industry; following the trend of green operation development, continuously improve our ESG practical level, promoting green and sustainable development, and progressively achieve the unification of the Group's economic and social benefits, so as to contribute towards the realization of the ESG "Dual Carbon" goal; and actively explore and expand diversified realization channels in a prudent and optimistic manner, dig deep into the film and television ecosystems, and proactively lay out diversified tracks that have a synergistic effect on the Group's business, so as to revitalize and strengthen the Group's industrial segment, promote the commercial realization of high-quality content and facilitate the Group's long-term and stable development.

In 2025, the Group will continue to strengthen its confidence and work hard. Under the leadership of the Board, the management will lead all staff to strive together in innovation and transformation, integration and collaboration, ownership and accountability, truth-seeking and pragmatism, and strive to write a new chapter of the Group's high-quality development by relying on pragmatic work to create practical results.

Revenue by Business Line

The Group's revenue increased from approximately RMB840.7 million for the year ended December 31, 2023 to approximately RMB1,124.5 million for the year ended December 31, 2024, primarily attributable to the corresponding increase in revenue per drama series broadcast by the Group, which was due to the adjustments in the themes and types of broadcast drama series, an increase in investment scale and a greater popularity of drama series.

Licensing of the broadcasting rights of drama series

The Group's revenue generated from licensing of the broadcasting rights of drama series increased from approximately RMB749.2 million for the year ended December 31, 2023 to approximately RMB1,124.1 million for the year ended December 31, 2024, primarily due the corresponding increase in revenue per drama series broadcast by the Group, which was due to the adjustments in the themes and types of broadcast drama series, an increase in investment scale and a greater popularity of drama series.

Made-to-order drama series production

The Group's revenue generated from production of made-to-order drama series was approximately RMB83.6 million for the year ended December 31, 2023. For the year ended December 31, 2024, the Group did not recognize revenue from made-to-order drama series production as no made-to-order drama series was delivered to customers for the year ended December 31, 2024.

Others

Others primarily comprise revenue from the provision of script-based role play game services and the artist agency services for the year ended December 31, 2024, while the others primarily comprise revenue from the assignment fee received from the copyright of an IP license for the year ended December 31, 2023.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 139.5% from approximately RMB63.3 million for the year ended December 31, 2023 to approximately RMB151.5 million for the year ended December 31, 2024. The Group's gross profit margin increase to 13.5% for the year ended December 31, 2024 from 7.5% for the year ended December 31, 2023, primarily attribute to the increase in the Group's revenue without a proportionate increase in operating costs. The increase in revenue of the Group was attributable to the corresponding increase in revenue per drama series broadcast by the Group, which was due to the adjustments in the themes and types of broadcast drama series, an increase in investment scale and a greater popularity of drama series.

The following table sets forth the Group's gross profit and gross profit margin by business line in 2023 and 2024:

	Year ended December 31,			
	2024		2023	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	(RMB in thousands, except gross profit margin)			
Licensing of the broadcasting rights of drama series	**152,111**	**13.5%**	47,751	6.4%
Made-to-order drama series production	**–**	**–**	13,715	16.4%
Others	**(641)**	**(161.9)%**	1,791	23.0%
Total	**151,470**	**13.5%**	63,257	7.5%

Other Income and Gains

Other income and gains decreased by 14.3% or approximately RMB2.3 million from approximately RMB15.6 million for the year ended December 31, 2023 to approximately RMB13.3 million for the year ended December 31, 2024. This was primarily attributable to (i) the decrease in interest income from loans receivable of RMB2.7 million; (ii) the decrease in government grant of RMB0.5 million; and partially offset by (iii) the increase in penalty income from contracts of RMB1.5 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 30.8% to approximately RMB39.3 million for the year ended December 31, 2024 from approximately RMB56.7 million for the year ended December 31, 2023, resulting from a proper reduced commitment in selling and distribution according to the greater popularity of drama series broadcast.

Administrative Expenses

The Group's administrative expenses decreased by 22.7% to approximately RMB79.0 million for the year ended December 31, 2024 from approximately RMB102.2 million for the year ended December 31, 2023, primarily due to the decrease of the effect of termination of several drama series projects based on the Group's estimate after taking into account of a number of factors such as the development of the industry, project genres, policy direction, age of prepayments, intended sales, the conversion rate of the current IP reserves and the prospects of its future operation.

Impairment of Financial Assets, net

The Group's impairment loss of financial assets, net decreased by 37.6% to approximately RMB14.7 million for the year ended December 31, 2024 from approximately RMB23.5 million for the year ended December 31, 2023, primarily attribute to the decrease in the impairment of trade receivables, net of approximately RMB30.5 million; and partially offset by the increase in the impairment of other receivables, net of approximately RMB21.7 million.

For further details of the impairment of financial assets, net, please refer to the Note 11 to the financial statements.

Other Expenses

The Group's other expenses increased by 220.4% to approximately RMB2.5 million for the year ended December 31, 2024 from approximately RMB0.8 million for the year ended December 31, 2023, resulting from the losses on changes in fair value loss of financial assets measured at fair value through profit or loss.

Income Tax (Expense)/Credit

The Group recorded an income tax expense of approximately RMB17.3 million for the year ended December 31, 2024 as compared to an income tax credit of approximately RMB10.0 million for the year ended December 31, 2023, primarily due to (i) the decrease of deferred tax credit which were impacted by the provisions for impairment of relevant assets with signs of impairment; and (ii) the increase in taxable profit made in 2024.

Non-HKFRS Measure

To supplement its historical financial information which are presented in accordance with HKFRS, the Group also uses adjusted net profit/(loss) as an additional financial measure, which is unaudited in nature and is not required by, or presented in accordance with HKFRS. The Group believes that this non-HKFRS measure facilitates comparisons of operating performance from year to year by eliminating potential impacts of items that the management does not consider to be indicative of its operating performance. The Group believes that this measure provides useful information to investors and others in understanding and evaluating its results of operations in the same manner as it helps the Group's management. However, the Group's presentation of adjusted net profit/(loss) may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under HKFRS.

The Group defines adjusted net profit/(loss) as loss for the year adjusted by adding back equity-settled share award expense incurred during the respective year. The Group eliminates the potential impact of this item that the management does not consider to be indicative of the Group's operating performance, as it is non-operating in nature. Equity-settled share award expense is also a non-cash item and unrelated to the Group's principal business, and therefore is not indicative of its profit from operations post-completion of the Listing.

The table below reconciles the Group's adjusted net profit/(loss) for the years presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS, which is the net loss for the year:

	Year ended December 31,	
	2024	2023
	(RMB in thousands)	
Reconciliation of net loss to adjusted net profit/(loss)		
Net loss for the year	**(2,960)**	(107,509)
Add:		
Equity-settled share award expense	**15,184**	19,420
Adjusted net profit/(loss) (non-HKFRS measure)	**12,224**	(88,089)

Inventories

The Group's inventories decreased by 5.8% to approximately RMB1,233.0 million as of December 31, 2024 from approximately RMB1,308.5 million as of December 31, 2023, primarily due to (i) the decrease in finished goods of approximately RMB92.2 million since the Group broadcast several drama series in 2024, such as *The Swimsuit Saga* (《乘風踏浪》), *Name of the Brother* (《哈爾濱一九四四》), *Lost Identity* (《孤戰迷城》) and *Love's Rebellion* (《四海重明》); and partially offset by (ii) the increase in raw materials of RMB83.4 million as the Group acquired more premium IPs in 2024.

Trade and Notes Receivables

The Group's trade receivables increased by 22.6% to approximately RMB679.9 million as of December 31, 2024 from approximately RMB554.6 million as of December 31, 2023, primarily due to the increase in trade receivables of approximately RMB616.5 million for drama series broadcast in 2024, and partially offset by the decrease in trade receivables of approximately RMB491.2 million for drama series broadcast in previous years.

As of December 31, 2023 and 2024, the Group made provisions for impairment of trade receivables of approximately RMB41.1 million and RMB33.0 million, respectively, which the Group believes were sufficient as of the end of each year.

The Group's notes receivable decreased from approximately RMB40.7 million as of December 31, 2023 to approximately RMB1.0 million as of December 31, 2024, primarily due to the decrease in notes receivable received as licensing fees of *You are Desire* (《白日夢我》) broadcast in 2023.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets increased by 38.7% to approximately RMB466.3 million as of December 31, 2024 from approximately RMB336.2 million as of December 31, 2023, primarily attributable to the increase in prepayments for drama series of approximately RMB123.0 million, since the Group had more drama series that were entered into the pre-production stage as of December 31, 2024 than that in 2023.

As of December 31, 2023 and 2024, the Group made provisions for impairment of other receivables of approximately RMB7.8 million and approximately RMB30.4 million, respectively, which the Group believes were sufficient as of the end of each year.

Goodwill

The Group's goodwill was approximately RMB108.3 million as of December 31, 2024 and December 31, 2023.

Trade Payables

The Group's trade payables decreased by 10.6% from approximately RMB300.8 million as of December 31, 2023 to approximately RMB268.8 million as of December 31, 2024, primarily due to the settlement of trade payables.

Other Payables and Accruals

The Group's other payables and accruals increased by 42.1% to approximately RMB318.8 million as of December 31, 2024 from approximately RMB224.4 million as of December 31, 2023, primarily due to the increase in contract liabilities of approximately RMB71.6 million from approximately RMB215.5 million as of December 31, 2023 as a result of the increase in advances from customers for *Move Heaven and Earth* (《赴山海》).

CAPITAL STRUCTURE, LIQUIDITY AND CAPITAL RESOURCES

The Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on January 15, 2021.

As at December 31, 2024, the Company had 706,041,400 ordinary shares of US$0.000025 each.

On May 14, 2024, 5,647,200 new Shares, representing approximately 0.80% of the total number of Shares in issue of the Company as of the date of this announcement, were allotted and issued upon the exercise of share options by a Director under the Pre-IPO Share Option Scheme. For details, please refer to the announcement of the Company dated May 14, 2024. There has been no movement in the issued Shares of the Company since then.

The Company maintained a healthy financial position in 2024. The Group's total assets increased from approximately RMB2,583.6 million as of December 31, 2023 to approximately RMB2,664.2 million as of December 31, 2024, whilst the Group's total liabilities increased from approximately RMB844.3 million as of December 31, 2023 to approximately RMB910.8 million as of December 31, 2024. The Group's liabilities-to-assets ratio increased from 32.7% as of December 31, 2023 to 34.2% as of December 31, 2024.

Historically, the Group financed its capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings, net proceeds received from the global offering and capital contributions from Shareholders. As of December 31, 2024, the Group maintained a sufficient working capital (current assets less current liabilities) and cash and cash equivalents amounting to approximately RMB1,591.9 million and approximately RMB79.3 million, respectively, as compared to approximately RMB1,609.0 million and approximately RMB154.4 million, respectively, as of December 31, 2023.

As of December 31, 2024, all of the cash and cash equivalents of the Group were denominated in RMB, HK$ and US$.

The Group believes that its liquidity requirements will continue to be satisfied by using a combination of cash generated from operating activities, interest-bearing bank borrowings and the net proceeds received from the global offering of the Company.

As of December 31, 2024, the Group's total interest-bearing bank borrowings were approximately RMB283.3 million, all of which were at fixed interest rate and denominated in RMB.

The Group currently does not have any foreign currency hedging policies. The management will continue to pay attention on the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Contingent liabilities

As of December 31, 2024, the Group did not have any significant contingent liabilities.

Capital Expenditure

The Group's capital expenditures primarily included purchase of property, plant and equipment. The Group's capital expenditures decreased to approximately RMB1.9 million in 2024 from approximately RMB2.4 million in 2023. The Group plans to fund its planned capital expenditures using cash generated from operations as well as the net proceeds from the global offering.

Financial Ratios

Return on Equity

The Group's return on equity increased from (6.0)% for the year ended December 31, 2023 to (0.2)% for the year ended December 31, 2024, primarily due to the decrease in losses in 2024.

Return on Assets

The Group's return on assets increased from (4.2)% for the year ended December 31, 2023 to (0.1)% for the year ended December 31, 2024, primarily due the decrease in losses in 2024.

Current Ratio

The Group's current ratio decreased from 2.99 for the year ended December 31, 2023 to 2.77 for the year ended December 31, 2024, primarily because the increase in its current liabilities outpaced the increase in its current assets from 2023 to 2024.

Debt to Equity Ratio[1]

The Group's debt to equity ratio increased from 9.2% for the year ended December 31, 2023 to 12.0% for the year ended December 31, 2024.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

On July 23, 2024, Nanjing Strawbear entered into a partnership interests transfer agreement with Xiamen Tuhui Investment Partnership (Limited Partnership) (廈門市圖慧投資合夥企業(有限合夥)) ("**Tuhui Investment**"), pursuant to which Nanjing Strawbear agreed to acquire and Tuhui Investment agreed to transfer the limited partnership interests in Hexie Yuanda (Yixing) Cultural Industry Investment Fund (Limited Partnership) (和諧遠達(宜興)文化產業投資基金(有限合夥)) (the "**Fund**"), represented by a capital commitment of RMB30 million at nil consideration. For details of the acquisition of limited partnership interests in the Fund, please refer to the announcement of the Company dated July 23, 2024. As of the date of this announcement, the capital commitment of RMB30 million in relation to the limited partnership interests has been paid by the Company.

Save as disclosed above, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024. As of December 31, 2024, the Group did not hold any significant investments.

1 Debt to equity ratio is calculated based on net debt (of which net debt is defined as interest-bearing bank borrowings, lease liabilities, amounts due to a joint venture deduct cash and cash equivalents) divided by total equity as of the relevant dates multiplied by 100%.

PLEDGE OF ASSETS

As of December 31, 2024, the Group's trade receivables, which had an aggregate net carrying value of approximately RMB172,600,000 (2023: RMB5,200,000), the short-term deposits amounting to RMB92,289,000 (2023: RMB62,778,000) were pledged to secure the interest-bearing bank borrowings granted to the Group.

FINANCIAL RISKS

Credit Risk

The Group's credit risk is primarily attributable to trade and notes receivables, financial assets included in prepayments, other receivables and other assets and cash deposits at banks. The maximum exposure to credit risk is represented by the gross carrying amounts of these financial assets.

To manage its credit risk arising from financial asset at fair value through profit or loss and cash deposits, the Group mainly trades with recognized and creditworthy third parties. Receivable balances are monitored on an on-going basis.

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. The Group does not provide any guarantees which would expose the Group to credit risk. As the Group's historical credit loss experiences do not indicate significantly different loss patterns for different businesses, the loss allowance based on past due status is not further distinguished between its different customer bases.

The Group has applied the general approach to make provision for expected credit losses for other receivables and considered the default event, historical loss rate and made adjustment for forward-looking macroeconomic data in calculating the expected credit loss.

Liquidity Risk

The Group manages liquidity risk by closely and continuously monitoring its financial position. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance its operations and mitigate the fluctuations in cash flows.

FINAL DIVIDENDS

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2024.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, the Group had 77 employees, including 25 based in Jiangsu Province, 40 based in Beijing, 2 based in Shanghai, 5 based in Zhejiang Province and 5 based in Hainan Province. The following table shows a breakdown of the employees by function as of December 31, 2024:

Functions	**Number of Employees**	**% of Total Employees**
Management	2	2.6%
Development Strategic Management	6	7.8%
Operation and Project Coordination	12	15.6%
Production	3	3.9%
IP Development	4	5.2%
Business Operation	3	3.9%
Production Management	8	10.4%
Financing and Investment	2	2.6%
Distribution	4	5.2%
Casting and Talents Management	1	1.3%
Marketing and Promotion	3	3.9%
Government Affairs	1	1.3%
Finance and Legal	15	19.5%
Corporate Compliance	2	2.6%
Human Resources and Administrative	10	13.0%
Overseas Development	1	1.3%
Total	**77**	**100.0%**

For the year ended December 31, 2024, total staff remuneration expenses (including Directors' remuneration) amounted to approximately RMB41.4 million, as compared to approximately RMB44.5 million for the same period in 2023. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice. On top of salary payments, other employee benefits primarily include social insurance and housing provident contributions made by the Group, performance-based compensation, discretionary bonus, RSUs granted to selected employees and supplemental medical insurances. These emoluments are covered by respective service contracts of each of the directors. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

The Group believes it has maintained good relationships with its employees. The employees are not represented by a labor union. As of the date of this announcement, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on its business.

The employees of the Group typically enter into standard employment contracts with a confidentiality clause and non-competition agreements with the Group. The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provides competitive compensation packages. Remuneration packages for its employees mainly comprise base salary and bonus. The Group also provides both in-house and external trainings for its employees to improve their skills and knowledge. The Group also adopted Pre-IPO Share Option Scheme and RSU Schemes to reward the selected employees for their contribution to the growth and development of the Group.

The Group contributes to housing provident funds and various employee social security insurance that are organised by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment insurance, under which the Group makes contributions at specified percentages of the salaries of employees in accordance with applicable PRC laws, rules and regulations.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. The net proceeds from the global offering received by the Company, after deduction of the underwriting fees and commissions and other expenses payable by the Company in connection with the global offering, amounted to approximately HK$1,071.1 million (the "**Net Proceeds**").

On September 15, 2021, the Board had resolved to re-allocate part of the unutilised Net Proceeds of approximately HK$635.7 million (approximately 59.4% of the Net Proceeds), of which (i) HK$528.6 million originally intended to be used for funding the production of *Hello Baby* (《你好寶貝》), *No One but You* (《也許這就是愛情》), *Light My Way* (《偷走他的心》), *The Wind Catcher* (《捕風者》) and *Two Capitals* (《兩京十五日》) (the "**Original Drama Series**") was re-allocated to fund the production of *Cat & Thief* (《鬥賊》), *The Swimsuit Saga* (《乘風踏浪》), *Never Too Late* (《我的助理六十歲》) and *Thousand Years For You* (《請君》) (the "**New Drama Series**"); and (ii) HK$107.1 million originally intended to be used for acquiring one premium copyright company which focuses on investment, development, production and distribution of web series was re-allocated to acquire more premium IPs. Considering that (i) the Original Drama Series whose production was originally intended to be funded with Net Proceeds were in the early development or preparation stage, and necessary conditions required for production had not been met; and (ii) the Group has obtained a number of premium and mature projects with necessary conditions required for production having been met in the first half of 2021, the Net Proceeds originally intended to be used for the production of the Original Drama Series were re-allocated to the production of the New Drama Series then under production, so as to enhance the efficiency and effectiveness of the use of the Net Proceeds. In addition, as (i) no suitable acquisition target of premium copyright company has been found due to the combined effect of changes in the market structure and significant differences in the understanding of the value of the potential acquisition target, (ii) instead of acquisition of one highly valued copyright company, the Board believes that acquisition of premium IPs directly from a variety of sources to maintain an adequate level of IP reserves would be much more efficient and could facilitate efficiency in the use of the Group's funds due to the rapid and unforeseen changes in the market and industry environment since the Listing, and (iii) the current sources of premium IPs are more diversified and that the continuous acquisition of more IPs is the basis for the stable growth of the Group, the Group re-allocated part of the Net Proceeds originally planned to be used for acquiring one premium copyright company which focuses on investment, development, production and distribution of web series to acquiring more premium IPs suitable for the development and production by the Group to guarantee the stable growth of drama series production and distribution, which will also satisfy the demand for premium IPs of the Group in a more flexible way. For details, please refer to the announcement of the Company dated September 15, 2021 (the "**First UOP Announcement**").

On October 18, 2024, the Board had further resolved to change the use of the remaining Net Proceeds of approximately HK$107.1 million (representing approximately 10.0% of the Net Proceeds) which were originally intended to be used for funding potential investment in, or merger and acquisition of, companies that may enhance the Group's market position and ramp up the Group's drama series development, production and distribution. Considering that (i) no suitable investment or acquisition target has been found due to the combined effect of changes in the market structure and significant differences in the understanding of the value of the potential acquisition target, which is influenced by its asset value, the Group's expected return on investment and many other factors and (ii) the rapid and unforeseen changes in the market and industry environment, the Group intends to change the use of the remaining Net Proceeds as "funding potential investment in, or merger and acquisition of, companies, businesses and assets that may enhance the Group's market position and ramp up the Group's drama series development, production and distribution, as well as investment in funds related to content products development, production and distribution and funds focusing on pan-entertainment industry", so as to better utilise its financial resources, capture more favorable investment opportunities and maintain maximum flexibility in order to adapt to the ever-changing market conditions and industry environment. For details, please refer to the announcement of the Company dated October 18, 2024 (the "**Second UOP Announcement**", together with the First UOP Announcement, the "**Announcements**").

The following table sets out (i) the original allocation of Net Proceeds as set out in the Prospectus; (ii) the revised allocation of the unutilised Net Proceeds as set out in the Announcements; (iii) the utilised amount of Net Proceeds during the year ended December 31, 2024; (iv) the utilised and unutilised amount of Net Proceeds as of December 31, 2024; and (v) the latest expected timeline for utilisation:

	Net proceeds from the global offering and utilisation					
	Original allocation of Net Proceeds *HK$ in million*	**Revised allocation of Net Proceeds** *HK$ in million*	**Utilised amount of Net Proceeds during the year ended December 31, 2024** *HK$ in million*	**Utilised amount of Net Proceeds as of December 31, 2024** *HK$ in million*	**Unutilised amount of Net Proceeds as of December 31, 2024** *HK$ in million*	**Expected timeline for utilisation** [(1)]
Funding the drama series production of the Group	749.8	749.8	–	749.8	–	
Funding potential investment in, or merger and acquisition of, companies, businesses and assets that may enhance the Group's market position and ramp up the Group's drama series development, production and distribution, as well as investment in funds related to content products development, production and distribution and funds focusing on pan-entertainment industry	107.1	107.1	27.5	27.5	79.6	By the end of 2025
Securing more IPs to guarantee the stable growth of the Group's drama series production and distribution by acquiring one premium copyright company which focuses on investment, development, production and distribution of web series	107.1	–	–	–	–	–
Acquiring more premium IPs to guarantee the stable growth of the Group's drama series production and distribution	–	107.1	–	107.1	–	–
Working capital and general corporate purposes	107.1	107.1	–	107.1	–	–
Total	**1,071.1**	**1,071.1**	**27.5**	**991.5**	**79.6**	

Note:

(1) The expected timeline for the usage of the remaining Net Proceeds is made based on the best estimate of the Group's future market conditions, which is subject to the current and future development of the market conditions.

As of December 31, 2024, the Group has utilised Net Proceeds of HK$991.5 million in accordance with the intended purposes set out in the Prospectus and the Announcements. The remaining Net Proceeds were deposited in banks as of the date of this announcement. The Group will gradually utilise the remaining Net Proceeds in accordance with the intended purposes set out in the Prospectus and the Announcements.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section headed "Use of Proceeds from the Global Offering" in this announcement, the Group did not have any other immediate plans for material investment and capital assets as at the date of this announcement. The Group may look into business and investment opportunities in different business areas and consider whether any asset or business acquisitions, restructuring or diversification may become appropriate in order to improve its long-term competitiveness.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board considered that the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period except for code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 in the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu is currently serving as the Chairman as well as the chief executive officer of the Company. As Mr. Liu is the founder of the Group and has been managing the Group's business and overall strategic planning since its establishment, the Directors consider that vesting the roles of chairman and chief executive officer in Mr. Liu is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group. Taking into account all the corporate governance measures that the Group implemented, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company had not segregated the roles of its Chairman and chief executive officer. The Board will continue to review and consider splitting the roles of Chairman and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, senior management members, and employees who, because of their office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management members or relevant employees of the Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares ("**treasury shares**" shall have the meaning given to it in the Listing Rules)) during the Reporting Period. The Company did not hold any treasury shares as of December 31, 2024.

MATERIAL LITIGATION

As of the date of this announcement, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. As of the date of this announcement, the Audit Committee consists of two independent non-executive Directors and one non-executive Director, being Mr. Zhang Senquan (chairman of the Audit Committee who holds appropriate accounting qualifications), Mr. Chung Chong Sun and Ms. Liu Fan. The main duties of the Audit Committee are to assist the Board in reviewing compliance, accounting policies, financial reporting procedures and risk management and internal control systems; supervising the implementation of the internal audit system; advising on the appointment or replacement of external auditors; and liaising between the internal audit department and external auditors.

The Audit Committee has, together with the management of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2024, and has recommended for the Board's approval thereof. The financial information set out in this announcement has been reviewed by the Audit Committee and approved by the Board.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended December 31, 2024, but represents an extract from the consolidated financial statements for the year ended December 31, 2024 which have been audited by the auditor of the Company, Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event that might affect the Group occurred after the Reporting Period.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Monday, June 16, 2025. A notice convening the AGM will be published on the Company's website and "HKEXnews" of the Stock Exchange and despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, June 11, 2025 to Monday, June 16, 2025, both days inclusive. During such period, no transfer of Shares of the Company will be registered. The record date for determining the eligibility to attend the forthcoming AGM to be held on Monday, June 16, 2025 will be Monday, June 16, 2025. In order to be eligible for attending the AGM, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, June 10, 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the "HKEXnews" of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.strawbearentertainment.com), and the 2024 annual report containing all the information required by the Listing Rules will be published on the respective websites of "HKEXnews" of the Stock Exchange and the Company on or before April 30, 2025.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS AND GLOSSARIES

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

"AGM"	the annual general meeting of the Company to be held on Monday, June 16, 2025
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"broadcasting right(s)"	(i) the right of broadcasting (廣播權), in terms of drama series broadcast via TV channels; and (ii) the right to network dissemination of information (信息網絡傳播權), in terms of drama series and films broadcast via online video platforms, for the purpose of this announcement
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"Chairman"	the Chairman of the Board
"China" or the "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to "China" and the "PRC" do not apply to Taiwan Province, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"Company" or "the 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 Hong Kong Stock Exchange
"Consolidated Affiliated Entities"	the entities the Company controls through the Contractual Arrangements, namely Jiangsu Strawbear and its subsidiaries, further details of which are set out in "Contractual Arrangements" in the Prospectus

"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, Nanjing Strawbear, Jiangsu Strawbear and its registered shareholders, details of which are described in "Contractual Arrangements" in the Prospectus
"Director(s)"	director(s) of the Company
"drama series"	the content produced for broadcast via TV channels or the internet, which is usually released in episodes that follow a narrative, consisting of TV series and web series
"Group" or "the Group"	the Company, its subsidiaries and Consolidated Affiliated Entities at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IP(s)"	intellectual properties such as existing films, drama series or other literary or artistic works, concepts, stories and expressions that can be used or considered, entirely or partially, to create and/or produce new drama series or films
"iQIYI"	iQIYI, Inc. (Stock Code: IQ. NASDAQ) and its subsidiaries and consolidated affiliated entities, one of the largest Chinese online video platforms listed in the U.S.
"Jiangsu Strawbear"	Jiangsu Strawbear Film Co., Ltd. (江蘇稻草熊影業有限公司), a limited liability company established in the PRC on June 13, 2014 and indirectly controlled by the Company through the Contractual Arrangements
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on January 15, 2021
"Listing Date"	the date, namely January 15, 2021, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Liu"	Mr. Liu Xiaofeng (劉小楓), Chairman, an executive Director, the chief executive officer of the Company, one of the Group's controlling shareholders and one of the registered shareholders of Jiangsu Strawbear
"Nanjing Strawbear"	Nanjing Strawbear Business Consulting Co., Ltd. (南京稻草熊商務諮詢有限公司), a limited liability company established in the PRC on September 17, 2018 and an indirectly wholly-owned subsidiary of the Company
"NRTA"	National Radio and Television Administration of the PRC (中華人民共和國國家廣播電視總局), the successor of the State Administration of Press, Publication, Radio, Film, and Television of the PRC (中華人民共和國國家新聞出版廣電總局)
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme approved and adopted by the Company on May 11, 2020, the principal terms of which are summarised in "Appendix IV – Statutory and General Information – D. Other Information – (1) Pre-IPO Share Option Scheme" in the Prospectus
"Prospectus"	the prospectus of the Company published on December 31, 2020
"Reporting Period"	the year ended December 31, 2024
"RMB" or "Renminbi"	the lawful currency of the PRC
"RSU(s)"	restricted share unit(s) granted under the RSU Scheme(s), each of which represents one underlying Share, and represent a conditional right granted to any Selected Participant under the RSU Scheme(s) 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

"RSU Scheme(s)"	(i) the restricted share unit scheme adopted on September 15, 2021 by the Company, as amended from time to time, and/or (ii) the 2022 restricted share unit scheme adopted on April 28, 2022 by the Company, as amended from time to time
"Selected Participant(s)"	any Eligible Participant approved by the Board for participation in the RSU Schemes on the relevant Grant Date
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.000025 each
"Shareholder(s)"	holder(s) of the Shares
"TV"	television
"TV series"	a series of scripted episodes that needs to obtain a distribution licence from the NRTA, which are broadcast on TV channels and/or new media channels such as online video platforms
"US$"	United States dollars, the lawful currency for the time being of the United States
"web series"	a series of scripted episodes which can only be broadcast on new media channels such as online video platforms

In this announcement, unless otherwise indicated, the terms "affiliate", "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.

By order of the Board of Directors
Strawbear Entertainment Group
Mr. LIU Xiaofeng
Chairman

Nanjing, PRC, March 26, 2025

As of the date of this announcement, the Board comprises Mr. Liu Xiaofeng 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.