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Strawbear Entertainment Group

稻草熊娱乐集团

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2125)

GRANT OF RSUS UNDER THE RSU SCHEME

Reference is made to the announcement of the Company dated September 15, 2021 in relation to the adoption of the RSU Scheme, in which a summary of the principal terms of the RSU Scheme was set out.

The Board is pleased to announce that, on November 4, 2021, it has resolved to grant an aggregate of 16,780,000 RSUs, representing 16,780,000 Underlying Shares and approximately 2.44% of the total number of Shares in issue as at the date of this announcement, to 59 Selected Participants at nil consideration pursuant to the RSU Scheme, subject to acceptance by the Grantees. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, as at the date of this announcement, the Grantees are third parties independent of the Company and are not connected persons of the Company.

The grant of an aggregate of 16,780,000 RSUs to the Grantees shall be satisfied by (i) the issue and allotment of 6,780,000 New Shares at par value to the Trustee pursuant to the General Mandate; and (ii) 10,000,000 existing Shares to be acquired by the Trustee on the market. The Company will provide sufficient funds through its internal resources to the Trustee to enable the Trustee to satisfy its obligations in connection with the vesting of RSUs granted to the Grantees. As at the date of this announcement, no Shares have been issued or allotted under the General Mandate, and the Trustee has not purchased any Shares.

The New Shares to be issued and allotted by the Company represent approximately 0.99% of the total number of Shares in issue as at the date of this announcement and approximately 0.98% of the total number of Shares in issue as enlarged by the issue and allotment of the New Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the issue and allotment date of the New Shares). The New Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares then in issue.

MARKET VALUE

Based on the closing price of HK\$2.42 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of the Underlying Shares is HK\$40,607,600.

VESTING SCHEDULE

The vesting schedule of the 16,780,000 RSUs granted to the Grantees shall be as follows:

- i. in relation to 1,600,000 RSUs granted: the RSUs shall vest on November 11, 2021;
- ii. in relation to 2,080,000 RSUs granted: 20% of the RSUs shall vest on November 11, 2021, 20% of the RSUs shall vest on November 11, 2022, 30% of the RSUs shall vest on November 11, 2023, and 30% of the RSUs shall vest on November 11, 2024;
- iii. in relation to 9,300,000 RSUs granted: one-third of the RSUs shall vest on January 1, 2023, January 1, 2024, and January 1, 2025, respectively;
- iv. in relation to 800,000 RSUs granted: 25% of the RSUs shall vest on January 25, 2023, January 25, 2024, January 25, 2025, and January 25, 2026, respectively; and
- v. in relation to 3,000,000 RSUs granted: 25% of the RSUs shall vest on January 1, 2023, January 1, 2024, January 1, 2025, and January 1, 2026, respectively.

The RSUs shall vest in the Grantees in accordance with the above vesting schedule and subject to satisfaction of the vesting conditions (if any) as set out in the respective Grant Letter of each Grantee.

TRUSTEE

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

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

CONDITIONS PRECEDENT

The issue and allotment of the New Shares shall be subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, such New Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares.

REASONS FOR AND BENEFITS OF THE GRANT OF RSUS

The RSU Scheme forms part of the incentive schemes of the Group. The Board considers the grant of the RSUs to the Grantees is to (i) reward the Selected Participants for their contributions to the growth and development of the Group and to give incentives thereto in order to retain them for the continual development and long-term strategic goals of the Group; and (ii) provide additional rewards to top artists, who are scarce resources in the industry and play an important role in the production of drama series projects of the Group, to effectively motivate the artists who have long-term relationship with the Group, and to further attract talents and top artists in the industry, so as to promote the development of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company (and in respect of the administration of the RSU Scheme, includes the Committee)
“Committee”	a committee established and delegated with the power and authority by the Board to administer the RSU Scheme
“Company”	Strawbear Entertainment Group (稻草熊娱乐集团), an exempted company with limited liability incorporated under the laws of Cayman Islands on January 3, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	include the (i) employees of the Company; (ii) senior management of subsidiaries of the Company; and (iii) business partners of the Group (including top artists such as directors, screenwriters, etc.) who the Board or its delegate(s) considers, in their sole discretion, have contributed or will contribute to the Group, and who are not Excluded Persons
“Excluded Person”	(i) at the time of the proposed grant of a RSU, any connected person or core connected person of the Company, or (ii) any Eligible Participant who is a resident in a place where the award of the RSUs and/or the vesting and transfer of the Shares underlying the vested RSUs pursuant to the terms of the RSU Scheme is not permitted under the laws and regulations of such place such that in the view of the Board or the Committee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“General Mandate”	the general mandate granted to the Directors by the Shareholders to allot, issue and deal with up to 137,593,400 new Shares pursuant to an ordinary resolution passed at the annual general meeting of the Company held on June 25, 2021
“Grant Date”	November 4, 2021
“Grant Letter”	the letter pursuant to which RSUs are granted to the Grantees

“Grantees”	59 Selected Participants, to whom 16,780,000 RSUs were granted under the RSU Scheme on November 4, 2021
“Group”	Strawbear Entertainment Group, its subsidiaries and consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	6,780,000 new Shares to be issued and allotted by the Company to the Trustee underlying the RSUs granted to the Grantees
“Nominee Account”	an account operated by the Trustee in which the Shares underlying the vested RSUs are held on behalf of individual Selected Participant
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Restricted Share Unit(s)” or “RSU(s)”	restricted share unit(s) granted or to be granted under the RSU Scheme, each of which represents one Underlying Share, and represent a conditional right granted to any Selected Participant under the RSU Scheme to obtain the corresponding economic value of the Underlying Shares, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion
“RSU Scheme”	the restricted share unit scheme adopted by the Group, as amended from time to time
“Selected Participant(s)”	any Eligible Participant approved by the Board for participation in the RSU Scheme on the relevant Grant Date
“Share(s)”	ordinary share(s) with nominal value of US\$0.000025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Trust”	the trust constituted by the Trust Deed to service the RSU Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee on October 28, 2021 (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee (which is independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the RSU Scheme, which initially will be Futu Trustee Limited
“Underlying Shares”	16,780,000 Shares underlying the RSUs granted to the Grantees
“US\$”	the lawful currency of the United States
“%”	per cent

By order of the Board
Strawbear Entertainment Group
Liu Xiaofeng
Chairman

Nanjing, PRC, November 4, 2021

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