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中期報告

INTERIM REPORT

稻草熊娛樂集團
Strawbear Entertainment Group

於開曼群島註冊成立之有限公司
INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Liu Xiaofeng (*Chairman*)
Ms. Zhai Fang

Non-Executive Directors

Mr. Wang Xiaohui
Ms. Liu Fan

Independent Non-executive Directors

Mr. Ma Zhongjun
Mr. Zhang Senquan
Mr. Chung Chong Sun

AUDIT COMMITTEE

Mr. Zhang Senquan (*Chairman*)
Ms. Liu Fan
Mr. Chung Chong Sun

REMUNERATION COMMITTEE

Mr. Ma Zhongjun (*Chairman*)
Mr. Liu Xiaofeng
Mr. Chung Chong Sun

NOMINATION COMMITTEE

Mr. Ma Zhongjun (*Chairman*)
Mr. Liu Xiaofeng
Mr. Chung Chong Sun
Ms. Zhai Fang (*Appointed on August 25, 2025*)
Mr. Zhang Senquan (*Appointed on August 25, 2025*)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Liu Xiaofeng (*Chairman*)
Ms. Zhai Fang
Mr. Zhang Senquan

JOINT COMPANY SECRETARIES

Ms. Zhai Fang
Ms. Zhang Xiao

AUTHORISED REPRESENTATIVES

Ms. Zhai Fang
Ms. Zhang Xiao

REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HEADQUARTERS IN THE PRC

Room 2508, Building A
Wanda Plaza, No. 98
Jiangdong Zhong Road
Jianye District
Nanjing, Jiangsu
PRC



PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th floor, Harbour Place
103 South Church Street
P.O. Box 10204
Grand Cayman, KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Nanjing Co., Ltd.
Nanjing Chengdong Sub-branch
No. 99-1 Zhongshanmen Avenue
Xuanwu District
Nanjing, Jiangsu
PRC

East West Bank (China) Ltd.
33/F, Jin Mao Tower
No. 88 Century Boulevard
Pudong New Area, Shanghai
PRC

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

HONG KONG LEGAL ADVISOR

Tian Yuan Law Firm LLP
Suites 3304-3309, 33/F
Jardine House
One Connaught Place
Central, Hong Kong

STOCK CODE

2125

COMPANY'S WEBSITE

www.strawbearentertainment.com



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a major film and episodic content (including drama series, micro-short series and other forms of episodic products) producer and distributor in the PRC. Since 2014, it has been dedicated to the investment, development, production, and distribution of film and episodic content, gradually accumulating and forming a collection of high-quality content covering various themes, genres, and commercial development potential. The Group is committed to becoming a diversified entertainment company centered on super IPs. In the first half of 2025, with the steady rise in social consumption power and the continuous improvement in the variety and quality of consumer goods, users increasingly consume for spiritual fulfilment, personal expression, and cultural identity. Against the backdrop of various platforms competing for user attention and viewing time, the Group has continuously explored the “next step” for content enterprises in the cultural and entertainment consumption sectors. By consistently delivering high-quality film and television works to the market, the Group has validated the correctness of its “premium content gathers the crowd” strategy and has leveraged its differentiated approach to carve out a unique growth trajectory in the fiercely competitive battle for traffic. The Group was awarded with “Drama Company of the Year (年度劇集公司)” in the CEIS 2025 China Entertainment Industry Annual Conference and Golden Pufferfish Honourably Selected Event held in Beijing on January 9, 2025.

In the first half of 2025, the Company adopted the “boutique and premium (小而美精品化)” innovative series strategy to capture the future trajectory of the content market. By focusing on high-quality, fast-paced, emotionally resonant, and fresh-in-themes “short-form series”, the Company has secured a strategically valuable position in the ongoing competition between short and long-form content. The episodic content broadcast during the Reporting Period, including *Drifting Away* (《漂白》), *What a Wonderful World* (《在人間》) and *Breaking the Shadows* (《烏雲之上》) represent outstanding achievements under the Company’s differentiated development strategy. These series have achieved leading positions in cross-platform discussion hits, industry recognition both domestically and internationally, and broadcast performance.

The stable and efficient operation of the Group is attributable to its professional and innovative management team and staff. In the first half of 2025, the Group leveraged its existing platform-based operational model to integrate the commercial resources gathered, and transformed external resource advantages into internal productive momentum. By fostering an open and inclusive workplace environment, it has motivated its staff’s creativity and initiative, continuously building management, creative, and content teams characterized by highly efficient collaboration capabilities and keen market judgment. This has enhanced the Company’s ability to incubate super IPs, actively captured market dynamics, and continuously strengthened the high integration of the Group’s content products with cultural values, cultural ideals, and contemporary ethos. Guided by a sustainable development management system, the Company has directed business development and commercial practices, closely monitored the standardization of corporate governance and operational management, and improved the governance level of the Group, laying a solid institutional foundation for the healthy and sustainable development of the Group in the future.

In the future, the Group will continue to adjust its business development strategies and expansion pace in a timely manner. Amid the coexistence of opportunities and risks, it will explore and achieve breakthroughs, dedicated to providing audiences with more high-quality content. It will steadily advance the development, creation, and production of diversified new consumer and new entertainment products centered on super IPs. This will promote the diversification of our revenue structure and ensure the stable and healthy development of the Group.



BUSINESS REVIEW AND PROSPECTS (CONT'D)

Integration • Content Production Business Steady Output

In the past dozen years of corporate development, the Group has continuously built its core competitiveness, forming a content development ecosystem with unique Strawbear Entertainment characterized by a stable platform-based operational model, efficient “comprehensive middle platform” service capabilities, and the ability to rally top-tier industry resources. This enables the Group to quickly realize the efficient allocation of internal and external resources in response to market trends, maintain friendly and close partnerships with outstanding industry professionals (including producers, screenwriters, directors, and actors), achieving mutual support and collaboration with each other. The Group actively respond to the higher requirements from various streaming platforms and audiences for content products structure and innovation. As a result, it has achieved diversified development in episodic content business, delivering standout performance across the “long-form series”, “short-form series” and “micro-short series” tracks.

As of June 30, 2025, the Group has broadcast the “long-form series” *The Trident 2* (《三叉戟2》) on iQiyi, Beijing Radio & Television Station and Dragon TV. During its prime time, it delivered outstanding performances: its hits peaking at 7,302 on iQiyi, consistently topping the platform’s trending chart and ranking among the top in the crime drama category. On Beijing Radio & Television Station, it achieved a national viewership peak of 0.4155%, topping the satellite TV drama rankings; on Dragon TV, it hit a national viewership peak of 0.3564%, ranking second. China Police Network commented that *The Trident 2* (《三叉戟2》) “on the one hand provides reference and inspiration for the mature development of public security-themed IPs, and on the other hand proves the eternal vitality of the spirit of realism in literary and artistic creation”. The Group has also broadcast the “short-form series” *Drifting Away* (《漂白》), *Breaking the Shadows* (《烏雲之上》), and *What a Wonderful World* (《在人間》). Among them, *Drifting Away* (《漂白》) gained extremely high attention during the broadcast period. It has broken 10,000 hits in six days of broadcasting at LIGHT ON of iQiyi (愛奇藝迷霧劇場), becoming the first 10,000-hit drama at LIGHT ON, and topped multiple professional rankings. It won the first place in Enlightent “Ranking of Average 30-Day Effective Views of Newly Broadcast Dramas in Q1 2025”, the first place in the 2025 First Half-Year “Drama Series Average Playback Volume Ranking” by Beacon, and the overall champion “Average Effective Playback per Episode” and “Drama Series Effective Playback Daily Peak Ranking” in the 2025 First Half-Year by Maoyan, and People’s Daily Online commented that it has made “the value of the people’s police guarding have a concrete image”. Since its broadcast, *Breaking the Shadows* (《烏雲之上》) has seen rising hits on iQiyi. It has been included in Enlightent S+ drama list, and was broadcast simultaneously on Beijing Radio & Television Station and Dragon TV, achieving TOP1 ratings on both channels. It also secured two (2) spots in the TOP5 ratings of satellite TV dramas. During the broadcast period, it repeatedly ranked first on Maoyan’s drama hits chart and ranked first in average effective playbacks per episode on Maoyan Pro. Regarding its unique female perspective narrative, Guangming Daily commented: “*Breaking the Shadows* (《烏雲之上》) reconstructs criminal investigation narratives from a female perspective, uses emotional resonance to assist criminal investigation deduction, and dissolves genre clichés with the depth of human nature. It proves that the ultimate charm of suspenseful criminal investigation themes lies not in the mystery itself, but in the profound insight into human nature in the process of uncovering the truth”; *What a Wonderful World* (《在人間》) was selected into Sichuan Province’s list of major literary and artistic support projects and excellent works awards. It is the first online drama supported after online films and dramas were included in the Measures of Sichuan Province for Supporting Major Literature and Art Projects and Rewarding Fine Works (《四川省重大文藝項目扶持和精品獎勵辦法》), and the only online work that has received focused support in 2025. During the broadcast period, the drama series topped multiple authoritative lists, and its innovative theme has been recognized by various parties. At the seminar on the online drama *What a Wonderful World* (《在人間》) hosted by the China Television and Art Committee and the Sichuan Provincial Bureau of Radio, Film and Television, the main creators of *What a Wonderful World* (《在人間》), along with many experts, scholars, and media representatives, discussed the pioneering narrative structure and profound humanistic care presented in the series. The participants affirmed the broadcast effect of the series and praised its innovative significance and value as a cultural work. The creative team and recurring cast also showcased this Chinese

BUSINESS REVIEW AND PROSPECTS (CONT'D)

Integration • Content Production Business Steady Output (cont'd)

story to the world at the official screening section of the 24th Tribeca Festival in New York, making it the first Chinese-language series to be featured at the festival. It is another masterpiece by Strawbear Entertainment that integrates high-concept emotional narratives, genre innovation, and pioneering aesthetics into film and episodic content. In addition, the Group has also broadcast the “micro-short series” *Prayers for Calm Seas* (《祈安瀾》) and *Oars and Echoes: A Thousand Miles* (《舟楫千里號歌來》). These series were broadcast on the Hongguo Short Drama Platform. Both short series have been selected into the Grand Audio-visual Beijing Key Literary and Artistic Excellent Projects and the “Short Series Touring Beijing” creation plan. With the “Grand Canal” culture as their prominent feature, they adhere to the creative concepts of “technology + art” and “tradition + innovation”, they incorporate traditional cultural elements such as the Tongzhou Canal work songs and historical artifacts from the Grand Canal, aiming to promote intangible cultural heritage through youth-oriented storytelling and contribute to the development of the Grand Canal cultural belt as well as the integration of culture and tourism. Furthermore, *Oars and Echoes: A Thousand Miles* (《舟楫千里號歌來》) was selected into the “Online Audio-Visual Program Excellent Creation and Communication Project (網絡視聽節目精品創作傳播工程)” supported by the NRTA for the 2024-2025 period in March 2025. Both *Prayers for Calm Seas* (《祈安瀾》) and *Oars and Echoes: A Thousand Miles* (《舟楫千里號歌來》) were nominated for the “Best Short Series Label Award” at the first Asian Micro-Short Series Awards of the Busan International Television Festival in South Korea in May 2025.

Series Development • Dual Success of both Film, Episodic Content and IP Series Products

The Group believes that, as a long-termist “with high-quality content at its core”, developing and producing super IPs with cultural depth and sustainability is the key to the future sustainable development of content enterprises. A long-term development perspective is required in all links, from high-quality original creation, IP reserves, content development, product structure design to marketing. In addition to developing serialized film and episodic content based on Ma Boyong (馬伯庸)’s series of works, *Seven Weapons* (《七種武器》) (Original: Gu Long (古龍)) Works Series and *Renegade Immortal* (《仙逆》) (Original: Er Gen (耳根)) Works Series and its original serialized IPs such as *Songs to the Drinks* (《對酒歌》) and *World of the Oddballs* (《奇人世界》), the Group has also explored serialized product development for other content reserves with great potential for commercial development. It has expanded the concept of serialization from “within the screen” to “virtual-real interaction”, boost input into the development of diversified entertainment products based on IPs, and enhanced audience stickiness and increased derivative income by creating innovative and diversified product structures as well as online-offline integrated consumption scenarios. This realizes the mutual reinforcement of “online traffic” and “offline consumption”, gradually building the Group into an entertainment group with full-industry-chain monetization capabilities.

Rejuvenation • Continuously Enhance IP Conversion Rates and Derivative Value Development

In the first half of 2025, the Group had a large number of high-quality, top-tier project reserves (including broadcast and to be broadcast episodic content) covering multiple tracks, genres and themes. It also attached great importance to optimizing the structure of IP reserves and improving the IP conversion rate. The core teams (including screenwriters, producers, creative teams and publicity & distribution teams) of various business divisions jointly carried out multi-dimensional development of existing IP reserves, and concentrated resources on key investment in IPs with the potential for “combination of long and short forms” and derivative product development. This provides a solid content guarantee for the Group’s future production of film and episodic content and the subsequent exploration of derivative values.



BUSINESS REVIEW AND PROSPECTS (CONT'D)

Rejuvenation • Continuously Enhance IP Conversion Rates and Derivative Value Development (cont'd)

Among them, *Seven Weapons* (《七種武器》) (an episodic project adapted from Gu Long (古龍)'s novel series of the same name) and *The Disfavor Daughter* (《被嫌棄的女兒》) (an episodic project adapted from Tang Jinhui (唐金輝)'s novel) serve as IP reserves that can be converted into relatively short high-quality dramas, confirming the ability of the Group's content evaluation team to correctly predict market trends and select high-quality IPs. The Group has reached a consensus with a third-party team on cooperation on the commercial product development of the *Two Capitals* (《兩京十五日》) project. Derivative products will be developed based on the characters, visual, literary and other elements in the *Two Capitals* (《兩京十五日》) project, and it is expected to generate corresponding royalties on consumer products merchandise licensing revenues and product sales revenue in the future.

In addition, with the diversification of national lifestyle and entertainment methods, consumers are increasingly valuing offline experiences. To this end, the Group continues to pay attention to the expansion of commercial monetization channels for high-quality IPs, adheres to advancing the layout of the pan-entertainment industry centered on high-quality IPs, and actively conducts research and exploration on the subsequent commercial value derived from the transformation of high-quality IPs. The Group continues to adopt a prudent attitude towards financial management and cost control, and keeps seeking appropriate business and investment opportunities to drive the growth of its business, gradually promoting the formation of a more diversified and sustainable business and revenue system. Through strategic equity investment, the Group invested in a cultural, sports and tourism consumption fund in 2024 and the "world's first store" of Yangzhou iQIYI Land in July 2025, indirectly involving in the creation and operation of pan-entertainment consumer products such as offline experiences and cultural, sports and tourism commercial complexes. Through these investments, it explores ways to diversify income channels, laying the foundation for building itself into an entertainment group with the ability to develop and create new consumer products and new cultural, sports and tourism consumption scenarios centered on super IPs.

Improve Corporate Governance to Ensure Sustained, Stable and Healthy Development in the Future

Since its establishment, the Group has continuously strengthened corporate governance and standardized operations, steadily promoted management improvement, enhanced internal control management, and optimized the internal control system. In addition, the Group has kept up with relevant requirements to gradually improve the ESG management system and strived to implement various ESG initiatives, thereby enhancing its ability to resist market risks and laying a foundation for sustained, stable and healthy development in the future.

In the first half of 2025, the Group continuously refined its organizational structure, and timely adjusted its internal strategic layout in line with its development needs, effectively improving the overall organizational efficiency. In addition, the Group highly values the importance of intellectual property rights and outstanding talents to the sustainable development of an enterprise, and adheres to the management philosophy of people-oriented. The Group continuously standardizes its corporate governance structure and optimizes its management process to enhance the dynamism of the Group's talents, which has made contribution to the continuous enhancement of the Group's corporate competitiveness, innovation, domination and influence.

BUSINESS REVIEW AND PROSPECTS (CONT'D)

Improve Corporate Governance to Ensure Sustained, Stable and Healthy Development in the Future (cont'd)

The Group continues to refine its ESG initiatives and actively takes up its corporate social responsibilities, pursuing harmonious growth of the Group with its staff, the society and the environment in its daily operation. In the first half of 2025, the Group's ESG practices received wide attention and recognition from the market. In recognition of its outstanding achievements in ESG areas such as corporate governance, content products, women' empowerment, and community public welfare, following the "2023 ESG Pioneer Enterprise Award (2023年度ESG先鋒企業獎)", the Group was rewarded with the "2024 ESG Influence Special Award (2024年度ESG影響力特別獎)" at the 14th Public Welfare Festival and 2024 ESG Impact Annual Conference held in Beijing on January 9, 2025. Ms. Zhai Fang, an executive Director, the chief operating officer of the Company and a member of the ESG Committee, was honored with the "2024 ESG Pioneer Award (2024年度ESG先鋒人物獎)". At the "Hong Kong Green and Sustainability Contribution Awards 2025 (香港綠色和可持續貢獻大獎2025)" held in Hong Kong on July 26, 2025, the Group was awarded the "Gold Pioneer for ESG Connect (Society – Mainland) (ESG Connect先鋒金章(社會－內地))" for its outstanding performance in proactive management and ESG practices.

The Group fully integrates ESG concepts into corporate business strategy and operational levels, and treats ESG practice as one of the important assessment indicators for daily operations. It has taken the lead in forming a standardized and institutionalized ESG management system and practice system within the film and television industry, and continues to improve relevant measures in development, receiving A-level ratings in Wind ESG's comprehensive ratings for three consecutive years.



BUSINESS REVIEW AND PROSPECTS (CONT'D)

The Group's Episodic Content to be Broadcast and the Group's Pipeline Episodic Projects

As of June 30, 2025, the Group has produced and/or distributed but yet to broadcast a certain number of episodic content. The table below sets forth certain details of such episodic content:

Name of Episodic Content	Genre	Director(s) and Major Cast Members	Role	Production Type	Status as of June 30, 2025	Expected Broadcasting Time
TV Series						
<i>Light My Way</i> (《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
<i>No One but You</i> (《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	2026
<i>Cat & Thief</i> (《門賊》)	Crime	Gong Zhaohui (龔朝輝), Huang Jingyu (黃景瑜), Xiu Rui (修睿)	Production and distribution	Adaptation	Completed and under examination	2025
<i>Burning As Her</i> (《再青春》)	Metropolitan	Liu Guotong (劉國彤), Zhao Mo (趙默), Gao Ye (高葉), Hou Wenyuan (侯雯元)	Production and distribution	Adaptation	Post-production	2026
<i>Love in Red Dust</i> (《紅塵四合》)	Period others	Zhu Ruibin (朱銳斌), Wang Xingyue (王星越), Xu Ruohan (徐若晗)	Investment and distribution	Adaptation	Under filming	2026
Web Series						
<i>Win or Die</i> (《夜不收》)	Period military	Cao Dun (曹盾), Jing Boran (井柏然), Wu Xingjian (吳幸健), Zhang Yifan (張藝凡)	Production and distribution	Original	Completed and under examination	2026
<i>Move Heaven and Earth</i> (《赴山海》)	Period martial art	Ren Haitao (任海濤), Lin Feng (林峰), Cheng Yi (成毅)	Production and distribution	Adaptation	Completed and under examination	2025
<i>Tang Brick 2: The Whimsical Return</i> (《唐磚2：雲歸喜事》)	Period others	Yi Jun (易軍), Zhang Yunlong (張雲龍), Zhang Jianing (張佳寧), Wen Junhui (文俊輝), Zhao Zhaoyi (趙昭儀)	Investment and distribution	Adaptation	Post-production	2026
<i>Speed and Love</i> (《雙軌》)	Metropolitan	Yu Zhongzhong (于中中), Ma Ming (馬鳴), Yu Shuxin (虞書欣), He Yu (何與)	Production and distribution	Adaptation	Post-production	2025
<i>A Sudden Love</i> (《一場突如其來的愛情》)	Metropolitan	Liu Yan (劉岩), Chen Xingxu (陳星旭), Wang Yuwen (王玉雯)	Production and distribution	Adaptation	Post-production	2026
Micro-short Series						
<i>Memoratorium</i> (《記憶牢籠》)	Science fiction	Zhang Cheng (章程), Shen Zefeng (申澤鋒), Li Yuanyuan (李園園)	Investment and distribution	Original	Post-production	2025
<i>Silk & Blade: Her Gambit</i> (《我為將軍解戰袍》)	Period romance	Chen Yiming (陳奕鳴), Chen Long (陳龍), Lou Yixiao (婁藝瀟), Lu Huan (盧煥瑜)	Production and distribution	Adaptation	Post-production	2025

BUSINESS REVIEW AND PROSPECTS (CONT'D)

The Group's Episodic Content to be Broadcast and the Group's Pipeline Episodic Projects (cont'd)

As of June 30, 2025, 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 for the Drama Series	Genre	Copyright Ownership	Status as of June 30, 2025	Time of Public Record
TV Series				
<i>The Wind Catcher</i> (《捕風者》)	Modern revolution	The Group	Pre-production	2023
<i>Golden Seasons</i> (《橙黃橘綠時》) ¹	Metropolitan	The Group	Pre-production	2024
<i>The Song of Youth</i> (《青春之歌》)	Modern revolution	The Group	Pre-production	2024
<i>Two Capitals</i> (《兩京十五日》)	Ancient legend	Co-owned with partners	Pre-production	2025
Web Series				
<i>All Hands on Deck</i> (《開工日記》)	Metropolitan	The Group	Pre-production	2023
<i>Please Find Me in Your World</i> (《請在你的世界發現我》)	Metropolitan	The Group	Pre-production	2023
<i>Legend of Gan Mo</i> (《甘墨傳》)	Period fantasy	The Group	Pre-production	2024
<i>A Nan</i> (《阿南》)	Metropolitan romance	The Group	Pre-production	2024
<i>The Bustling Town</i> (《熱鬧鎮》)	Period others	The Group	Pre-production	2024

Business Analysis by Business Line

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

In the first half of 2025, the high-quality episodic content broadcast by the Group included *Drifting Away* (《漂白》), *Breaking the Shadows* (《烏雲之上》) and *What a Wonderful World* (《在人間》) etc. Revenue generated from the Group's licensing of the broadcasting rights of episodic content decreased from RMB846.9 million for the six months ended June 30, 2024 to RMB385.9 million for the six months ended June 30, 2025, primarily attributable to all the broadcast episodic content invested and produced by the Group in the first half of 2025 was "short-form series". The number of episodes per series, investment scale and revenue of such short-form series have all decreased compared with the same period last year, leading to a decline in the revenue generated by this business segment.

¹ It was renamed from Ordinary Life, Ordinary Love (《勸你趁早喜歡我》) to Golden Seasons (《橙黃橘綠時》) in December 2024, with the final title subject to approval by the NRTA



BUSINESS REVIEW AND PROSPECTS (CONT'D)

Business Analysis by Business Line (cont'd)

(i) Licensing of the broadcasting rights of episodic content to TV channels, online video platforms and third-party distributors (cont'd)

In the first half of 2025, the episodic content of the Group was broadcast on domestic mainstream online video platforms and TV channels, including iQiyi, Beijing Radio & Television Station and Dragon TV, and had achieved good broadcasting results. *Drifting Away* (《漂白》) gained extremely high attention during the broadcast period. It has broken 10,000 hits in six days of broadcasting at LIGHT ON of iQiyi (愛奇藝迷霧劇場), becoming the first 10,000-hit drama at LIGHT ON, and topped multiple professional rankings. It won the first place in Enlightent "Ranking of Average 30-Day Effective Views of Newly Broadcast Dramas in Q1 2025", the first place in the 2025 First Half-Year "Drama Series Average Playback Volume Ranking" by Beacon, and the overall champion "Average Effective Playback per Episode" and "Drama Series Effective Playback Daily Peak Ranking" in the 2025 First Half-Year by Maoyan, and People's Daily Online commented that it has made "the value of the people's police guarding have a concrete image". Since its broadcast, *Breaking the Shadows* (《烏雲之上》) has seen rising hits on iQiyi. It has been included in Enlightent S+ drama list, and was broadcast simultaneously on Beijing Radio & Television Station and Dragon TV, achieving TOP1 ratings on both channels. It also secured two (2) spots in the TOP5 ratings of satellite TV dramas. During the broadcast period, it repeatedly ranked first on Maoyan's drama hits chart and ranked first in average effective playbacks per episode on Maoyan Pro. Regarding its unique female perspective narrative, Guangming Daily commented: "*Breaking the Shadows* (《烏雲之上》) reconstructs criminal investigation narratives from a female perspective, uses emotional resonance to assist criminal investigation deduction, and dissolves genre clichés with the depth of human nature. It proves that the ultimate charm of suspenseful criminal investigation themes lies not in the mystery itself, but in the profound insight into human nature in the process of uncovering the truth"; *What a Wonderful World* (《在人間》) was selected into Sichuan Province's list of major literary and artistic support projects and excellent works awards. It is the first online drama supported after online films and dramas were included in the Measures of Sichuan Province for Supporting Major Literature and Art Projects and Rewarding Fine Works (《四川省重大文藝項目扶持和精品獎勵辦法》), and the only online work that has received focused support in 2025. During the broadcast period, the drama series topped multiple authoritative lists, and its innovative theme has been recognized by various parties. At the seminar on the online drama *What a Wonderful World* (《在人間》) hosted by the China Television and Art Committee and the Sichuan Provincial Bureau of Radio, Film and Television, the main creators of *What a Wonderful World* (《在人間》), along with many experts, scholars, and media representatives, discussed the pioneering narrative structure and profound humanistic care presented in the series. The participants affirmed the broadcast effect of the series and praised its innovative significance and value as a cultural work. The creative team and recurring cast also showcased this Chinese story to the world at the official screening section of the 24th Tribeca Festival in New York, making it the first Chinese-language series to be featured at the festival. It is another masterpiece by Strawbear Entertainment that integrates high-concept emotional narratives, genre innovation, and pioneering aesthetics into film and episodic content.

As of June 30, 2025, the Group has a number of high-quality and diverse episodic content to be broadcast, including *Cat & Thief* (《鬥賊》), a crime comedy about a battle of wits between a detective and the "king of thieves", which is 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); *No One but You* (《也許這就是愛情》), a contemporary romantic light comedy directed by Wu Qiang (吳強), scripted by Xu Su (徐速), and starred by Chen Yuqi (陳鈺琪) and Fang Yilun (方逸倫); *Move Heaven and Earth* (《赴山海》), a new-style martial art series adapted from *The Journey of Legend* (《神州奇俠》) by martial art master Wen Rui'an (溫瑞安), which is directed by Ren Haitao (任海濤) and Lin Feng (林峰), scripted by Liu Fang (劉芳), and starred by Cheng Yi (成毅); *Speed and Love* (《雙軌》), a metropolitan romance series directed by Yu Zhongzhong (于中中) and Ma Ming (馬鳴), scripted by Zhao Xiaolei (趙曉磊), and starred by Yu Shuxin (虞書欣) and He Yu (何與); and *Love in Red Dust* (《紅塵四合》), a period romance series directed by Zhu Ruibin (朱銳斌), scripted by Liu Yuanyu (劉媛玉), Luo Yun (羅贊) and Chen Cong (陳聰), and starred by Wang Xingyue (王星越) and Xu Ruohan (徐若晗).

BUSINESS REVIEW AND PROSPECTS (CONT'D)

Business Analysis by Business Line (cont'd)

(ii) Production of made-to-order episodic content per online video platforms' orders

In the first half of 2025, the Group provided made-to-order services of two episodic content, including *The Trident 2* (《三叉戟2》) etc. The revenue generated by the Group from production of made-to-order episodic content increased from nil for the six months ended June 30, 2024 to RMB59.2 million for the six months ended June 30, 2025, as no made-to-order episodic content was delivered to customers by the Group for the six months ended June 30, 2024 and no made-to-order episodic content was broadcast during the same period.

The Group's "long-form series" *The Trident 2* (《三叉戟2》) was broadcast on iQiyi, Beijing Radio & Television Station and Dragon TV. During its prime time, it delivered outstanding performances: its hits peaking at 7,302 on iQiyi, consistently topping the platform's trending chart and ranking among the top in the crime drama category. On Beijing Radio & Television Station, it achieved a national viewership peak of 0.4155%, topping the satellite TV drama rankings; on Dragon TV, it hit a national viewership peak of 0.3564%, ranking second. China Police Network commented that *The Trident 2* (《三叉戟2》) "on the one hand provides reference and inspiration for the mature development of public security-themed IPs, and on the other hand proves the eternal vitality of the spirit of realism in literary and artistic creation".

As of June 30, 2025, the Group has a number of high-quality and diverse episodic content to be broadcast, including but not limited to *Win or Die* (《夜不收》), an ancient military 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); *Tang Brick 2: The Whimsical Return* (《唐磚2：雲歸喜事》), a period time-travel romantic light comedy directed by Yi Jun (易軍), scripted by Huo Sijia (霍思佳), and starred by Zhang Yunlong (張雲龍), Zhang Jianing (張佳寧), Wen Junhui (文俊輝) and Zhao Zhaoyi (趙昭儀); and *A Sudden Love* (《一場突如其來的愛情》), a metropolitan series directed by Liu Yan (劉岩), scripted by Han Xiaoge (韓小歌) and Huang Lei (黃磊), and starred by Chen Xingxu (陳星旭) and Wang Yuwen (王玉雯).

(iii) Others

The Group's other business primarily includes artist agency services in the first half of 2025, while other business primarily includes the provision of script-based role play game services in the first half of 2024.

OUTLOOK

The Group will continue to deepen its diversified entertainment ecosystem strategy "centered on super IPs", driving growth through three major engines: diversified content product structure, comprehensive IP development, and globalized narrative. The Group will consolidate the collaborative advantages of "long-form series + short-form series + micro-short series" multi-track approach, supported by keen content judgment capabilities and efficient resource mobilization capabilities, accelerate the development and incubation of leading IP film and episodic content serialization and derivative product serialization, break through film and episodic content boundaries, fully utilize technology empowerment and product structure empowerment to achieve IP value multiplication, and seamless transformation from screen narrative to physical consumption. The Group will also further standardize and improve its corporate governance structure and organization structure, and continue to strengthen the construction and practice of its ESG management system, in order to lay a solid organizational and institutional support foundation for the healthy operation and development of the Group as a whole.



OUTLOOK (CONT'D)

The Group's management firmly believes that "premium content gathers the crowd", and the continuous and stable creation and production of high-quality entertainment and cultural products is the Group's unshakeable top priority and the weapon for content enterprises to maintain core competitiveness in the traffic era. In the future, the Group, during the course of carrying out various businesses, will put its focus on pursuing this top priority goal, unwaveringly implement its own differentiation strategy and act according to circumstances, casting a long-term guarantee mechanism for the Group with innovative and stable creation and production chains, and supporting sustainable development of the Group with diversified industrial layout and innovative strategic planning.

INTERIM PERIOD REVIEW

Condensed Consolidated Statement of Profit or Loss

	Six months ended June 30,	
	2024	2025
	(RMB in thousands)	
REVENUE	846,947	445,700
Cost of sales	(704,023)	(382,758)
Gross profit	142,924	62,942
Other income and gains	3,929	4,112
Selling and distribution expenses	(22,386)	(30,725)
Administrative expenses	(39,578)	(32,830)
(Impairment)/reversal of impairment of financial assets, net	(33,075)	2,530
Other expenses	(3,690)	(569)
Finance costs	(6,807)	(7,406)
Share of profits and losses of joint ventures	63	76
Share of profits and losses of associates	(669)	(9)
PROFIT/(LOSS) BEFORE TAX	40,711	(1,879)
Income tax expense	(10,710)	(3,912)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	30,001	(5,791)
Attributable to:		
Owners of the parent	29,883	(5,505)
Non-controlling interests	118	(286)
	30,001	(5,791)
NON-HKFRS ACCOUNTING STANDARDS MEASURE⁽¹⁾:		
Adjusted net profit/(loss) ⁽²⁾	37,858	(438)

INTERIM PERIOD REVIEW (CONT'D)

Condensed Consolidated Statement of Profit or Loss (cont'd)

Notes:

- (1) To supplement its historical financial information which are presented in accordance with HKFRS Accounting Standards, 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 Accounting Standards.

The Group believes that this non-HKFRS Accounting Standards measure facilitates comparisons of operating performance from period to period 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 Accounting Standards 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 Accounting Standards.

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

Revenue

The Group's revenue decreased by 47.4% from approximately RMB846.9 million for the six months ended June 30, 2024 to approximately RMB445.7 million for the six months ended June 30, 2025, primarily attributable to the reduced number of episodes broadcast as the episodic content broadcast by the Group in the first half of 2025 was "boutique and premium" innovative episodic content with smaller number of episodes.

The following table sets forth the Group's revenue by business line in the first half of 2024 and 2025.

	Six months ended June 30,			
	2024		2025	
	Revenue	% of total	Revenue	% of total
(RMB in thousands, except percentages of revenue)				
Licensing of the broadcasting rights of episodic content	846,932	100.0%	385,937	86.6%
Made-to-order episodic content production	—	—	59,228	13.3%
Others	15	0.0%	535	0.1%
Total	846,947	100.0%	445,700	100.0%

Licensing of the broadcasting rights of episodic content

The Group's revenue generated from licensing of broadcasting rights of episodic content decreased from approximately RMB846.9 million for the six months ended June 30, 2024 to approximately RMB385.9 million for the six months ended June 30, 2025, primarily as all the broadcast episodic content invested and produced by the Group in the first half of 2025 was "short-form series", including *Drifting Away* (《漂白》), *What A Wonderful World* (《在人間》) and *Breaking the Shadow* (《烏雲之上》) etc. The number of episodes per series, investment scale and revenue of such short-form series decreased, leading to a decline in the revenue generated by this business segment in the first half of 2025.



INTERIM PERIOD REVIEW (CONT'D)

Revenue (cont'd)

Made-to-order episodic content production

The Group's revenue generated from production of made-to-order episodic content was approximately RMB59.2 million for the six months ended June 30, 2025 as compared to nil for the six months ended June 30, 2024. The Group provided made-to-order production services of two episodic content in the first half of 2025, including *The Trident 2* (《三叉戟2》) etc.

Others

Others primarily comprise revenue from the artist agency services in the first half of 2025, while others primarily comprise revenue from the provision of script-based role play game services in the first half of 2024.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 56.0% from approximately RMB142.9 million for the six months ended June 30, 2024 to approximately RMB62.9 million for the six months ended June 30, 2025. The Group's gross profit margin decreased to 14.1% for the six months ended June 30, 2025 from 16.9% for the six months ended June 30, 2024, primarily due to the decrease in the Group's revenue outpaced the decrease in cost of sales. The decrease in revenue of the Group was attributable to the reduced number of episodes broadcast as the episodic content broadcast in the first half of 2025 was "boutique and premium" innovative episodic content with smaller number of episodes.

The following table sets forth the Group's gross profit and gross profit margin by business line in the first half of 2024 and 2025.

	Six months ended June 30,			
	2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except gross profit margin)			
Licensing of the broadcasting rights of episodic content	142,936	16.9%	50,749	13.1%
Made-to-order episodic content production	—	—	12,730	21.5%
Others	(12)	(80.0%)	(537)	(100.4%)
Total	142,924	16.9%	62,942	14.1%

Other Income and Gains

Other income and gains increased by 4.7% to approximately RMB4.1 million for the six months ended June 30, 2025 from approximately RMB3.9 million for the six months ended June 30, 2024, primarily due to the increase in government grants.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 37.3% to approximately RMB30.7 million for the six months ended June 30, 2025 from approximately RMB22.4 million for the six months ended June 30, 2024, primarily due to the increased investment made in selling and distribution activities along with the increased number of drama series broadcast by the Group in the first half of 2025.

INTERIM PERIOD REVIEW (CONT'D)

Administrative Expenses

The Group's administrative expenses decreased by 17.0% to approximately RMB32.8 million for the six months ended June 30, 2025 from approximately RMB39.6 million for the six months ended June 30, 2024, primarily due to the decrease in the losses led by the termination of several episodic projects of approximately RMB8.1 million.

(Impairment)/Reversal of Impairment of Financial Assets, Net

The Group's impairment of financial assets, net decreased to a reversal of approximately RMB2.5 million for the six months ended June 30, 2025 from a loss of approximately RMB33.1 million for the six months ended June 30, 2024, primarily due to the reversal of impairment of trade receivables, net of approximately RMB26.4 million and the decrease in impairment of other receivables, net of approximately RMB9.2 million in the first half of 2025.

For further details of the impairment of financial assets, net, please refer to the Notes 6, 15 and 16 to the financial statements.

Finance Costs

The Group's finance costs increased by 8.8% to approximately RMB7.4 million for the six months ended June 30, 2025 from approximately RMB6.8 million for the six months ended June 30, 2024, primarily due to the increase in interest expense from episodic content under co-investment of approximately RMB0.6 million.

Income Tax Expense

The Group's income tax expense decreased by 63.5% to approximately RMB3.9 million for the six months ended June 30, 2025 from approximately RMB10.7 million for the six months ended June 30, 2024, primarily due to the decrease in taxable profit made in the first half of 2025.

Non-HKFRS Accounting Standards Measure

To supplement its historical financial information which are presented in accordance with HKFRS Accounting Standards, 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 Accounting Standards. The Group believes that this non-HKFRS Accounting Standards measure facilitates comparisons of operating performance from period to period 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 Accounting Standards 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 Accounting Standards.

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



INTERIM PERIOD REVIEW (CONT'D)

Non-HKFRS Accounting Standards Measure (cont'd)

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

	Six months ended June 30,	
	2024	2025
	(RMB in thousands)	
Reconciliation of net profit/(loss) to adjusted net profit/(loss)		
Net profit/(loss) for the period	30,001	(5,791)
Add:		
Equity-settled share award expense	7,857	5,353
Adjusted net profit/(loss) (non-HKFRS measure)	37,858	(438)

OTHER FINANCIAL INFORMATION

Consolidated Statement of Financial Position (Selected Items)

	As of December 31, 2024	As of June 30, 2025
	(RMB in thousands)	
Total non-current assets	170,748	193,795
Total current assets	2,493,416	2,395,604
Total current liabilities	901,524	789,537
Net current assets	1,591,892	1,606,067
Total non-current liabilities	9,299	46,131
Total equity	1,753,341	1,753,731

INTERIM PERIOD REVIEW (CONT'D)

Inventories

	As of December 31, 2024	As of June 30, 2025
	(RMB in thousands)	
Raw materials	303,533	325,671
Work in progress	615,401	470,500
Finished goods	314,100	440,165
Total	1,233,034	1,236,336

The Group's inventories increased by 0.3% to approximately RMB1,236.3 million as of June 30, 2025 from approximately RMB1,233.0 million as of December 31, 2024, primarily due to (i) the increase in finished goods of approximately RMB126.1 million since the Group completed the production of *Move Heaven and Earth* (《赴山海》) in the first half of 2025 which were yet to be broadcast as of June 30, 2025; (ii) the increase in raw materials of approximately RMB22.1 million as the Group acquired more premium IPs in the first half of 2025; and partially offset by (iii) the decrease in work in progress of RMB144.9 million as the Group completed production of its episodic content *Drifting Away* (《漂白》) and *What a Wonderful World* (《在人間》), which were broadcast in the first half of 2025.

Goodwill

The Group's goodwill was approximately RMB108.3 million as of June 30, 2025 and December 31, 2024, respectively.

CAPITAL STRUCTURE, LIQUIDITY AND CAPITAL RESOURCES

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

As of June 30, 2025, the Company had 706,041,400 ordinary Shares of US\$0.000025 each.

The Company maintained a healthy financial position in the first half of 2025. The Group's total assets decreased from approximately RMB2,664.2 million as of December 31, 2024 to approximately RMB2,589.4 million as of June 30, 2025, and the Group's total liabilities decreased from approximately RMB910.8 million as of December 31, 2024 to approximately RMB835.7 million as of June 30, 2025. The Group's liabilities-to-assets ratio decreased from 34.2% as of December 31, 2024 to 32.3% as of June 30, 2025.



CAPITAL STRUCTURE, LIQUIDITY AND CAPITAL RESOURCES (CONT'D)

Historically, the Group financed its capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings and capital contributions from Shareholders. As of June 30, 2025, the Group maintained sufficient working capital (current assets less current liabilities) and cash and cash equivalents, amounting to approximately RMB1,606.1 million and approximately RMB139.8 million, respectively, as compared to approximately RMB1,591.9 million and approximately RMB79.3 million, respectively, as of December 31, 2024.

As of June 30, 2025, 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 and interest-bearing bank borrowings of the Company.

As of June 30, 2025, the Group's total interest-bearing bank borrowings were approximately RMB259.1 million, all of which were at fixed interest rates 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 June 30, 2025, 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 RMB0.02 million in the first half of 2025 from approximately RMB1.7 million in the first half of 2024. The Group plans to fund its planned capital expenditures using cash generated from operations.

Financial Ratio

Current Ratio

The Group's current ratio increased from 2.77 as of December 31, 2024 to 3.03 as of June 30, 2025, primarily attributable to the decrease in its current liabilities outpaced the decrease in its current assets from 2024 to the first half of 2025.

Debt to Equity Ratio¹

The Group's debt to equity ratio was 7.5% as of June 30, 2025 and 12.0% as of December 31, 2024, respectively.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2025. As of June 30, 2025, the Group did not hold any significant investments and none of each individual investment held by the Group constituted 5% or above of the total assets of the Group as of June 30, 2025.

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

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section headed “Use of Proceeds from the Global Offering” in this report, the Group did not have any other immediate plans for material investment and capital assets as at the date of this report. 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.

MATERIAL LITIGATION

As of the date of this report, 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.

PLEDGE OF ASSETS

As of June 30, 2025, the Group’s trade receivables with an aggregate net carrying value of approximately RMB200,500,000 (December 31, 2024: RMB172,600,000) and the pledged deposits amounting to RMB61,432,000 (December 31, 2024: RMB92,289,000) 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.

The Group trades mainly with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025.



EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, the Group had 82 employees, including 24 based in Jiangsu Province, 45 based in Beijing, 2 based in Shanghai, 8 based in Zhejiang Province and 3 based in Hainan Province. The following table shows a breakdown of the employees by function as of June 30, 2025:

Functions	Number of Employees	% of Total Employees
Management	2	2.4%
Development Strategic Management	6	7.3%
Operation and Project Coordination	13	15.9%
Production	3	3.7%
IP Development	5	6.1%
Business Operation	3	3.7%
Production Management	12	14.6%
Financing and Investment	2	2.4%
Distribution	5	6.1%
Casting and Talents Management	1	1.2%
Marketing and Promotion	3	3.7%
Government Affairs	1	1.2%
Finance and Legal	13	15.9%
Corporate Compliance	2	2.4%
Human Resources and Administrative	10	12.2%
Overseas Development	1	1.2%
Total	82	100.0%

EMPLOYEES AND REMUNERATION POLICIES (CONT'D)

For the six months ended June 30, 2025, total staff remuneration expenses (including Directors' remuneration) amounted to approximately RMB21.7 million, as compared to approximately RMB20.5 million for the same period in 2024. Remuneration is determined with reference to the 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. 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 report, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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.

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 report, 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.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has, together with the management of the Company, reviewed the accounting principles and policies adopted by the Group and the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025, and has recommended for the Board's approval thereof. The unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025 has not been reviewed by the external auditors of the Company.

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**”).



USE OF PROCEEDS FROM THE GLOBAL OFFERING (CONT'D)

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 intended 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"**).

On May 26, 2025, the Board had further resolved to change the use of the remaining Net Proceeds of approximately HK\$79.6 million (representing approximately 7.4% of the Net Proceeds) which were originally intended to be used for 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. Considering that (i) the amount of funds allocated for equity investments in the future is expected to be minimal, and the timing of their use remains unpredictable as a result of (a) the increasing difficulties to identify suitable investment and acquisition targets due to changes in market structure and (b) the Group's preference to adopt a cautious equity investment strategy; and (ii) the Group's business development requires sufficient cash, the Group intended to re-allocate the remaining Net Proceeds of HK\$79.6 million to fund certain drama series investment, production and distribution of the Group, so as to enhance the efficiency and effectiveness of the use of the Net Proceeds. For details, please refer to the announcement of the Company dated May 26, 2025 (the **"Third UOP Announcement"**, together with the First UOP Announcement and Second UOP Announcement, the **"Announcements"**).

USE OF PROCEEDS FROM THE GLOBAL OFFERING (CONT'D)

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 six months ended June 30, 2025; (iv) the utilised and unutilised amount of Net Proceeds as of June 30, 2025; and (v) the latest expected timeline for utilisation.

	Net proceeds from the global offering and utilisation					Expected timeline for utilisation ⁽¹⁾
	Original allocation of Net Proceeds HK\$ in million	Revised allocation of Net Proceeds HK\$ in million	Utilised amount of Net Proceeds during the six months ended June 30, 2025 HK\$ in million	Utilised amount of Net Proceeds as of June 30, 2025 HK\$ in million	Unutilised amount of Net Proceeds as of June 30, 2025 HK\$ in million	
Funding the drama series investment, production and distribution of the Group						
<i>Move Heaven and Earth</i> (《赴山海》)	–	9.0	2.2	2.2	6.8	By June 30, 2026
<i>Win or Die</i> (《夜不收》)	–	9.1	–	–	9.1	By December 31, 2025
<i>Love in Red Dust</i> (《紅塵四合》)	–	61.5	27.4	27.4	34.1	By December 31, 2026
Other drama series	749.8	749.8	–	749.8	–	–
Sub-total	749.8	829.4	29.6	779.4	50.0	



USE OF PROCEEDS FROM THE GLOBAL OFFERING (CONT'D)

	Net proceeds from the global offering and utilisation					
	Original allocation of Net Proceeds	Revised allocation of Net Proceeds	Utilised amount of Net Proceeds during the six months ended June 30, 2025	Utilised amount of Net Proceeds as of June 30, 2025	Unutilised amount of Net Proceeds as of June 30, 2025	Expected timeline for utilisation ⁽¹⁾
	HK\$ in million	HK\$ in million	HK\$ in million	HK\$ in million	HK\$ in million	
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	27.5	–	27.5	–	–
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	29.6	1,021.1	50.0	

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.

USE OF PROCEEDS FROM THE GLOBAL OFFERING (CONT'D)

As of June 30, 2025, the Group has utilised Net Proceeds of HK\$1,021.1 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 report. The Group will gradually utilise the remaining Net Proceeds in accordance with the intended purposes set out in the Prospectus and the Announcements.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

As recommended by the remuneration committee of the Board and approved by the Board on March 25, 2025, (i) the monthly remuneration of Mr. Liu Xiaofeng had been adjusted from RMB80,000 to RMB100,000; and (ii) the monthly remuneration of Ms. Zhai Fang had been adjusted from RMB80,000 to RMB100,000, both with effect from July 1, 2025.

Ms. Zhai Fang and Mr. Zhang Senquan have been appointed as members of the Nomination Committee with effect from August 25, 2025.

Mr. Zhang Senquan has been appointed as an independent director of Shandong Weigao Blood Purification Products Co., Ltd. (山東威高血液淨化製品股份有限公司) (a company listed on Shanghai Stock Exchange in May 2025, stock code: 603014.SH) since May 2022. Mr. Zhang has also been appointed as a joint company secretary of Zhonggan Communication (Group) Holdings Limited (中贛通信(集團)控股有限公司) (stock code: 2545.HK) since July 2025.

Save as disclosed above, there have been no changes in the information of Directors and chief executive of the Company since the publication of the 2024 annual report up to the date of this report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange are as follows:

Interests in the Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares	Number of Underlying Shares	Approximate percentage of shareholding ⁽¹⁾
Mr. Liu	Founder of a discretionary trust ⁽²⁾ Interest held through voting powers entrusted by other persons ⁽³⁾	301,774,400	26,353,600	61.99%
		109,520,000		
		437,648,000		
Ms. Zhai	Founder of a discretionary trust ⁽⁴⁾	32,000,000		4.53%



INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONT'D)

Interests in the Shares and underlying Shares of the Company (cont'd)

Notes:

(1) The percentage is for illustrative purpose only and is calculated based on the number of Shares in issue as of June 30, 2025, being 706,041,400 Shares.

(2) Leading Glory is owned as to (i) 99% by Master Genius, the holding vehicle used by Family Trust Singapore, the trustee of the LXF Family Trust which is a discretionary trust established by Mr. Liu as the settlor and protector and Mr. Liu's wholly-owned holding company Master Sagittarius as the beneficiary; and (ii) 1% by Master Sagittarius which is wholly owned by Mr. Liu. Accordingly, each of Master Sagittarius, Master Genius and Mr. Liu is deemed to be interested in all the Shares held by Leading Glory.

Gorgeous Horizon, being the beneficial owner of the outstanding Pre-IPO Share Options, is wholly owned by Success Tale which is wholly owned by Employee Trust Hong Kong, the trustee of the Strawbear Employee Trust. The Strawbear Employee Trust is a discretionary trust established by Mr. Liu as the settlor and protector and Mr. Liu's wholly-owned holding company Master Sagittarius as the beneficiary. On May 12, 2022, May 12, 2023 and May 14, 2024, 1,882,400 Shares, 3,764,800 Shares and 5,647,200 Shares were issued to Gorgeous Horizon, respectively, upon the exercise of the Pre-IPO Share Options by Mr. Liu under the Pre-IPO Share Option Scheme. As of June 30, 2025, the number of Shares underlying the outstanding Pre-IPO Share Options held by Gorgeous Horizon is 26,353,600 Shares.

(3) Pursuant to the Voting Arrangement Agreements, Mr. Liu, Master Sagittarius and Leading Glory are able to exercise voting rights entrusted from the other signing parties and are therefore deemed to be interested in the shareholding interest in the Company held by the other signing parties by virtue of the SFO. For further details, see "History, Reorganization and Corporate Development – Voting Arrangement and Lock-up Arrangements" in the Prospectus.

(4) Golden Basin is owned as to (i) 99% by Smart Century, the holding vehicle used by Family Trust Singapore, the trustee of the Gold Fish Trust which is a discretionary trust established by Ms. Zhai as the settlor and protector and Ms. Zhai's wholly-owned holding company Gold Fish as the beneficiary; and (ii) 1% by Gold Fish which is wholly owned by Ms. Zhai. Accordingly, each of Gold Fish, Smart Century and Ms. Zhai is deemed to be interested in all the Shares held by Golden Basin.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONT'D)

Interests in the associated corporation

Name of Director	Nature of interest	Name of associated corporation ⁽¹⁾	Approximate percentage of shareholding
Mr. Liu	Beneficial owner	Jiangsu Strawbear	77.9%
	Interest held through voting powers entrusted by other persons ⁽²⁾	Jiangsu Strawbear	22.1%
Ms. Zhai	Beneficial owner	Jiangsu Strawbear	0.1%

Notes:

- (1) Jiangsu Strawbear is deemed as a subsidiary of the Company under the Contractual Arrangements, and therefore is an associated corporation of the Company by virtue of the SFO.
- (2) Pursuant to the Voting Arrangement Agreements, Mr. Liu is able to exercise voting rights entrusted from the other signing parties and is therefore deemed to be interested in the shareholding interest in Jiangsu Strawbear held by the other signing parties by virtue of the SFO. For further details, see "History, Reorganization and Corporate Development – Voting Arrangement and Lock-up Arrangements" in the Prospectus.

Save as disclosed above, as of June 30, 2025, so far as it was known to the Directors or chief executive of the Company, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF THE PART XV OF THE SFO

As of June 30, 2025, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding ⁽¹⁾
Master Sagittarius	Beneficiary of trust ⁽²⁾	328,128,000	46.47%
Master Genius	Interest in a controlled corporation ⁽²⁾	290,480,000	41.14%
Leading Glory	Beneficial interest ⁽²⁾⁽³⁾	290,480,000	41.14%
Gorgeous Horizon	Beneficial interest ⁽²⁾	37,648,000	5.33%
Success Tale	Interest in a controlled corporation ⁽²⁾	37,648,000	5.33%
Employee Trust Hong Kong	Trustee ⁽²⁾	37,648,000	5.33%
Ms. Liu	Founder of a discretionary trust ⁽⁴⁾	73,600,000	10.42%
Gold Pisces	Beneficiary of trust ⁽⁴⁾	73,600,000	10.42%
Beyond Vast	Interest in a controlled corporation ⁽⁴⁾	73,600,000	10.42%
Glesason Global	Beneficial interest ⁽⁴⁾	73,600,000	10.42%
Taurus Holding	Beneficial interest ⁽⁵⁾	97,320,000	13.78%
iQIYI, Inc.	Interest in a controlled corporation ⁽⁵⁾	97,320,000	13.78%
Baidu Holdings Limited	Interest in a controlled corporation ⁽⁵⁾	97,320,000	13.78%
Baidu, Inc.	Interest in a controlled corporation ⁽⁵⁾	97,320,000	13.78%
Li Yanhong	Interest in a controlled corporation ⁽⁵⁾	97,320,000	13.78%
Family Trust Singapore	Trustee ⁽²⁾	290,480,000	
	Trustee ⁽⁴⁾	73,600,000	
	Trustee ⁽⁶⁾	32,000,000	
		396,080,000	56.10%

Notes:

- (1) The percentage is for illustrative purpose only and is calculated based on the number of Shares in issue as of June 30, 2025, being 706,041,400 Shares.
- (2) Leading Glory is owned as to (i) 99% by Master Genius, the holding vehicle used by Family Trust Singapore, the trustee of the LXF Family Trust which is a discretionary trust established by Mr. Liu as the settlor and protector and Mr. Liu's wholly-owned holding company Master Sagittarius as the beneficiary; and (ii) 1% by Master Sagittarius which is wholly owned by Mr. Liu. Accordingly, each of Master Sagittarius, Master Genius and Mr. Liu is deemed to be interested in all the Shares held by Leading Glory.

Gorgeous Horizon, being the beneficial owner of the outstanding Pre-IPO Share Options, is wholly owned by Success Tale which is wholly owned by Employee Trust Hong Kong, the trustee of the Strawbear Employee Trust. The Strawbear Employee Trust is a discretionary trust established by Mr. Liu as the settlor and protector and Mr. Liu's wholly-owned holding company Master Sagittarius as the beneficiary. On May 12, 2022, May 12, 2023 and May 14, 2024, 1,882,400 Shares, 3,764,800 Shares and 5,647,200 Shares were issued to Gorgeous Horizon, respectively, upon the exercise of the Pre-IPO Share Options by Mr. Liu under the Pre-IPO Share Option Scheme. As of June 30, 2025, the number of Shares underlying the outstanding Pre-IPO Share Options held by Gorgeous Horizon is 26,353,600 Shares.

INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF THE PART XV OF THE SFO (CONT'D)

Notes: (cont'd)

- (3) Pursuant to the Voting Arrangement Agreements, Leading Glory is able to exercise voting rights entrusted from the other signing parties and is therefore deemed to be interested in the shareholding interest in the Company held by the other signing parties by virtue of the SFO. For further details, see “History, Reorganization and Corporate Development – Voting Arrangement and Lock-up Arrangements” in the Prospectus.
- (4) Glesason Global is owned as to (i) 99% by Beyond Vast, the holding vehicle used by Family Trust Singapore, the trustee of the LSS Family Trust which is a discretionary trust established by Ms. Liu as the settlor and protector and Ms. Liu’s wholly-owned holding company Gold Pisces as the beneficiary; and (ii) 1% by Gold Pisces which is wholly owned by Ms. Liu. Accordingly, each of Gold Pisces, Beyond Vast and Ms. Liu is deemed to be interested in all the Shares held by Glesason Global.
- (5) Taurus Holding is wholly owned by iQIYI, Inc., whose voting power is owned as to 91.80% by Baidu Holdings Limited, a wholly-owned subsidiary of Baidu, Inc. Baidu, Inc. is owned as to 56.50% by Li Yanhong. Therefore, each of iQIYI, Inc., Baidu Holdings Limited, Baidu, Inc. and Li Yanhong is deemed to be interested in the Shares directly held by Taurus Holding by virtue of the SFO.
- (6) Golden Basin is owned as to (i) 99% by Smart Century, the holding vehicle used by Family Trust Singapore, the trustee of the Gold Fish Trust which is a discretionary trust established by Ms. Zhai as the settlor and protector and Ms. Zhai’s wholly-owned holding company Gold Fish as the beneficiary; and (ii) 1% by Gold Fish which is wholly owned by Ms. Zhai. Accordingly, each of Smart Century, Gold Fish and Ms. Zhai is deemed to be interested in all the Shares held by Golden Basin.

Save as disclosed above, as of June 30, 2025, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PRE-IPO SHARE OPTION SCHEME

The Company approved and adopted the Pre-IPO Share Option Scheme on May 11, 2020 to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Pre-IPO Share Option Scheme shall be valid and effective for a period commencing on May 11, 2020 and ending on December 21, 2020, being the latest practicable date prior to the printing of the Prospectus for the purpose of ascertaining certain information contained in the Prospectus, after which no further options shall be offered or granted, but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme. For more details of the Pre-IPO Share Option Scheme, please refer to “D. Other Information – (1) Pre-IPO Share Option Scheme” of Appendix IV of the Prospectus of the Company and Note 22 to the financial statements.



PRE-IPO SHARE OPTION SCHEME (CONT'D)

On May 11, 2020, an aggregate of 37,648,000 Pre-IPO Share Options, representing approximately 5.68% of the total number of Shares in issue as of the Listing Date and approximately 5.33% of the total number of Shares in issue as of the date of this report, had been conditionally granted to Mr. Liu, the founder of the Company, an executive Director and the chief executive officer of the Company, to recognise his significant contribution to the Group.

Details of movements of Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme during the Reporting Period are set out below:

Name of grantee	Date of grant	Outstanding as of January 1, 2025	Exercise price (per Share)	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of June 30, 2025
Mr. Liu	May 11, 2020	26,353,600 ⁽¹⁾	US\$0.000025	— ⁽²⁾	—	—	26,353,600

Notes:

- (1) Subject to fulfillment or waiver of the conditions (if any) determined by the Board, the underlying Shares in respect of the Pre-IPO Share Options shall be vested in accordance with the vesting schedule set out below:

Vesting date	Maximum percentage of underlying Shares in respect of the Pre-IPO Share Options may be vested
May 12, 2022	5%
May 12, 2023	10%
May 12, 2024	15%
May 12, 2025	30%
May 12, 2026	40%

- (2) The exercise period of the Pre-IPO Share Options shall be within 10 years from May 11, 2020.

RSU SCHEMES

2021 RSU Scheme

On September 15, 2021, the Company adopted the 2021 RSU Scheme. The following is a summary of the principal terms of the 2021 RSU Scheme. For further details of the 2021 RSU Scheme, please refer to the announcement of the Company dated September 15, 2021.

Purpose

The purpose of the 2021 RSU Scheme 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.

Eligibility

Eligible Participants of the 2021 RSU Scheme include (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 the Committee or person(s) to which the Board has delegated its authority considers, in their sole discretion, have contributed or will contribute to the Group. No RSUs can be granted to any Excluded Person.

Duration

Subject to any early termination as may be determined by the Board, the 2021 RSU Scheme shall be valid and effective for a term of ten (10) years commencing from the date of adoption of the 2021 RSU Scheme (i.e. September 15, 2021), after which period no further RSUs shall be granted, but the 2021 RSU Scheme shall remain in full force and effect to the extent necessary to give effect to any RSUs granted prior to such expiry and the administration of the trust fund held by the Trustee pursuant to the trust deed.

The remaining life of the 2021 RSU Scheme is approximately 6.0 years.

Grant and acceptance

An offer to grant RSUs will be made to an Eligible Participant selected by the Board or the Committee by way of a Grant Letter, in such form as the Board or the Committee may determine. The Grant Letter will specify the name of the Selected Participant, the Grant Date, the number of RSUs to be granted, the vesting criteria and performance targets (if any), the vesting date and such other terms and conditions as the Board or the Committee may consider necessary.

Upon receipt of the Grant Letter, the Selected Participant shall confirm his/her acceptance of the grant by returning to the Company a notice of acceptance duly executed by him/her within five (5) business days after the Grant Date. Once accepted, the RSUs are deemed granted from the Grant Date.



RSU SCHEMES (CONT'D)

2021 RSU Scheme (cont'd)

Maximum number of underlying Shares

The total number of Shares underlying the RSUs which can be granted pursuant to the 2021 RSU Scheme (excluding RSUs that have lapsed or been cancelled in accordance with the terms of the 2021 RSU Scheme) shall not exceed 20,639,010 Shares, representing approximately 3.00% of the total number of Shares in issue as of the date of adoption of the 2021 RSU Scheme (i.e. September 15, 2021) and approximately 2.92% of the total number of Shares in issue as of the date of this report.

Vesting of RSUs

Subject to the terms of the 2021 RSU Scheme, the Board or the Committee or person(s) to which the Board delegated its authority may from time to time while the 2021 RSU Scheme is in force and subject to all applicable laws, determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the Selected Participant and/or the Company) for any grant of RSUs to any Selected Participant, which shall be stated in the Grant Letter.

Within a reasonable time after the vesting conditions (if any) and schedule have been fulfilled or waived, a vesting notice shall be sent to the relevant Selected Participant setting out, inter alias, (a) extent to which the vesting conditions (if any) and schedule have been fulfilled or waived; (b) the number of Shares the Selected Participants will receive; and (c) the lock-up arrangement or other restrictions for such Shares (if applicable).

Upon receipt of the vesting notice, the relevant Selected Participant (or his/her legal representative or lawful successor as the case may be) is required to return to the Company the reply slip attached to the vesting notice to confirm his/her securities account details for the purposes of effecting the transfer of the vested Shares to such Selected Participant or the nominee account by the Trustee.

The RSUs which have vested shall be satisfied within a reasonable period from the vesting date of such RSUs, either by: (a) the Board or the Committee or person(s) to which the Board delegated its authority directing and procuring the Trustee to transfer the Shares underlying the RSUs; and/or (b) the Board or the Committee or person(s) to which the Board delegated its authority directing and procuring the Trustee to sell, on-market at the prevailing market price, the number of Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale.

RSU SCHEMES (CONT'D)

2021 RSU Scheme (cont'd)

Details of the RSUs granted under the 2021 RSU Scheme

On November 4, 2021, the Board resolved to grant an aggregate of 16,780,000 RSUs, representing 16,780,000 underlying Shares, to 59 Selected Participants (including employees of the Company, senior management of subsidiaries of the Company and business partners of the Group) at nil consideration pursuant to the 2021 RSU Scheme, all of which were accepted by the Grantees. On April 19, 2022, the Board resolved to further grant an aggregate of 3,859,000 RSUs, representing 3,859,000 underlying Shares, to 6 Selected Participants, who are business partners of the Group, at nil consideration pursuant to the 2021 RSU Scheme, all of which were accepted by the Grantees. On December 20, 2023, the Board resolved to further grant an aggregate of 464,000 RSUs, representing 464,000 underlying Shares, to 1 Selected Participant, who is a top director and a business partner of the Group, at nil consideration pursuant to the 2021 RSU Scheme, all of which were accepted by the Grantee. For details, please refer to the announcements of the Company dated November 4, 2021, April 19, 2022 and December 20, 2023.

As of the date of this report, the number of Shares underlying the outstanding RSUs granted under the 2021 RSU Scheme is 5,073,336 Shares, representing approximately 0.72% of the total number of Shares in issue. The number of RSUs available for grant under the 2021 RSU Scheme was 2,123,009 as of January 1, 2025 (without taking into account the RSUs vested or lapsed on January 1, 2025) and 4,533,008 as of June 30, 2025, respectively.

Details of the outstanding RSUs granted pursuant to the 2021 RSU Scheme and the movements during the Reporting Period are set out below:

Name/category of Grantee	Date of grant ⁽¹⁾	Number of Shares underlying the RSUs as of the date of grant	Vesting date and condition	Closing price of the Shares immediately before the date on which the RSUs were granted	Number of Shares underlying the RSUs outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of Shares underlying the RSUs outstanding as of June 30, 2025
Service Providers	November 4, 2021	13,100,000	Note 5	HK\$2.47	7,700,000 ⁽²⁾	–	2,350,000 ⁽³⁾	1,550,000	–	3,800,000
	April 19, 2022	3,859,000	Note 6	HK\$4.03	2,559,668	–	426,333 ⁽⁴⁾	859,999	–	1,273,336



RSU SCHEMES (CONT'D)

2021 RSU Scheme (cont'd)

Details of the RSUs granted under the 2021 RSU Scheme (cont'd)

Notes:

- (1) All the RSUs were granted to the Grantees at nil consideration.
- (2) With respect to the RSUs granted to the Service Providers on November 4, 2021, (i) the number of Shares underlying such RSUs outstanding as of January 1, 2025 does not take into account the RSUs vested or lapsed on January 1, 2025; and (ii) the number of RSUs vested or lapsed during the Reporting Period includes the number of RSUs vested or lapsed on January 1, 2025.
- (3) The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested was HK\$0.51 per Share.
- (4) The closing price of the Shares immediately before the date on which the RSUs were vested was HK\$0.46 per Share.
- (5) 13,100,000 RSUs granted to the Service Providers on November 4, 2021 shall vest in the Grantees in accordance with the below vesting schedule:
 - i. 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, subject to satisfaction of the vesting condition that the profit of the company, for which the relevant Grantees were engaged as agents, remains at certain level;
 - ii. in relation to 3,000,000 RSUs granted: 25% of the RSUs shall vest on January 1, 2025, 25% of the RSUs shall vest on January 1, 2026, and 50% of the RSUs shall vest on January 1, 2027, respectively, subject to satisfaction of the vesting condition that the relevant Grantee procures top actors to participate in the production of drama series of the Company;
 - iii. in relation to 4,800,000 RSUs granted: one-third of the RSUs shall vest on January 1, 2023, January 1, 2024, and January 1, 2025, respectively, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates; and
 - iv. in relation to 4,500,000 RSUs granted: one-third of the RSUs shall vest on January 1, 2024, January 1, 2025, and January 1, 2026, respectively, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates.

RSU SCHEMES (CONT'D)

2021 RSU Scheme (cont'd)

Details of the RSUs granted under the 2021 RSU Scheme (cont'd)

Notes: (cont'd)

- (6) 3,859,000 RSUs granted to the Service Providers on April 19, 2022 shall vest in the Grantees in accordance with the below vesting schedule, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates:
- i. in relation to 759,000 RSUs granted: one-third of the RSUs shall vest on May 1, 2023, May 1, 2024, and May 1, 2025, respectively;
 - ii. in relation to 2,380,000 RSUs granted: one-third of the RSUs shall vest on May 1, 2024, May 1, 2025, and May 1, 2026, respectively;
 - iii. in relation to 720,000 RSUs granted: one-third of the RSUs shall vest on May 1, 2025, May 1, 2026, and May 1, 2027, respectively.
- (7) For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of RSUs, please refer to Note 22 to the financial statements in this report.

2022 RSU Scheme

On April 28, 2022, the Company adopted the 2022 RSU Scheme. The following is a summary of the principal terms of the 2022 RSU Scheme. For further details of the 2022 RSU Scheme, please refer to the announcement of the Company dated April 28, 2022.

On April 26, 2024, the Board resolved to amend the rules of the 2022 RSU Scheme such that future grant of RSUs under the 2022 RSU Scheme (i) will no longer be satisfied by new Shares allotted or issued to the Trustee by the Company under the general mandate sought or to be sought from the Shareholders in its general meeting from time to time, and (ii) will be only satisfied by the existing Shares to be acquired by the Trustee on the market (the “**Amendments**”). Save for the Amendments, all other terms of the 2022 RSU Scheme remain unchanged. As no new Shares will be issued under the amended 2022 RSU Scheme, the amended 2022 RSU Scheme will constitute a share scheme funded by existing Shares as referred to under Rule 17.01(1)(b) of the Listing Rules and shall be subject to the applicable requirements under Rule 17.12 of the Listing Rules. For details of the Amendments, please refer to the announcement of the Company dated April 26, 2024.

Purpose

The purpose of the 2022 RSU Scheme 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 significant business partners, who are scarce resources in the industry and play an important role in the business operations of the Group, to effectively motivate the business partners 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.



RSU SCHEMES (CONT'D)

2022 RSU Scheme (cont'd)

Eligibility

Eligible Participants of the 2022 RSU Scheme include (i) employees of the Company; (ii) senior management of subsidiaries of the Company; and (iii) business partners of the Group (including top artists such as directors, screenwriters, producers, etc.) who the Board or the Committee or person(s) to which the Board has delegated its authority considers, in their sole discretion, have contributed or will contribute to the Group. No RSUs will be granted to any Excluded Person.

Duration

Subject to any early termination as may be determined by the Board, the 2022 RSU Scheme shall be valid and effective for a term of ten (10) years commencing from the date of adoption of the 2022 RSU Scheme (i.e. April 28, 2022), after which period no further RSUs shall be granted, but the 2022 RSU Scheme shall remain in full force and effect to the extent necessary to give effect to any RSUs granted prior to such expiry and the administration of the trust fund held by the Trustee pursuant to the trust deed.

The remaining life of the 2022 RSU Scheme is approximately 6.6 years.

Grant and acceptance

An offer to grant RSUs will be made to an Eligible Participant selected by the Board or the Committee by way of a Grant Letter, in such form as the Board or the Committee may determine. The Grant Letter will specify the name of the Selected Participant, the Grant Date, the number of RSUs to be granted, the vesting criteria and performance targets (if any), the vesting date and such other terms and conditions as the Board or the Committee may consider necessary.

Upon receipt of the Grant Letter, the Selected Participant shall confirm his/her acceptance of the grant by returning to the Company a notice of acceptance duly executed by him/her within five (5) business days after the Grant Date. Once accepted, the RSUs are deemed granted from the Grant Date.

Maximum number of underlying Shares

The total number of Shares underlying the RSUs which can be granted pursuant to the 2022 RSU Scheme (excluding RSUs that have lapsed in accordance with the terms of the 2022 RSU Scheme) shall not exceed 20,842,410 Shares, representing 3.00% of the total number of Shares in issue as of the date of adoption of the 2022 RSU Scheme (i.e. April 28, 2022) and approximately 2.95% of the total number of Shares in issue as of the date of this report.

RSU SCHEMES (CONT'D)

2022 RSU Scheme (cont'd)

Vesting of RSUs

Subject to the terms of the 2022 RSU Scheme, the Board or the Committee or person(s) to which the Board delegated its authority may from time to time while the 2022 RSU Scheme is in force and subject to all applicable laws, determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the Selected Participant and/or the Company) for any grant of RSUs to any Selected Participant, which shall be stated in the Grant Letter.

Within a reasonable time after the vesting conditions (if any) and schedule have been fulfilled or waived, a vesting notice shall be sent to the relevant Selected Participant setting out, inter alias, (a) extent to which the vesting conditions (if any) and schedule have been fulfilled or waived; (b) the number of Shares the Selected Participants will receive; and (c) the lock-up arrangement or other restrictions for such Shares (if applicable).

Upon receipt of the vesting notice, the relevant Selected Participant (or his/her legal representative or lawful successor as the case may be) is required to return to the Company the reply slip attached to the vesting notice to confirm his/her securities account details for the purposes of effecting the transfer of the vested Shares to such Selected Participant or the nominee account by the Trustee.

The RSUs which have vested shall be satisfied within a reasonable period from the vesting date of such RSUs, either by: (a) the Board or the Committee or person(s) to which the Board delegated its authority directing and procuring the Trustee to transfer the Shares underlying the RSUs; and/or (b) the Board or the Committee or person(s) to which the Board delegated its authority directing and procuring the Trustee to sell, on-market at the prevailing market price, the number of Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale.

Details of the RSUs granted under the 2022 RSU Scheme

On April 28, 2022, the Board resolved to grant an aggregate of 6,141,000 RSUs, representing 6,141,000 underlying Shares, to 21 Selected Participants, who are employees of the Group, at nil consideration pursuant to the 2022 RSU Scheme, all of which were accepted by the Grantees. On November 14, 2022, the Board resolved to grant an aggregate of 310,000 RSUs, representing 310,000 underlying Shares, to 1 Selected Participant, who is a top screenwriter and a business partner of the Group, at nil consideration pursuant to the 2022 RSU Scheme, all of which were accepted by the Grantee. For details, please refer to the announcements of the Company dated April 28, 2022 and November 14, 2022.

As of the date of this report, the number of Shares underlying the outstanding RSUs granted under the 2022 RSU Scheme is 2,812,300 Shares, representing approximately 0.40% of the total number of Shares in issue. The number of RSUs available for grant under the 2022 RSU Scheme was 14,791,410 as of January 1, 2025 and 14,791,410 as of June 30, 2025, respectively.



RSU SCHEMES (CONT'D)

2022 RSU Scheme (cont'd)

Details of the RSUs granted under the 2022 RSU Scheme (cont'd)

Details of the outstanding RSUs granted pursuant to the 2022 RSU Scheme and the movements during the Reporting Period are set out below:

Name/category of Grantee	Date of grant ⁽¹⁾	Number of Shares underlying the RSUs as of the date of grant	Vesting date and condition	Closing price of the Shares immediately before the date on which the RSUs were granted	Number of Shares underlying the RSUs outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of Shares underlying the RSUs outstanding as of June 30, 2025
Employees	April 28, 2022	6,141,000	Note 2	HK\$3.90	2,812,300	–	–	–	–	2,812,300

Notes:

- (1) All the RSUs were granted to the Grantees at nil consideration.
- (2) 6,141,000 RSUs granted to the employees of the Group on April 28, 2022 shall vest in the Grantees in accordance with the below vesting schedule, subject to satisfaction of the vesting condition that the relevant Grantees remain Eligible Participants on the respective vesting dates:
 - i. in relation to 668,200 RSUs granted: the RSUs shall vest on May 20, 2022;
 - ii. in relation to 140,000 RSUs granted: the RSUs shall vest on November 11, 2022;
 - iii. in relation to 948,200 RSUs granted: the RSUs shall vest on November 11, 2023;
 - iv. in relation to 1,422,300 RSUs granted: the RSUs shall vest on November 11, 2024;
 - v. in relation to 1,562,300 RSUs granted: the RSUs shall vest on November 11, 2025;
 - vi. in relation to 700,000 RSUs granted: the RSUs shall vest on November 11, 2026; and
 - vii. in relation to 700,000 RSUs granted: the RSUs shall vest on November 11, 2027.
- (3) For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of RSUs, please refer to Note 22 to the financial statements in this report.

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) during the Reporting Period. The Company did not hold any treasury shares as of June 30, 2025.

EVENTS AFTER THE REPORTING PERIOD

On July 7, 2025, the Company (i) subscribed for a wealth management product in the amount of US\$2 million issued by BNP Paribas Issuance B.V. from Nomura Singapore Limited; (ii) subscribed for a wealth management product in the amount of US\$1.5 million issued by Barclays Bank PLC from Nomura Singapore Limited; and (iii) subscribed for a wealth management product in the amount of US\$1.5 million issued by UBS AG from Nomura Singapore Limited. The above-mentioned subscriptions of wealth management products are funded by surplus cash reserves of the Group. For details, please refer to the announcement of the Company dated July 7, 2025.

Save as disclosed above, there was no other significant event that might affect the Group occurred after the Reporting Period.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025



		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
REVENUE	5	445,700	846,947
Cost of sales		(382,758)	(704,023)
Gross profit		62,942	142,924
Other income and gains	5	4,112	3,929
Selling and distribution expenses		(30,725)	(22,386)
Administrative expenses		(32,830)	(39,578)
Reversal of impairment/(impairment) of financial assets, net		2,530	(33,075)
Other expenses		(569)	(3,690)
Finance costs	7	(7,406)	(6,807)
Share of profits and losses of:			
Joint ventures	12	76	63
Associates	13	(9)	(669)
(LOSS)/PROFIT BEFORE TAX	6	(1,879)	40,711
Income tax expense	8	(3,912)	(10,710)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(5,791)	30,001
Attributable to:			
Owners of the parent		(5,505)	29,883
Non-controlling interests		(286)	118
		(5,791)	30,001
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	10	(0.8) cents	4.4 cents
Diluted (RMB)	10	(0.8) cents	4.4 cents

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	11	3,638	4,627
Right-of-use assets		12,940	7,601
Goodwill		108,341	108,341
Other intangible assets		17,403	17,405
Investments in joint ventures	12	1,570	1,494
Investments in associates	13	5,811	6,070
Financial assets at fair value through profit or loss		28,595	10,876
Deferred tax assets		15,497	14,334
Total non-current assets		193,795	170,748
CURRENT ASSETS			
Inventories	14	1,236,336	1,233,034
Trade and notes receivables	15	428,963	647,816
Prepayments, other receivables and other assets	16	529,082	435,951
Financial assets at fair value through profit or loss		–	5,000
Pledged deposits	17	61,432	92,289
Cash and cash equivalents	17	139,791	79,326
Total current assets		2,395,604	2,493,416
CURRENT LIABILITIES			
Trade and notes payables	18	352,666	293,835
Other payables and accruals	19	201,838	318,819
Interest-bearing bank borrowings	20	227,115	283,300
Lease liabilities		4,877	4,604
Tax payable		3,041	966
Total current liabilities		789,537	901,524
NET CURRENT ASSETS		1,606,067	1,591,892
TOTAL ASSETS LESS CURRENT LIABILITIES		1,799,862	1,762,640

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2025



		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	20	32,000	–
Lease liabilities		6,710	1,915
Deferred tax liabilities		7,421	7,384
Total non-current liabilities		46,131	9,299
Net assets		1,753,731	1,753,341
EQUITY			
Equity attributable to owners of the parent			
Share capital	21	115	115
Treasury shares	21	(24,766)	(28,820)
Reserves		1,778,092	1,782,070
		1,753,441	1,753,365
Non-controlling interests		290	(24)
Total equity		1,753,731	1,753,341

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Treasury shares	Share award and option reserve	Retained profits	Total		
	RMB'000 (note 21)	RMB'000 (note 21)	RMB'000	RMB'000	RMB'000 (note 21)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	115	1,405,881	10,096	14,931	(28,820)	96,412	254,750	1,753,365	(24)	1,753,341
Total comprehensive income for the period	-	-	-	-	-	-	(5,505)	(5,505)	(286)	(5,791)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	600	600
Equity-settled share award and option arrangements	-	-	-	-	-	5,581	-	5,581	-	5,581
Transfer from retained earnings	-	-	-	180	-	-	(180)	-	-	-
Restricted shares units vested	-	(2,544)	-	-	4,054	(1,510)	-	-	-	-
At 30 June 2025 (unaudited)	115	1,403,337*	10,096*	15,111*	(24,766)	100,483*	249,065*	1,753,441	290	1,753,731

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Treasury shares	Share award and option reserve	Retained profits	Total		
	RMB'000 (note 21)	RMB'000 (note 21)	RMB'000	RMB'000	RMB'000 (note 21)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	114	1,395,081	10,096	14,931	(37,375)	98,785	256,874	1,738,506	812	1,739,318
Total comprehensive income for the period	-	-	-	-	-	-	29,883	29,883	118	30,001
Equity-settled share award and option arrangements	-	-	-	-	-	8,858	-	8,858	-	8,858
Share options vested	1	11,573	-	-	-	(11,573)	-	1	-	1
Restricted shares units vested	-	(1,538)	-	-	3,939	(2,401)	-	-	-	-
At 30 June 2024 (unaudited)	115	1,405,116	10,096	14,931	(33,436)	93,669	286,757	1,777,248	930	1,778,178

* These reserve accounts comprise the consolidated reserves of RMB1,778,092,000 in the unaudited interim condensed consolidated statement of financial position as at 30 June 2025.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025



		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(1,879)	40,711
Adjustments for:			
Depreciation of property, plant and equipment	11	1,009	935
Depreciation of right-of-use assets		3,059	2,435
Amortisation of other intangible assets		2	2
Interest income from loans receivable		(1,772)	(1,706)
Share of profits of joint ventures	12	(76)	(63)
Share of losses of associates	13	9	669
Finance costs	7	7,406	6,807
Changes in fair value of financial assets at fair value through profit or loss		281	–
Investment income from financial assets at fair value through profit or loss		(25)	–
Equity-settled share award and option expenses		5,353	7,857
Foreign exchange differences, net		214	–
Write-down of inventories to net realisable value		1,698	–
Impairment of other receivables, net	6	623	9,835
(Reversal of impairment)/impairment of trade receivables, net	6	(3,153)	23,240
		12,749	90,722
(Increase)/decrease in inventories		(4,710)	261,421
Decrease in restricted cash		–	5
Decrease/(increase) in trade and notes receivables		222,005	(346,015)
Increase in financial assets at fair value through profit or loss		(849)	(20,000)
Increase in prepayments, other receivables and other assets		(90,815)	(13,789)
Increase in trade and notes payables		56,957	15,862
Decrease in other payables and accruals		(117,769)	(7,780)
Increase in provision		–	3,267
Cash generated from/(used in) operations		77,568	(16,307)
Income tax refunded		117	5,552
Income tax paid		(3,395)	(1,773)
Net cash flows from/(used in) operating activities		74,290	(12,528)

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(23)	(1,709)
Disposal of a subsidiary	–	6,463
Disposal of an associate	8	–
Repayment of advances of loans to third parties	–	4,700
Placement of pledged time deposits	(30,963)	(29,799)
Withdrawal of pledged time deposits	61,820	–
Interest received from loans receivable	–	124
Purchases of financial assets at fair value through profit or loss	(18,000)	–
Proceeds from disposal of financial assets at fair value through profit or loss	5,025	–
Decrease in an amount due from a director	–	1,405
Net cash flows from/(used in) investing activities	17,867	(18,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling interests	600	–
Proceeds from exercise of share options	–	1
New bank loans	232,342	86,900
Repayment of bank loans	(255,900)	(96,000)
Interest paid	(5,190)	(6,104)
Principal portion of lease payments	(3,330)	(2,405)
Net cash flows used in financing activities	(31,478)	(17,608)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	60,679	(48,952)
Effect of foreign exchange rate changes, net	(214)	–
Cash and cash equivalents at beginning of period	79,326	154,389
CASH AND CASH EQUIVALENTS AT END OF PERIOD	139,791	105,437
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	139,791	105,437
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statement of financial position	139,791	105,437

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025



1. CORPORATE INFORMATION

Strawbear Entertainment Group (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 3 January 2018. The registered office 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 and Consolidated Affiliated Entities were principally involved in the investment, development, production, and distribution of film and episodic content (including drama series, micro-short series and other forms of episodic products).

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

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited interim condensed consolidated financial information have been prepared under the historical cost convention. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended HKFRS Accounting Standards are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. 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

During the period, the Group operated within one geographical segment because all of the Group's revenue was generated from customers located in Mainland China. All of the non-current assets of the Group were 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 period is set out below:

For the six months ended 30 June		
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Customer 1	311,746	699,241
Customer 2	59,180	N/A*

* 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 period.



5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue from contracts with customers	445,700	846,947

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Type of goods or services		
Licensing of the broadcasting rights of episodic content	385,937	846,932
Made-to-order episodic content production	59,228	–
Others	535	15
Total	445,700	846,947

Geographical markets

All of the Group's revenue was generated from customers located in Mainland China during the period.

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Timing of revenue recognition		
Goods transferred at a point in time	385,937	846,932
Services transferred over time	59,763	15
Total	445,700	846,947

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (cont'd)

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Government grants (<i>note</i>)	987	12
Bank interest income	1,195	1,330
Interest income from loans receivable	1,772	1,706
Investment income from financial assets at fair value through profit or loss	25	—
Others	133	881
Total	4,112	3,929

Note:

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.



6. PROFIT BEFORE TAX

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

For the six months ended 30 June			
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Cost of inventories sold		381,060	704,023
Depreciation of property, plant and equipment	11	1,009	935
Depreciation of right-of-use assets		3,059	2,435
Amortisation of other intangible assets		2	2
Government grants	5	(987)	(12)
Bank interest income	5	(1,195)	(1,330)
Interest income from loans receivable	5	(1,772)	(1,706)
Investment income from financial assets at fair value through profit or loss		(25)	–
Changes in fair value of financial assets at fair value through profit or loss		281	–
Lease payments not included in the measurement of lease liabilities		174	320
Auditor's remuneration		800	800
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		13,090	9,382
Equity-settled share award expense		1,045	1,886
Pension scheme contributions		1,424	1,104
Staff welfare expenses		163	355
Total		15,722	12,727
Foreign exchange differences, net		214	–
Impairment of financial assets, net:			
Impairment of trade receivables, net		(3,153)	23,240
Impairment of other receivables, net		623	9,835
Total		(2,530)	33,075
Write-down of inventories to net realisable value		1,698	–

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Interest on bank loans	4,362	6,130
Interest expense under the co-investment arrangements in episodic content	968	360
Interest on trade payables	1,874	–
Interest on discounted notes receivable	1	122
Interest on lease liabilities	201	195
Total	7,406	6,807

8. 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 subsidiaries 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% (2024: 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 period.

The subsidiary incorporated in the USA was subject to United States Federal and California income tax at rates of 21% and 8.84% (minimum annual tax of US\$800), respectively.

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 (2024: RMB3,000,000) are entitled to a preferential tax rate of 5% (2024: 5%) during the period.



8. INCOME TAX (CONT'D)

The major components of the income tax expense of the Group during the period are analysed as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Current – Mainland China		
Charge for the period	5,038	14,889
Deferred tax	(1,126)	(4,179)
Total tax charge for the period	3,912	10,710

9. DIVIDENDS

The board of directors has resolved not to recommend payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the period, 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 period.

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the period 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 outstanding during the period, as used in the basic (loss)/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.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONT'D)

The calculations of basic and diluted (loss)/earnings per share are based on:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(5,505)	29,883

	For the six months ended 30 June Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	692,940,114 [#]	683,817,921
Effect of dilution – weighted average number of ordinary shares:		
Restricted share units	N/A*	221,085
Share options	N/A*	–
Total	N/A*	684,039,006

[#] 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 amounts presented for the period ended 30 June 2025 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 amounts presented.

**11. PROPERTY, PLANT AND EQUIPMENT**

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Carrying amount at beginning of period/year	4,627	4,931
Additions	20	1,676
Depreciation provided during the period/year	(1,009)	(1,980)
Carrying amount at end of period/year	3,638	4,627

12. INVESTMENTS IN JOINT VENTURES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Share of net assets	1,570	1,494

The Group's balances and transactions with the joint ventures are disclosed in note 24 to the financial statements.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Share of the joint ventures' profits/(losses) for the period/year	76	(235)
Share of the joint ventures' total comprehensive income/(loss) for the period/year	76	(235)
Aggregate carrying amount of the Group's investments in joint ventures	1,570	1,494

The Group's shareholdings in the joint ventures are held through wholly-owned subsidiaries of the Company and the Consolidated Affiliated Entities.

13. INVESTMENTS IN ASSOCIATES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Share of net assets	5,811	6,070

13. INVESTMENTS IN ASSOCIATES (CONT'D)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Share of the associates' losses for the period/year	(9)	(748)
Share of the associates' total comprehensive loss for the period/year	(9)	(748)
Aggregate carrying amount of the Group's investments in associates	5,811	6,070

The Group's shareholdings in the associates all comprise equity shares held by wholly-owned subsidiaries of the Company and the Consolidated Affiliated Entities.

14. INVENTORIES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Raw materials	325,671	303,533
Work in progress	470,500	615,401
Finished goods	440,165	314,100
Total	1,236,336	1,233,034

15. TRADE AND NOTES RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables	445,922	679,852
Notes receivable	12,924	1,000
	458,846	680,852
Impairment	(29,883)	(33,036)
Net carrying amount	428,963	647,816

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.



15. TRADE AND NOTES RECEIVABLES (CONT'D)

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:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	55,680	41,409
3 to 6 months	184,262	124,549
6 to 12 months	103,682	440,316
1 to 2 years	61,003	39,746
2 to 3 years	11,412	796
Total	416,039	646,816

Included in the Group's trade and notes receivables were amounts due from the Group's related parties of RMB231,145,000 (31 December 2024: RMB434,745,000), 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 RMB200,500,000 (31 December 2024: RMB172,600,000), were pledged to secure the bank loans granted to the Group.

As at 30 June 2025, notes receivable of RMB12,924,000 (31 December 2024: nil) were measured at amortised cost.

As at 30 June 2025, the Group discounted certain notes receivable accepted by certain banks in Mainland China (the "**Discounted Notes**") with a carrying amount in aggregate of RMB1,000,000 (31 December 2024: RMB5,200,000). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Discounted Notes have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**").

15. TRADE AND NOTES RECEIVABLES (CONT'D)

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 RMB1,000,000 (31 December 2024: RMB5,200,000) as at 30 June 2025 (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 period, the Group recognised the interest expense on the discounted notes receivable amounting to RMB1,000 (six months ended 30 June 2024: RMB122,000).

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Prepayments	273,971	256,607
Prepayments under the co-investment arrangements	168,980	103,631
Loans receivable	62,626	60,854
Deductible input value-added tax	28,362	19,773
Deposits and other receivables	13,894	13,529
Prepaid income tax	12,223	11,908
Impairment allowance	560,056 (30,974)	466,302 (30,351)
Total	529,082	435,951

Included in the prepayments are prepayments to the Group's related parties of RMB2,233,000 (31 December 2024: RMB2,688,000).



17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash and bank balances	139,791	79,326
Time deposits	61,432	92,289
Subtotal	201,223	171,615
Less: Pledged time deposits: Pledged for short-term bank loans	61,432	92,289
Cash and cash equivalents	139,791	79,326
Denominated in:		
RMB	138,180	78,897
US\$	1,259	223
HK\$	352	206
Total cash and cash equivalents	139,791	79,326

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

18. TRADE AND NOTES PAYABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade payables	299,101	268,835
Notes payable	53,565	25,000
Total	352,666	293,835

18. TRADE AND NOTES PAYABLES (CONT'D)

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

	June 30 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	72,068	88,582
3 to 6 months	48,006	138,989
6 to 12 months	140,542	10,195
1 to 2 years	10,933	1,560
2 to 3 years	17,835	22,112
Over 3 years	9,717	7,397
Total	299,101	268,835

Included in the trade and notes payables were trade payables of RMB175,806,000 (31 December 2024: RMB192,663,000), 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.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contract liabilities	169,024	287,119
Other payables	13,494	12,199
Amount received under the co-investment arrangements without share of copyrights	11,919	10,951
Other tax payables	6,105	6,814
Payroll and welfare payable	1,296	1,736
Total	201,838	318,819

Included in contract liabilities and amount received under the co-investment arrangements without share of copyrights are advances received from the Group's related parties of RMB75,349,000 (31 December 2024: RMB168,250,000).

**20. INTEREST-BEARING BANK BORROWINGS**

	Effective interest rate (%)	Maturity	30 June 2025 (Unaudited) RMB'000
Current			
Bank loan – secured (<i>note (a)</i>)	3.40	2026	170,800
Bank loan – secured (<i>note (b)</i>)	2.65	2026	8,017
Bank loan – secured (<i>note (c)</i>)	2.80	2026	10,007
Bank loan – unsecured	3.00	2026	9,008
Bank loan – unsecured	2.70	2025	19,274
Bank loan – unsecured	3.30	2025	10,009
Total – current			227,115
Non-current			
Bank loan – secured (<i>note (b)</i>)	2.65	2027	32,000
Total			259,115

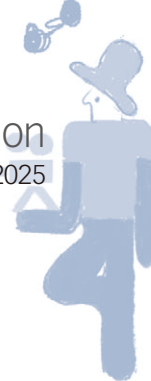
	Effective interest rate (%)	Maturity	31 December 2024 (Audited) RMB'000
Current			
Bank loan – secured (<i>note (a)</i>)	3.65	2025	198,571
Bank loan – secured (<i>note (b)</i>)	3.55	2025	28,063
Bank loan – secured (<i>note (c)</i>)	3.45	2025	10,061
Bank loan – unsecured	2.70	2025	19,544
Bank loan – unsecured	3.30	2025	10,023
Bank loan – unsecured	3.50	2025	10,023
Bank loan – unsecured	3.65	2025	7,015
Total			283,300

20. INTEREST-BEARING BANK BORROWINGS (CONT'D)

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	227,115	283,300
In the second year	32,000	–
Total	259,115	283,300

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 RMB58,300,000 (31 December 2024: RMB172,600,000) and RMB61,432,000 (31 December 2024: RMB92,289,000), respectively, and are guaranteed by the Company.
- (b) The Group's bank loans are secured by the pledge of certain of the Group's trade receivables amounting to RMB112,500,000 (31 December 2024: nil) and are guaranteed by the subsidiaries.
- (c) The Group's bank loans are secured by the pledge of certain of the Group's trade receivables amounting to RMB29,700,000 (31 December 2024: nil) and are guaranteed by the subsidiaries.

**21. SHARE CAPITAL**

	30 June 2025 (Unaudited) US\$'000	31 December 2024 (Audited) US\$'000
Authorised: 2,000,000,000 (31 December 2024: 2,000,000,000) ordinary shares of US\$0.000025 each	50	50
Issued and fully paid: 706,041,400 (31 December 2024: 706,041,400) ordinary shares of US\$0.000025 each	18	18

The movement in the Company's share capital during the period is as follows:

	Number of shares outstanding	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Total RMB'000
At 31 December 2024 and 1 January 2025	706,041,400	115	1,405,881	(28,820)	1,377,176
Restricted share units vested (note)	–	–	(2,544)	4,054	1,510
At 30 June 2025	706,041,400	115	1,403,337	(24,766)	1,378,686

Notes:

On 1 January 2025 and 1 May 2025, 2,350,000 and 426,333 restricted share units were vested, respectively. An amount of RMB1,510,000 was transferred from the share award and option reserve to share premium and treasury shares of RMB2,544,000 and RMB4,054,000, respectively, upon the vesting of restricted share units.

22. SHARE AWARD AND SHARE OPTION SCHEMES

(a) Pre-IPO Share Option Scheme

On 11 May 2020, the Company adopted the Pre-IPO Share Option Scheme. Following the adoption of the Pre-IPO Share Option Scheme, 37,648,000 Pre-IPO Share Options, representing approximately 8% equity interests in the Company, were granted to Mr. Liu Xiaofeng, an executive Director and the chief executive officer of the Company, to recognise his significant contribution to the Group. The Pre-IPO Share Options required no performance target except that Mr. Liu Xiaofeng remains as an employee of the Group during the vesting period.

The exercise price of the Pre-IPO Share Options is no less than its par value, which will be determined by the Board of Directors. 5% of the Pre-IPO Share Options are exercisable after 24 months from the date of the option scheme agreement; 10% of the Pre-IPO Share Options are exercisable after 36 months from the date of the share option scheme agreement; 15% of the Pre-IPO Share Options are exercisable after 48 months from the date of the option scheme agreement; 30% of the Pre-IPO Share Options are exercisable after 60 months from the date of the option scheme agreement and 40% of the Pre-IPO Share Options are exercisable after 72 months from the date of the option scheme agreement.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the period:

	Weighted average exercise price US\$ per share	Number of options
At 31 December 2024, 1 January 2025, and 30 June 2025	0.000025	26,353,600

The weighted average share price at the date of exercise for share options exercised during the period was US\$0.000025 per share.

The fair value of the Pre-IPO Share Options granted in 2020 was approximately RMB77,152,000, of which the Group recognised a share option expense of RMB4,308,000 during the period (six months ended 30 June 2024: RMB5,971,000).

The fair value of equity-settled share options granted in 2020 was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 26,353,600 share options outstanding under the Scheme, of which 11,294,400 share options were exercisable.



22. SHARE AWARD AND SHARE OPTION SCHEMES (CONT'D)

(b) 2021 Restricted Share Unit ("RSU") Scheme

On 15 September 2021, the Company has adopted the 2021 RSU Scheme to reward employees of the Group, senior management of subsidiaries of the Company, and business partners (including top artists such as directors, screenwriters, etc.) 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.

To facilitate the implementation and administration of the RSUs, the Company entered into the Trust Deed and appointed Futu Trustee Limited as the Trustee for the administration of the 2021 RSU Scheme pursuant to the Rules. The 2021 RSU Scheme shall be subject to the administration of the board of directors and the Trustee in accordance with the terms of the 2021 RSU Scheme and, where applicable, the Trust Deed.

The 2021 RSU Scheme shall be valid and effective for a term of ten years commencing from the date on which the board of directors adopted the 2021 RSU Scheme.

On 20 December 2023, the board of directors resolved to amend the vesting conditions of certain RSUs granted to employees and business partners under the 2021 RSU Scheme. The revised vesting schedule of the RSUs granted to the grantees under the 2021 RSU Scheme shall be as follows:

On 4 November 2021, 3,680,000 RSUs granted to the employees of the Group shall vest in accordance with the below vesting schedule, subject to satisfaction of the vesting condition that the relevant grantees remain Eligible Participants on the respective vesting dates:

- (i) in relation to 1,600,000 RSUs granted, the RSUs shall vest on 11 November 2021; and
- (ii) in relation to 2,080,000 RSUs granted, 20% of the RSUs shall vest on 11 November 2021, 20% of the RSUs shall vest on 11 November 2022, 30% of the RSUs shall vest on 11 November 2023, and 30% of the RSUs shall vest on 11 November 2024.

22. SHARE AWARD AND SHARE OPTION SCHEMES (CONT'D)

(b) 2021 Restricted Share Unit ("RSU") Scheme (cont'd)

On 4 November 2021, 13,100,000 RSUs granted to suppliers and employees of joint ventures shall vest in accordance with the below vesting schedule:

- (i) in relation to 4,800,000 RSUs granted: one-third of the RSUs shall vest on 1 January 2023, 1 January 2024 and 1 January 2025, respectively, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates;
- (ii) in relation to 4,500,000 RSUs granted: one-third of the RSUs shall vest on 1 January 2024, 1 January 2025 and 1 January 2026, respectively, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates;
- (iii) in relation to 800,000 RSUs granted: 25% of the RSUs shall vest on 25 January 2023, 25 January 2024, 25 January 2025 and 25 January 2026, respectively, subject to satisfaction of the vesting condition that the profit of the company, for which the relevant grantees were engaged as agents, remains at certain level; and
- (iv) in relation to 3,000,000 RSUs granted: 25% of the RSUs shall vest on 1 January 2025, 25% of the RSUs shall vest on 1 January 2026 and 50% of the RSUs shall vest on 1 January 2027, subject to the satisfaction of the vesting condition that the relevant Grantee procures top actors to participate in the production of drama series of the Company.

On 19 April 2022, 3,859,000 RSUs granted to suppliers shall vest in the Grantees in accordance with the below vesting schedule, subject to satisfaction of the vesting condition that certain drama series, for which the Grantees engaged by the Group to act as the screenwriter, producer or director shall be broadcast or start shooting by certain dates:

- (i) in relation to 759,000 RSUs granted, one-third of the RSUs shall vest on 1 May 2023, 1 May 2024 and 1 May 2025, respectively;
- (ii) in relation to 2,380,000 RSUs granted, one-third of the RSUs shall vest on 1 May 2024, 1 May 2025 and 1 May 2026, respectively; and
- (iii) in relation to 720,000 RSUs granted, one-third of the RSUs shall vest on 1 May 2025, 1 May 2026 and 1 May 2027, respectively.

On 20 December 2023, the Company granted an aggregate of 464,000 RSUs to a supplier at nil consideration pursuant to the 2021 RSU Scheme, all of which were accepted by the grantee. The grant of an aggregate of 464,000 RSUs to the grantee shall be satisfied by the 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 grantee. There are performance targets required.



22. SHARE AWARD AND SHARE OPTION SCHEMES (CONT'D)

(b) 2021 Restricted Share Unit ("RSU") Scheme (cont'd)

The following awarded shares were outstanding under the 2021 RSU Scheme during the year/period:

	Number of shares held for the 2021 RSU Scheme	Number of awarded shares
Outstanding at 1 January 2024	300,000	15,736,000
Forfeited	1,822,999	(1,822,999)
Vested during the year	–	(3,653,333)
Outstanding at 31 December 2024 and 1 January 2025	2,122,999	10,259,668
Forfeited	2,409,999	(2,409,999)
Vested during the period	–	(2,776,333)
Outstanding at 30 June 2025	4,532,998	5,073,336

The fair value of RSUs granted to suppliers, employees of the Group and employees of joint ventures under the 2021 RSU Scheme was estimated as at the date of receipt or grant by management based on the closing price of the Group's stock on the valuation base date, taking into account the effect of liquidity discounts during lock-up periods. The following table lists the inputs used:

	As at 30 June 2025	As at 31 December 2024
Liquidity discount	13%	13%

The fair value of the RSUs granted to suppliers during the period was RMB228,000 (RMB0.6366 to RMB1.1980 each) (six months ended 30 June 2024: RMB1,000,000 (RMB0.4123 to RMB1.7139 each)).

During the period, the Group recorded share-based compensation of RMB228,000 (six months ended 30 June 2024: RMB1,143,000), of which nil (six months ended 30 June 2024: RMB142,000) was recognised to profit or loss and RMB228,000 (six months ended 30 June 2024: RMB1,001,000) was recognised in inventories. No other feature of the RSUs granted was incorporated into the measurement of fair value.

22. SHARE AWARD AND SHARE OPTION SCHEMES (CONT'D)

(c) 2022 RSU Scheme

On 28 April 2022, the Company has adopted a 2022 RSU Scheme to reward employees of the Group, senior management of subsidiaries of the Company, and business partners (including top artists such as directors, screenwriters, producers and etc.) of the Group 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. The 2022 RSU Scheme will be maintained in parallel with the Pre-IPO Share Option Scheme, the 2021 RSU Scheme and such other share incentive schemes which may be adopted by the Company from time to time.

To facilitate the implementation and administration of the RSUs, the Company entered into the Trust Deed and appointed Futu Trustee Limited as the Trustee for the administration of the 2022 RSU Scheme pursuant to the Rules. The 2022 RSU Scheme shall be subject to the administration of the board of directors and the Trustee in accordance with the terms of the 2022 RSU Scheme and, where applicable, the Trust Deed.

The 2022 RSU Scheme shall be valid and effective for a term of ten years commencing from the date on which the board of directors adopted the 2022 RSU Scheme.

On 14 November 2022, the Company granted an aggregate of 310,000 RSUs, representing 310,000 underlying shares, to a supplier of the Group, at nil consideration pursuant to the 2022 RSU Scheme, all of which were accepted by the grantee. The grant of an aggregate of 310,000 RSUs to the grantees shall be satisfied by the 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. There are performance targets required.

The 310,000 RSUs granted to such supplier shall vest on 1 May 2023, subject to satisfaction of the vesting condition that certain drama series, for which the Grantee engaged by the Group to act as the screenwriter, shall be broadcast before 1 May 2023.

On 28 April 2022, 6,141,000 RSUs granted to the employees of the Group shall vest in accordance with the below vesting schedule, subject to satisfaction of the vesting condition that the relevant grantees remain Eligible Participants on the respective vesting dates:

- (i) in relation to the 2,800,000 RSUs granted, 5% of the RSUs shall vest on 11 November 2022, 10% of the RSUs shall vest on 11 November 2023, 15% of the RSUs shall vest on 11 November 2024, 20% of the RSUs shall vest on 11 November 2025, 25% of the RSUs shall vest on 11 November 2026, and 25% of the RSUs shall vest on 11 November 2027; and
- (ii) in relation to the 3,341,000 RSUs granted, 20% of the RSUs shall vest on 20 May 2022, 20% of the RSUs shall vest on 11 November 2023, 30% of the RSUs shall vest on 11 November 2024, and 30% of the RSUs shall vest on 11 November 2025.



22. SHARE AWARD AND SHARE OPTION SCHEMES (CONT'D)

(c) 2022 RSU Scheme (cont'd)

The following awarded shares were outstanding under the 2022 RSU Scheme during the year/period:

	Number of shares held for the 2022 RSU Scheme	Number of awarded shares
Outstanding at 1 January 2024	400,000	4,084,600
Vested during the year	–	(1,272,300)
Outstanding at 31 December 2024, 1 January 2025 and 30 June 2025	400,000	2,812,300

The fair value of RSUs granted to employees of the Group and a supplier in 2022 under the 2022 RSU Scheme estimated by management is based on the closing price of the Group's stock on the valuation base date.

During the period, the Group recognised a share-based compensation of RMB1,045,000 (six months ended 30 June 2024: RMB1,744,000) in profit or loss.

No other feature of the RSUs granted was incorporated into the measurement of fair value.

There are no cash settlement alternatives for the Pre-IPO Share Option Scheme, 2021 RSU Scheme and 2022 RSU Scheme. The Group does not have a past practice of cash settlement for these schemes. The Group accounts for these schemes as equity-settled plan.

Notes to Unaudited Interim Condensed Consolidated Financial Information

30 June 2025

23. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contracted, but not provided for: Episodic content	667,387	665,527

24. RELATED PARTY TRANSACTIONS

Details of the Company's related parties are as follows:

Company	Relationship with the Company
Wuxi Wuyi Culture Media Co., Ltd. ("Wuxi Wuyi")	An associate of the Group
Shanghai Paihaoxi Film Co., Ltd. ("Shanghai Paihaoxi")*	An associate of the Group
Xiangshan Xingyu Yinyue Culture Media Co., Ltd. ("Xingyu Yinyue")	A joint venture of the Group
Beijing iQIYI Technology Co., Ltd. ("Beijing iQIYI")	An entity controlled by a shareholder
Beijing QIYI Century Technology Co., Ltd. ("QIYI Century")	An entity controlled by a shareholder
Beijing Haikeyi Film and Television Co., Ltd. ("Beijing Haikeyi")	An associate of the Group
Shanghai iQIYI New Media Technology Co., Ltd. ("Shanghai iQIYI")	An entity controlled by a shareholder
Shanghai Shaoyin Music Entertainment Co., Ltd. ("Shanghai Shaoyin")	An entity controlled by shareholders
Chongqing New Navigation Film and Television Culture Co., Ltd. ("New Navigation")	An entity controlled by a shareholder

* Shanghai Paihaoxi was acquired by the Group from third parties and became a wholly-owned subsidiary of the Group since 29 November 2024.



24. RELATED PARTY TRANSACTIONS (CONT'D)

(a) The Group had the following transactions with related parties during the period:

		For the six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
Sales of goods to:			
Beijing iQIYI	(i)	226,463	245,283
Qiyi Century	(i)	85,283	453,958
Purchases of goods from:			
Beijing iQIYI	(ii)	69,734	139,539
Wuxi Wuyi	(ii)	725	3,889
Shanghai Paihaoxi	(ii)	—	41,582
New Navigation	(ii)	—	7,547
Shanghai Shaoyin	(ii)	—	1,038
Lease from:			
Shanghai iQIYI	(iii)	342	428
Interest expense under the co-investment in episodic content to:			
New Navigation	(iv)	968	—

Notes:

- (i) The sales to related parties were made according to the published prices and conditions offered to the major customers of the Group.
- (ii) The purchases from related parties were made according to the published prices and conditions offered by the related parties to their major customers.
- (iii) Leasing from related parties were made according to the published prices and conditions offered by the related parties to their major lessee.
- (iv) The amount received under the co-investment arrangements without share of copyrights from New Navigation is subject to a fixed interest amount, at a total consideration of RMB1,740,000, and is expected to be repayable within one year.

24. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Outstanding balances with related parties:

(i) Trade and notes receivables

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Beijing iQIYI	120,001	188,201
Qiyi Century	111,144	246,544
	231,145	434,745

(ii) Prepayments, other receivables and other assets

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Wuxi Wuyi	1,312	1,767
Beijing Haikeyi	717	717
Shanghai iQIYI	204	204
	2,233	2,688

(iii) Trade and notes payables

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Beijing iQIYI	175,806	191,063
Wuxi Wuyi	—	1,081
Shanghai Shaoyin	—	519
	175,806	192,663

**24. RELATED PARTY TRANSACTIONS (CONT'D)****(b) Outstanding balances with related parties: (cont'd)****(iv) Other payables and accruals**

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Beijing iQIYI	66,590	153,855
New Navigation	8,759	7,791
Qiyi Century	–	6,604
	75,349	168,250

(v) A lease liability

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Shanghai iQIYI	837	1,369

(vi) Due from a joint venture

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Xingyu Yinyue	31,028	31,028
Impairment	(31,028)	(31,028)
	–	–

24. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Outstanding balances with related parties: (cont'd)

(vi) Due from a joint venture (cont'd)

Considering the financial position and business situation of Xingyu Yinyue with its unclear future profitability, the loan to Xingyu Yinyue is unlikely to be repaid in the foreseeable future. Accordingly, the Group recognised a provision of RMB31,028,000 for the outstanding loan due from Xingyu Yinyue in 2022.

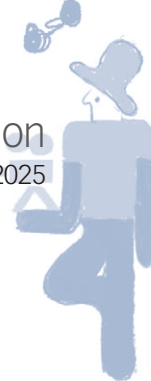
Except for the amount received under the co-investment arrangements without share of copyrights from New Navigation in note 24(a)(iv) above and the amount due from a joint venture as stated and the transactions detailed elsewhere in notes 15, 16, 18 and 19, the balances with related parties are unsecured, interest-free and repayable on demand.

Except for the balances with the New Navigation and a joint venture above, the balances with related parties are trade in nature.

The related party transactions in respect of sales of goods to Beijing iQIYI and Qiyi Century, and purchases of goods from Beijing iQIYI also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025	2024
	(Unaudited) RMB'000	(Unaudited) RMB'000
Fees	327	327
Salaries, allowances and benefits in kind	1,242	1,444
Equity-settled share award expense	4,308	5,971
Pension scheme contributions	54	67
Total compensation paid to key management personnel	5,931	7,809



25. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2025 (unaudited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Designated as such upon initial recognition RMB'000	RMB'000	RMB'000
Financial asset at fair value through profit or loss	28,595	–	28,595
Notes receivable	–	12,924	12,924
Trade receivables	–	416,039	416,039
Financial assets included in prepayments, other receivables and other assets	–	45,546	45,546
Pledged deposits	–	61,432	61,432
Cash and cash equivalents	–	139,791	139,791
Total	28,595	675,732	704,327

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and notes payables	352,666	352,666
Lease liabilities	11,587	11,587
Interest-bearing bank borrowings	259,115	259,115
Financial liabilities included in other payables and accruals	25,413	25,413
Total	648,781	648,781

25. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (cont'd)

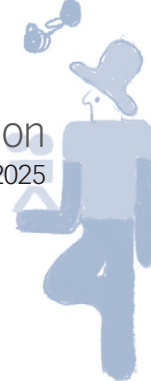
31 December 2024 (audited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	Designated as such upon initial recognition RMB'000	Assets at debt investments RMB'000	RMB'000	RMB'000
Financial asset at fair value through profit or loss	15,876	–	–	15,876
Notes receivable	–	1,000	–	1,000
Trade receivables	–	–	646,816	646,816
Financial assets included in prepayments, other receivables and other assets	–	–	44,032	44,032
Pledged deposits	–	–	92,289	92,289
Cash and cash equivalents	–	–	79,326	79,326
Total	15,876	1,000	862,463	879,339

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and notes payables	293,835	293,835
Lease liabilities	6,519	6,519
Interest-bearing bank borrowings	283,300	283,300
Financial liabilities included in other payables and accruals	23,150	23,150
Total	602,974	602,974



26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, amount due from a joint venture, trade and notes payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the financial assets at fair value through profit or loss have been estimated using discounted cash flow and net assets valuation technique.

The fair values of the notes receivable classified as financial assets at fair value through other comprehensive income under HKFRS 9 as at the end of reporting period have been calculated by discounting the expected future cash flows, which are the par values of the notes receivable. In addition, the notes receivable will mature within one year, and thus their fair values approximate to their carrying values.

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

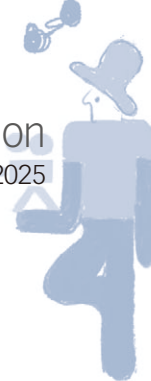
Below is a summary of significant unobservable inputs to the valuation of the investment measured at fair value using the discounted cash flow technique together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

As at 30 June 2025

	Valuation technique	Significant unobservable inputs	Range of inputs	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss of RMB28,595,000	Net assets value method	Net assets value	RMB28,595,000	1% increase/ (decrease) in net asset value would result in increase/ (decrease) in fair value by RMB285,950/ (RMB285,950)

As at 31 December 2024

	Valuation technique	Significant unobservable inputs	Range of inputs	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss of RMB10,876,000	Net assets value method	Net assets value	RMB10,876,000	1% increase/ (decrease) in net asset value would result in increase/ (decrease) in fair value by RMB108,760/ (RMB108,760)



26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	–	28,595	28,595

As at 31 December 2024 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Notes receivable	–	1,000	–	1,000
Financial assets at fair value through profit or loss	–	5,000	10,876	15,876
Total	–	6,000	10,876	16,876

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

27. EVENTS AFTER THE REPORTING PERIOD

On July 7, 2025, the Company (i) subscribed for a wealth management product in the amount of US\$2 million issued by BNP Paribas Issuance B.V. from Nomura Singapore Limited; (ii) subscribed for a wealth management product in the amount of US\$1.5 million issued by Barclays Bank PLC from Nomura Singapore Limited; and (iii) subscribed for a wealth management product in the amount of US\$1.5 million issued by UBS AG from Nomura Singapore Limited.

Save as disclosed above, there was no other event causing significant impact on the Group since 30 June 2025.



DEFINITIONS AND GLOSSARIES

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

"2021 RSU Scheme"	the restricted share unit scheme adopted by the Company on September 15, 2021, as amended from time to time
"2022 RSU Scheme"	the 2022 restricted share unit scheme adopted by the Company on April 28, 2022, as amended from time to time
"Audiovisual Works"	TV series, web series and films as specified in the Copyright Law of the PRC
"Audit Committee"	the audit committee of the Board
"Beijing Strawbear"	Beijing Strawbear Film Co., Ltd. (北京稻草熊影業有限公司), a limited liability company established in the PRC on September 2, 2019 and indirectly controlled by the Company through the Contractual Arrangements
"Beyond Vast"	BEYOND VAST LIMITED, a BVI business company incorporated under the laws of the BVI on August 12, 2020 and wholly owned by Family Trust Singapore, the trustee of the LSS Family Trust
"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 report
"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 report 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
"Committee"	a committee established and delegated with the power and authority by the Board to administer the RSU Schemes



"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
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, unless the context otherwise requires, refers to Mr. Liu, Master Sagittarius and Leading Glory
"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
"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
"Employee Trust Hong Kong"	Vistra Trust (Hong Kong) Limited, an Independent Third Party professional trust company established in Hong Kong
"Environmental, Social and Governance Committee"	the environmental, social and governance committee of the Board
"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 Schemes 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
"Family Trust Singapore"	Vistra Trust (Singapore) Pte. Limited, an Independent Third Party professional trust company established in Singapore



Definitions and Glossaries

“Glesason Global”	GLESASON GLOBAL LIMITED, a BVI business company incorporated under the laws of the BVI on May 5, 2020 and owned as to 99% by Beyond Vast and 1% by Gold Pisces
“Gold Fish”	Gold Fish Management Holding Limited, a BVI business company incorporated under the laws of the BVI on January 30, 2018 and wholly owned by Ms. Zhai
“Gold Fish Trust”	the discretionary trust established by Ms. Zhai as the settlor and the protector, with Family Trust Singapore as the trustee, details of which are set out in the section headed “History, Reorganization and Corporate Development” in the Prospectus
“Gold Pisces”	Gold Pisces Holding Limited, a BVI business company incorporated under the laws of the BVI on December 19, 2017 and wholly owned by Ms. Liu
“Golden Basin”	GOLDEN BASIN GLOBAL LIMITED, a BVI business company incorporated under the laws of the BVI on April 1, 2020 and owned as to 99% by Smart Century and 1% by Gold Fish
“Gorgeous Horizon”	GORGEOUS HORIZON LIMITED, a BVI business company incorporated under the laws of the BVI on August 28, 2020 and wholly owned by Success Tale
“Grant Date”	the date (which shall be a business day) on which the grant of a RSU is made to a Selected Participant, being the date of the Grant Letter
“Grantee(s)”	any Eligible Participant(s) who accepts or is deemed to have accepted a grant of RSUs in accordance with the terms of the RSU Schemes
“Grant Letter”	the letter pursuant to which RSUs are granted to a Selected Participant
“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
“HKFRS Accounting Standards”	HKFRS Accounting Standards, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations, as issued by the Hong Kong Institute of Certified Public Accountants
“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
"Independent Third Party(ies)"	an individual or a company which, to the best of the Director's knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
"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
"Leading Glory"	LEADING GLORY INVESTMENTS LIMITED, a BVI business company incorporated under the laws of the BVI on April 1, 2020 and owned as to 99% by Master Genius and 1% by Master Sagittarius, one of the Group's Controlling Shareholders
"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
"long-form series"	continuous horizontal screen series with a total of 20 to 40 episodes aired independently or in a single season, each episode lasting 30 to 45 minutes
"LSS Family Trust"	the discretionary trust established by Ms. Liu as the settlor and the protector, with Family Trust Singapore as the trustee
"LXF Family Trust"	the trust established by Mr. Liu as the settlor and the protector, with Family Trust Singapore as the trustee and Master Sagittarius as the beneficiary



Definitions and Glossaries

“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
“Master Genius”	MASTER GENIUS GLOBAL LIMITED, a BVI business company incorporated under the laws of the BVI on August 28, 2020 and wholly owned by Family Trust Singapore, the trustee of the LXF Family Trust
“Master Sagittarius”	Master Sagittarius Holding Limited, a BVI business company incorporated under the laws of the BVI on December 18, 2017 and wholly owned by Mr. Liu, one of the Group’s Controlling Shareholders
“micro-short series”	a series of episodes, each episode registered lasting time is no more than 20 minutes, with relatively clear themes and main storylines, as well as continuous and complete plots
“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
“Ms. Liu”	Ms. Liu Shishi (劉詩施), one of the Group’s substantial Shareholders and one of the registered shareholders of Jiangsu Strawbear
“Ms. Zhai”	Ms. Zhai Fang (翟芳), an executive Director, the chief operating officer of the Company and one of the registered shareholders of Jiangsu Strawbear
“Ms. Zhao”	Ms. Zhao Liying (趙麗穎), one of the Group’s 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



"Pre-IPO Share Options"	the share options granted under the Pre-IPO Share Option Scheme
"Prospectus"	the prospectus of the Company published on December 31, 2020
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six-month period from January 1, 2025 to June 30, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"RSU(s)"	restricted share unit(s) granted under the RSU Schemes, 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(s)"	2021 RSU Scheme and/or 2022 RSU Scheme
"Selected Participant(s)"	any Eligible Participant approved by the Board for participation in the RSU Schemes on the relevant Grant Date
"Service Provider(s)"	any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"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
"short-form series"	continuous horizontal screen series with a total of 2 to 19 episodes aired independently or in a single season, each episode lasting 30 to 45 minutes
"Smart Century"	SMART CENTURY VENTURES LIMITED, a BVI business company incorporated under the laws of the BVI on June 24, 2020 and wholly owned by Family Trust Singapore, the trustee of the Gold Fish Trust



Definitions and Glossaries

“Success Tale”	SUCCESS TALE ENTERPRISES LIMITED, a BVI business company incorporated under the laws of the BVI on August 28, 2020 and wholly owned by Employee Trust Hong Kong, the trustee of the Strawbear Employee Trust
“Taurus Holding”	Taurus Holding Ltd., a BVI business company incorporated under the laws of the BVI on November 28, 2018, one of the Group’s substantial shareholders
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Trustee(s)”	the trustee (which is independent of and not connected with the Company) appointed by the Company for the administration of the RSU Scheme(s), which initially will be Futu Trustee Limited
“TV”	television
“TV series”	a series of scripted episodes that needs to obtain a distribution license 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
“Voting Arrangement Agreements”	the agreement and supplemental agreement thereof dated November 1, 2018 entered into by, among others, Mr. Liu, Ms. Liu, Ms. Zhai, Ms. Zhao, Ms. Zhang Qiuchen and their respective wholly-owned holding companies (where applicable) regarding certain arrangements for the voting rights in the members of the Group, details of which are set out in “History, Reorganization and Corporate Development – Voting Arrangement and Lock-up Arrangements” in the Prospectus
“web series”	a series of scripted episodes which can only be broadcast on new media channels such as online video platforms

In this report, 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.