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柠萌影视

Linmon Media Limited

檸萌影視傳媒有限公司

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 9857)

**ANNOUNCEMENT
CHANGE IN USE OF
NET PROCEEDS FROM THE GLOBAL OFFERING**

References are made to the prospectus of Linmon Media Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated 29 July 2022 (the “**Prospectus**”) in relation to the listing of the Company’s shares (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited, which set out the intended use of the net proceeds from the global offering (the “**Net Proceeds**”), as well as the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023, in which the use of the Net Proceeds up to 31 December 2022 was disclosed. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

CHANGE IN USE OF NET PROCEEDS

The Company was listed on 10 August 2022. After deducting the underwriting fees and expenses payable by the Company in connection with the global offering, the Net Proceeds from the Listing of the Company amounted to approximately HK\$311.8 million.

For the reasons set out in the section headed “REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS” below, the board of directors of the Company (the “**Board**”) has resolved to re-allocate part of the unutilised Net Proceeds of approximately HK\$102.0 million (representing approximately 32.7% of the Net Proceeds) for original drama series production. In specifically, the amount of approximately HK\$102.0 million originally intended to be used for funding the production of the original drama series “A Little Reunion 2” (小歡喜2), “Palace of Chen” (宸宮), “Forty is Just Right” (四十正好), “The Small Mansion Gate” (小宅門) and “In the Moonlight” (月明千里) will be re-allocated to fund the production of the original drama series “In Between” (半熟男女) and “My Boss” (你也有今天). Details of the revised allocation of the Net Proceeds are set out as below:

	Initial allocation of the Net Proceeds	Utilised amount of the Net Proceeds as at the date of this announcement	Unutilised amount of the Net Proceeds as at the date of this announcement	Revised allocation of the unutilised Net Proceeds	Expected timeline for the use of the unutilised Net Proceeds
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Drama series production and promotion					
– Original drama series production					
“New Heart” (赤子之心)	20.0	20.0	0	N/A	N/A
“A Journey to Love” (一念關山)	18.3	18.3	0	N/A	N/A
“A Little Reunion 2” (小歡喜2)	23.2	0	23.2	N/A	N/A
“Palace of Chen” (宸宮)	18.0	0	18.0	N/A	N/A
“Forty is Just Right” (四十正好)	24.5	0	24.5	N/A	N/A
“The Small Mansion Gate” (小宅門)	18.0	0	18.0	N/A	N/A
“In the Moonlight” (月明千里)	18.3	0	18.3	N/A	N/A
“In Between” (半熟男女)	N/A	N/A	N/A	51.0	By the end of 2023
“My Boss” (你也有今天)	N/A	N/A	N/A	51.0	By the end of 2023
Total	140.3	38.3	102.0	102.0	

The table below sets forth the details of the original drama series “In Between” (半熟男女) and “My Boss” (你也有今天):

No.	Name of the drama series	Business nature	Genre	Status as at the date of this announcement
1	“In Between” (半熟男女)	Original drama series	Modern	Under filming
2	“My Boss” (你也有今天)	Original drama series	Modern	Under filming

Save for the aforementioned changes, there are no other changes in the use of the Net Proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS

The proposed use of the Net Proceeds as disclosed in the Prospectus was based on the best estimation made by the Group in relation to the then future market conditions as at the Latest Practicable Date of the Prospectus, while the application of the Net Proceeds shall be adjusted in accordance with the actual development of the market from time to time.

As disclosed in the Prospectus, approximately 50% of the Net Proceeds would be allocated to the production, distribution and promotion of our original drama series. Since the Listing of the Group, the original drama series “New Heart” (赤子之心) and “A Journey to Love” (一念關山) were under post-production and had been presold according to filming schedules and production plans. Considering that the original drama series including “A Little Reunion 2” (小歡喜2), “Palace of Chen” (宸宮), “Forty is Just Right” (四十正好), “The Small Mansion Gate” (小宅門) and “In the Moonlight” (月明千里) are currently still in the early development or preparation stage, and the conditions required for shooting and production have not been met, while the original drama series “In Between” (半熟男女) and “My Boss” (你也有今天) have commenced shooting and are under production, in light of the ever-changing market conditions, the Group intends to re-allocate the Net Proceeds proposed for the production of the original drama series according to the Company’s current production plan of drama series, so as to enhance the efficiency of the use of the Net Proceeds.

The Group plans to fund the remaining amounts required for the investment and production of the original drama series “In Between” (半熟男女) and “My Boss” (你也有今天) through its own working capital as well as bank and other borrowings. With respect to the original drama series “A Little Reunion 2” (小歡喜2), “Palace of Chen” (宸宮), “Forty is Just Right” (四十正好), “The Small Mansion Gate” (小宅門) and “In the Moonlight” (月明千里), the Group will directly use its own working capital as well as bank and other borrowings for production upon completion of the relevant preparation work, thus the production and development of these drama series will not be affected by the change in the use of the Net Proceeds.

The Board believes that the use of the Net Proceeds shall be appropriately flexible and adjusted according to the ever-changing market conditions and industry environment. The Board confirms that the re-allocation of the Net Proceeds as set out above will not cause material change in the nature of business of the Group as set out in the Prospectus, nor will have any material adverse impact on the operations of the Group. The Board considers that such re-allocation of the Net Proceeds will facilitate an effective use of the financial resources of the Group, strengthen the future development of the Group and is therefore in the best interests of the Company and its shareholders as a whole.

The Group will continuously assess the plans for the use of the Net Proceeds, and may revise or amend such plans where necessary to respond to the ever-changing market conditions and strive for better business performance of the Group.

By order of the Board
Linmon Media Limited
Su Xiao
Chairman

Beijing, the PRC
21 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Su Xiao, Ms. Chen Fei, Ms. Xu Xiao'ou and Mr. Zhou Yuan; the non-executive directors of the Company are Mr. Sun Zhonghuai and Mr. Zhang Rong; and the independent non-executive directors of the Company are Ms. Long Yu, Mr. Jiang Changjian and Ms. Tang Songlian.