

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS

REVISION OF THE ANNUAL CAPS OF LITERATURE WORK COPYRIGHT PURCHASE FRAMEWORK AGREEMENT

Reference is made to the announcement of Linmon Media Limited (the “**Company**”) dated 2 September 2022, in relation to, among other things, the Literature Work Copyright Purchase Framework Agreement with Jinjiang Original (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

LITERATURE WORK COPYRIGHT PURCHASE FRAMEWORK AGREEMENT

The Company entered into the Literature Work Copyright Purchase Framework Agreement with Jinjiang Original on 2 September 2022, which is effective from 2 September 2022 to 31 August 2024. Pursuant to the Literature Work Copyright Purchase Framework Agreement, the Group agreed to purchase the copyright of the literature works from Jinjiang Original and/or Jinjiang Members and associates, who agreed to, as the copyright owner, legal right owner or legal agent of the literature works, grant to the Group all or part of the adaptation rights of the literature works (including the adaptation rights of live-action drama series, animation adaptation rights and game adaptation rights) for the production, promotion and distribution of drama series and other commercial works (including animations and games), and both parties may cooperate in the development of physical peripheral derivatives for the drama series produced. The Group will pay copyright licensing fees to Jinjiang Original and/or Jinjiang Members and associates for the development and production of drama series, animation games and other commercial works with respect to the licensed literature works.

EXISTING ANNUAL CAPS AND THE ACTUAL TRANSACTION AMOUNTS

The existing annual caps (the “**Existing Annual Caps**”) under the Literature Work Copyright Purchase Framework Agreement are set out below:

	For the period from 2 September 2022 to 31 December 2022 (RMB'000)	For the year from 1 January 2023 to 31 December 2023 (RMB'000)	For the period from 1 January 2024 to 31 August 2024 (RMB'000)
Copyright licensing fees payable by the Group to Jinjiang Original and/or Jinjiang Members and associates	40,000	40,000	30,000

For the period from 2 September 2022 to 31 December 2022, the Company and Jinjiang Original and Jinjiang Members and associates did not incur any historical transaction amount under the Literature Work Copyright Purchase Framework Agreement. For the period from 1 January 2023 to the date of this announcement, a total historical transaction amount of RMB5,279,094.36 was incurred under the Literature Work Copyright Purchase Framework Agreement.

REVISED ANNUAL CAPS AND BASIS FOR DETERMINING THE REVISED ANNUAL CAPS

Considering the Company’s strategic adjustment on the purchase of literature works, the expansion of purchasing channels and the increase in the proportion of producing drama series based on its own original works, the Board resolved to revise the annual caps for the year ending 31 December 2023 and the period from 1 January 2024 to 31 August 2024 under the Literature Work Copyright Purchase Framework Agreement (the “**Revised Annual Caps**”) on 9 August 2023, details of which are set out below:

	For the year ending 31 December 2023 (RMB'000)	For the period from 1 January 2024 to 31 August 2024 (RMB'000)
Copyright licensing fees payable by the Group to Jinjiang Original and/or Jinjiang Members and associates	17,000	27,000

The Revised Annual Caps are determined based on the Group’s latest strategy on the purchase of literature works and business arrangement, the expected number and price of cooperation copyrights between the Group and Jinjiang Original, the validity period of the relevant copyrights, and the popularity and commercial potential of the literature works and their authors.

Save as the above Revised Annual Caps, other terms under the Literature Work Copyright Purchase Framework Agreement remain unchanged. For more details of the Literature Work Copyright Purchase Framework Agreement, please refer to the Announcement.

REASONS FOR AND BENEFITS OF REVISING THE EXISTING ANNUAL CAPS

The Company believes that certain premium IP resources of Jinjiang Original have great commercial potential so that the cooperation with Jinjiang Original will help the Company obtain and utilise premium IP resources to develop more premium drama series, thereby further enhancing the Company's revenue and Shareholders' interests. Also, considering the Company's strategic adjustment on the purchase of literature works, expansion of purchasing channels and the increase in the proportion of producing drama series based on its own original works, the Company made some adjustments to the annual caps under the Literature Work Copyright Purchase Framework Agreement in view of its actual business needs.

OPINIONS OF THE BOARD

Directors (including the independent non-executive Directors) are of the view that the revision of annual caps of the Literature Work Copyright Purchase Framework Agreement is fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company. As Mr. Sun Zhonghuai, a non-executive Director, holds a senior management position in Tencent, he abstained from voting on the relevant Board resolution revising annual caps of the Literature Work Copyright Purchase Framework Agreement. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Literature Work Copyright Purchase Framework Agreement and is required to abstain from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent Mobility, a wholly-owned subsidiary of Tencent, is a substantial Shareholder of the Company holding approximately 18.95% interest in the Company. As Tencent is the controlling shareholder of China Literature, which in turn holds 50% interest in Jinjiang Original, Jinjiang Original constitutes a connected person of the Company under Rules 14A.07 and 14A.13 of the Listing Rules and the transactions contemplated under the Literature Work Copyright Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Revised Annual Caps, as the applicable percentage ratios calculated pursuant to Chapter 14A of the Listing Rules in respect of the highest annual cap for the copyright licensing fees payable by the Group to Jinjiang Original and/or Jinjiang Members and associates exceed 0.1% but are less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Group

The Group is a PRC drama series company with an abundant reserve of original IPs focusing on creating high-ratings drama series. The Group is committed to the full value chain operation of drama series, including investment, production, distribution, promotion and derivatives licensing.

Jinjiang Original

Jinjiang Original is a service company that provides an interactive communication and creation platform for literature creators and publishers, and owns various excellent IP resources. Jinjiang Wenxuecheng (晉江文學城) owned and operated by Jinjiang Original is one of the most influential female-oriented original literature websites in Mainland China. Its main businesses include the creation of drama series, games and other copyrights, electronic copyright business, overseas copyright cooperation and physical publication business.

On behalf of the Board
Linmon Media Limited
Su Xiao
Chairman

Beijing, PRC
9 August 2023

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