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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Linmon Media Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



中毅資本有限公司

Grand Moore Capital Limited

A notice convening the EGM of the Company to be held at Building No. B2, Universal Business Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Friday, 25 April 2025 at 2:00 p.m. is set out on pages 15 to 16 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.linmon.cn). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:00 p.m. on Wednesday, 23 April 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM (or any adjournment thereof) if they so wish.

2 April 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
1. Introduction	4
2. Renewal of Continuing Connected Transactions	5
3. Closure of Register of Members	13
4. Notice of Extraordinary General Meeting	13
5. Form of Proxy	14
6. Voting by Poll	14
7. Recommendation	14
 Letter from the Independent Board Committee	 15
 Letter from Grand Moore	 17
 Appendix General Information	 38
 Notice of Extraordinary General Meeting	 45

DEFINITIONS

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

“2025 Drama Series and Movies Copyrights Licensing Framework Agreement”	the 2025 drama series and movies copyrights licensing framework agreement dated 30 December 2024 entered into between the Company and Tencent Computer (for itself and the Represented Tencent Group)
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Linmon Media Limited (檸萌影視傳媒有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 10 June 2021, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9857)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Drama Series and Movies Copyrights Licensing Framework Agreement”	the drama series and movies copyrights licensing framework agreement dated 21 July 2022 entered into between the Company and Tencent Computer (for itself and the Represented Tencent Group)
“EGM”	the extraordinary general meeting of the Company to be held at Building No. B2, Universal Business Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Friday, 25 April 2025 at 2:00 p.m., or any adjournment thereof
“Grand Moore” or “Independent Financial Adviser”	Grand Moore Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including the annual caps)
“Group”, “we” or “us”	the Company, its subsidiaries and the consolidated affiliated entities

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Ms. Long Yu, Mr. Jiang Changjian and Ms. Tang Songlian, to advise the Independent Shareholders on the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps
“Independent Shareholders”	the Shareholders who are not required by the Listing Rules to abstain from voting at the EGM on the relevant resolution to approve the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as well as its proposed annual caps
“Latest Practicable Date”	27 March 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Tencent”	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700)
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited, a company established in the PRC and a wholly-owned subsidiary of Tencent

DEFINITIONS

“Tencent Group”	Tencent and its subsidiaries
“Tencent Mobility”	Tencent Mobility Limited, a private company limited by shares incorporated in Hong Kong, which holds approximately 18.94% interest in the Company and is a wholly-owned subsidiary of Tencent
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Su Xiao (*Chairman*)
Ms. Chen Fei
Ms. Xu Xiao'ou

Non-executive Directors:

Ms. Wang Juan
Mr. Zhang Rong

Independent Non-executive Directors:

Ms. Long Yu
Mr. Jiang Changjian
Ms. Tang Songlian

Registered office:

Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311
Grand Cayman KY1-1209
Cayman Islands

***Head office and principal place of
business in China:***

31/F, Suhe Centre
No. 99 North Shanxi Road
Jing'an District
Shanghai
PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

2 April 2025

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 30 December 2024 in relation to, among others, the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement entered into by the Company and Tencent Computer.

LETTER FROM THE BOARD

The purpose of this circular is to give you the notice of the EGM and to provide you with information regarding the resolution to be proposed at the EGM, including (i) the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as well as its proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the aforesaid matters; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the aforesaid matters; and (iv) a notice of the EGM.

2. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

2025 Drama Series and Movies Copyrights Licensing Framework Agreement

Date

30 December 2024

Parties

The Company; and

Tencent Computer

Principal terms

The Company entered into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement with Tencent Computer (for itself and on behalf of the group members of Tencent Group, excluding China Literature Limited, Tencent Music Entertainment Group and their subsidiaries (the “**Represented Tencent Group**”)), pursuant to which the Company shall license the online broadcasting rights and distribution rights of our original drama series and movies to the Represented Tencent Group, and the Represented Tencent Group shall pay licensing fees to the Company. Separate underlying agreements will be entered into between the parties to set out the detailed terms, including details of the drama series and movies, term of license, scope of license and exclusivity, broadcasting schedule, licensing fee and milestone payment schedules, based on the principles and within the parameters provided under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement.

Term

For the period from 1 January 2025 to 31 December 2027.

Pricing policy

The licensing fees that the Group charges the Represented Tencent Group shall be determined after arm’s-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including the overall market conditions and trends, the total investment amount, the scope of license and exclusivity, the broadcasting schedules, the theme, the expected popularity

LETTER FROM THE BOARD

and target audience base of the drama series and movies, as well as our target profit margin. However, given that each of the drama series and movies has its unique features and the above factors are not generic in nature, which highlights the versatility and distinctiveness of each drama series, there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the movies, which will be subject to arm's-length negotiations between the relevant parties. In general: (i) if the drama series and movies are expected to enjoy relatively high popularity (including the popularity of the main personnel such as the directors, scriptwriters, main actors and actresses, etc.) with a wide target audience base, such drama series and movies will be priced relatively high; (ii) if the total investment amount of the drama series and movies is relatively high, such drama series and movies will be priced relatively high; and (iii) the licensing fees of the first-run broadcasting rights are generally higher than those of the re-run broadcasting rights, which is mainly because that the first-run broadcasting usually attracts greater audience attention and discussion as compared to re-run broadcasting. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Company. If our drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus a tiered royalty calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance.

In order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the Company will, at the early stage of production of drama series and movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku, and Mango TV) about the status of the project, and approach at least two independent third-party video platform companies to gain their purchasing intentions for the project; after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified, further communications will be conducted between the Company and the interested video platform company(ies) to determine the purchase intention and contract price; and the details such as the video platform(s) and the licensing fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Company will consider the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (including the directors, scriptwriters, main actors and actresses, etc.), and take into consideration the broadcasting results of this product on various video platforms based on the features of each video platform (such as the major audience base of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Company.

LETTER FROM THE BOARD

Historical annual caps and historical amounts

The annual caps for the Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ending 31 December 2024 are set out below:

	Proposed annual caps for the year ending		
	31 December		
	2022	2023	2024
	<i>(RMB in</i>	<i>(RMB in</i>	<i>(RMB in</i>
	<i>thousands)</i>	<i>thousands)</i>	<i>thousands)</i>
Revenue to be generated by the Group from licensing drama series and movies to the Represented Tencent Group	432,500	1,273,600	1,322,700

For the three years ended 31 December 2024, the historical amounts of revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group are set out below:

	For the year ended		
	31 December		
	2022	2023	2024
	<i>(RMB in</i>	<i>(RMB in</i>	<i>(RMB in</i>
	<i>thousands)</i>	<i>thousands)</i>	<i>thousands)</i>
Revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group	78,032	703,379	85,869

Note: For the three years ended 31 December 2024, the relatively low utilisation rate of the annual caps under the Drama Series and Movies Copyrights Licensing Framework Agreement was due to the combined impacts of the outbreak of Covid-19 during the relevant period and the slower-than-expected development progress, thus the broadcasting progress of the drama series on the video platform(s) was behind the original schedule.

LETTER FROM THE BOARD

Annual caps and basis for determining the annual caps

The proposed annual caps for the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ending 31 December 2027 are set out below:

	Proposed annual caps for the year ending		
	31 December		
	2025	2026	2027
	(RMB in thousands)	(RMB in thousands)	(RMB in thousands)
Revenue to be generated by the Group from licensing drama series and movies to the Represented Tencent Group	911,000	1,343,000	1,307,000

When estimating the annual caps, the Directors have taken into consideration the following factors, including: (i) the revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group for the two years ended 31 December 2023 and the nine months ended 30 September 2024; (ii) the unperformed contractual amounts under the existing agreement and the amounts of the new agreement proposed to be entered into; (iii) the estimated number of our original drama series and movies to be licensed by the Company to the Represented Tencent Group in the next three years; (iv) the estimated number of episodes of each of our pipeline drama series for copyrights licensing to the Represented Tencent Group; and (v) the estimated rating of our pipeline drama series and movies for copyrights licensing to the Represented Tencent Group and the corresponding prevailing market price range per episode of the drama series and the movies.

The proposed annual caps for each year under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are arrived based on the sum of the following: (i) licensing fee income from the drama series and movies for which licensing contracts have been entered into with Represented Tencent Group for the respective years, including the contracted licensing of two drama series for each year of 2025 and 2026; and (ii) licensing fee income from the drama series and movies for which licensing contracts are expected to be entered into with Represented Tencent Group for the respective years, including the planned licensing of two drama series and one film for each year of 2025 and 2026 and the planned licensing of four drama series and one film for 2027. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Company. If our drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus tiered royalties calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance. The licensing fee income from the drama series and movies for which licensing contracts are expected to be entered into with Represented Tencent Group is determined with reference to the licensing fees for drama series and movies already contracted at the present stage.

LETTER FROM THE BOARD

Tencent Video, the online video platform operated by Represented Tencent Group, is a market-leading online entertainment service provider in China. The Company believes that licensing the copyrights of the drama series and movies produced by the Company to Tencent Video could be beneficial to both parties by satisfying Tencent Video's demand for high-quality contents as well as enabling us to generate revenue, and it is unlikely that the relationship between the Company and Tencent Video in relation to the licensing of drama series and movies would be terminated or otherwise materially adversely changed. In addition, we also proactively develop cooperation relationship with various online platforms other than Tencent Video, such as domestic online video platforms (including iQIYI, Youku and Mango TV) and other international video platforms as well as TV channels. After taking into consideration the nature of the drama series including the theme, the expected popularity and target audience of the drama series and movies, the Company will choose appropriate video platforms for cooperation to maximize its commercial value. The Company expects that the revenue to be generated from licensing its drama series and movies to Represented Tencent Group by the Group will increase in line with the increase in the Group's revenue for the year, provided that such increase will be kept in certain range of percentage. As such, the Company believes that the cooperation between the Company and Represented Tencent Group will not lead to reliance on Represented Tencent Group in any material respect. Looking forward, the Company will uphold its market-oriented strategy, and choose business partner(s) on the principle of maximizing the commercial value of its drama series and movies in a prudent manner.

Although the utilisation rate of the annual caps under the Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ended 31 December 2024 was relatively low, after taking into consideration that the proposed annual caps under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are arrived based on the expected total transaction amounts, and the fact that the Company is recently in the process of stepping up efforts for drama series development and it is expected that more drama series will be launched and broadcast in the future and the number of drama series and movies co-produced with Tencent Video will grow accordingly as the overall number of drama series and movies produced and broadcast by the Company increases. The Board is of the view that the proposed annual caps under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Reasons for and benefits of entering into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement

Tencent Video, the online video platform operated by the Represented Tencent Group, is a market-leading online entertainment service provider in China and its platform features popular original content, as well as a comprehensive selection of professionally produced and partner-generated content. By entering into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement, the Group can enhance its distribution network and deepen the business relationship with the Represented Tencent Group, which has been a major player in content distribution market with sizeable procurement budgets for drama series and movies. Besides, licensing the copyrights of the drama series and movies produced by the Group to Tencent Video could be mutually beneficial to both parties by satisfying Tencent Video's demand for high-quality content as well as enabling the Group to generate revenue. The prices and terms offered by the Company to the Represented Tencent Group are no more favorable than those offered to our other customers which are independent third

LETTER FROM THE BOARD

parties, hence the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are conducted on normal commercial terms in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the terms of the continuing connected transactions are fair and reasonable, or such transactions are on terms no less favorable to the Group than those offered by independent third parties, and that the continuing connected transactions are conducted on normal commercial terms, the Group has adopted the following internal control procedures:

- (i) the Group has adopted and implemented a management system on connected transactions. Under such system, the audit committee of the Board is responsible for reviewing the compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the audit committee of the Board, the Board and various other internal departments of the Company (including but not limited to the finance department and the compliance and legal department) are jointly responsible for evaluating the fairness of the terms, the pricing policy and the annual caps under the continuing connected transactions;
- (ii) the audit committee of the Board, the Board and various other internal departments will also regularly monitor the performance and transaction progress of the continuing connected transactions. Before the commencement and during the course of each transaction, the business department of the Group will keep a constant watch over the amount of the connected transactions. The finance department and the legal and compliance department of the Group will also conduct monthly review on the actual transaction amount with the connected persons, so as to ensure that such amount will not exceed the relevant annual caps. Where the actual transaction amount is close to the annual caps, the finance department and the legal and compliance department will notify the business department and other relevant departments and report to the management, and report to the Board where necessary for them to consider if the annual caps need to be revised so as to meet the relevant requirements under the Listing Rules and the internal policies of the Group. The management of the Company will hold monthly regular meetings and confirm the amounts of the connected transactions at such regular meetings, to ensure that the management will be timely posted with the updates on the actual amounts of the connected transactions. Taking into consideration the nature of the industry in which the Company operates, connected transactions do not occur frequently, thus the Company's existing monitoring system is sufficient to enable the Company to have a comprehensive oversight on the performance and progress of the connected transactions. In addition, the management team of the Company also regularly reviews the pricing policy of the continuing connected transactions;

LETTER FROM THE BOARD

- (iii) the independent non-executive Directors and the auditors will conduct annual review of the continuing connected transactions and provide annual confirmations to ensure that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies, in compliance with the requirements under Rules 14A.55 and 14A.56 of the Listing Rules;
- (iv) in order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the business department of the Company will, at the early stage of production of drama series and movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku and Mango TV) about the status of the project, and approach at least two independent third-party video platform companies to gain their purchasing intentions for the project; further communications will be conducted between the Company and the interested video platform company(ies) to determine the purchase intention and contract price after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified; and the details such as the video platform(s) and the licensing fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Company will take into consideration the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (such as the directors, scriptwriters, main actors and actresses, etc.), and consider the broadcasting results of this product on various video platforms based on the features of each video platform (such as the major audience base of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Company, in an effort to ensure the agreement(s) with the connected persons and the transactions contemplated thereunder are fair and reasonable and no less favorable to the Group than those offered by independent third parties; and
- (v) in considering any subsequent renewal or amendment to the continuing connected transactions, the interested Directors and Shareholders shall abstain from voting on the resolutions approving such transactions at the Board meetings or the Shareholders' meetings (as the case may be), and the independent non-executive Directors and the Independent Shareholders have the right to consider whether the terms of the non-exempt continuing connected transactions (including the proposed annual caps) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. If the approval of the independent non-executive Directors or the Independent Shareholders is not obtained, the Group will not proceed with the transactions under the continuing connected transactions unless such transactions constitute exempted continuing connected transactions under Rule 14A.73 of the Listing Rules.

OPINIONS OF THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the entering into of the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole. The terms of the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement

LETTER FROM THE BOARD

and the annual caps thereunder are fair and reasonable, and the transactions contemplated thereunder are conducted on normal commercial terms and in the ordinary and usual course of business of the Company.

Mr. Sun Zhonghuai, a former Director of the Company, is considered to have a material interest in the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement when voting on the relevant Board resolution by virtue of his positions as the vice president of Tencent and the CEO of Tencent Video, and has abstained from voting on the relevant Board resolution. Mr. Sun Zhonghuai has resigned as the non-executive Director of the Company on 24 January 2025. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement, and none of the other Directors is required to abstain from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Tencent Mobility, a wholly-owned subsidiary of Tencent, is a substantial Shareholder of the Company holding approximately 18.94% interest in the Company. As Tencent Computer is a wholly-owned subsidiary of Tencent, therefore, Tencent Computer constitutes an associate of Tencent Mobility (a substantial Shareholder of the Company), thus constitutes a connected person of the Company under Rules 14A.07 and 14A.13 of the Listing Rules. As such, the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated pursuant to Chapter 14A of the Listing Rules in respect of the annual caps for the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement exceed 5%, such transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The EGM of the Company will be held at Building No. B2, Universal Business Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Wednesday, 25 April 2025 at 2:00 p.m., at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the resolution relating to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as well as its proposed annual caps.

Given that Tencent has material interests in the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement, and as at the Latest Practicable Date, Tencent holds approximately 18.94% interests of the Company through its wholly-owned subsidiary, Tencent Mobility, therefore, Tencent Mobility, a wholly-owned subsidiary of Tencent, will abstain from voting on the resolution in relation to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, as

LETTER FROM THE BOARD

at the Latest Practicable Date, there are no Shareholders that were required to abstain from voting on the resolution in relation to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps at the EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps. A letter from the Independent Board Committee is set out on pages 15 to 16 of this circular. Grand Moore has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in respect of the same matters. A letter from Grand Moore is set out on pages 17 to 37 of this circular.

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.

Tencent Computer

Tencent Computer is primarily engaged in provision of value-added services and marketing services in the PRC. Tencent Group is principally engaged in the provision of communication, social networks, digital content, games, marketing services, fintech and business services in the PRC.

3. CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 22 April 2025 to Friday, 25 April 2025, both days inclusive, during which period no transfer of shares will be effected. To be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates and the duly completed and signed transfer forms must be lodged for registration with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 17 April 2025.

4. NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 15 to 16 of this circular is the notice of the EGM at which, inter alia, an ordinary resolution will be proposed to the Shareholders to consider and approve the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as well as its proposed annual caps.

LETTER FROM THE BOARD

5. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such a form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:00 p.m. on Wednesday, 23 April 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish, and in such event the form of proxy shall be deemed to be revoked.

6. VOTING BY POLL

To the best knowledge and belief of the Directors having made all reasonable enquiries, save for Tencent Mobility, a substantial Shareholder of the Company, which is a wholly-owned subsidiary of Tencent, there is no other Shareholder who has any material interest in the resolution to be proposed at the EGM being required to abstain from voting. As at the Latest Practicable Date, Tencent Mobility holds 68,302,080 shares of the Company, representing approximately 18.94% shares of the Company.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 72 of the Articles of Association, a resolution put to the vote at a general meeting shall be decided by poll except where the chairman of the general meeting, in good faith, allows a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every fully paid share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

7. RECOMMENDATION

The Directors consider that the proposed resolution in relation to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as well as its proposed annual caps is in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
By order of the Board
Linmon Media Limited
Su Xiao
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps.



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)

2 April 2025

To the Independent Shareholders

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We wish to draw your attention to the circular dated 2 April 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms used herein have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to recommend how the Independent Shareholders should vote at the EGM.

Grand Moore has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

After taking into account the Letter from the Board and the advice of the Independent Financial Adviser as set out in the Circular, we consider that the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including its proposed annual caps) are conducted in the ordinary and usual business of the Company and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Our view related to fairness and reasonableness is based on information, facts and circumstances currently prevailing.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and its proposed annual caps.

Yours faithfully

Independent Board Committee

Ms. Long Yu

Mr. Jiang Changjian

Ms. Tang Songlian

Independent non-executive Directors

LETTER FROM GRAND MOORE

The following is the full text of the letter from Grand Moore Capital Limited setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including the annual caps), which has been prepared for the purpose of inclusion in the Circular.



21/F,
No. 88 Lockhart Road
Wan Chai, Hong Kong

2 April 2025

*To the Independent Board Committee and
the Independent Shareholders of
Linmon Media Limited*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including the annual caps), (the “**Transactions**”), the details of which are set forth in the “Letter from the Board” (the “**Board Letter**”) contained in the circular issued by the Company to the Shareholders dated 2 April 2025 (the “**Circular**”), of which this letter forms apart. Unless the context otherwise requires. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

References are made to the Company’s prospectus for the global offering dated 29 July 2022 in relation to the continuing connected transactions entered into by the Company. The Company renewed the relevant continuing connected transactions on 30 December 2024, and, among others, entered into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement with Tencent Computer.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Ms. Long Yu, Mr. Jiang Changjian and Ms. Tang Songlian, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Transactions. We, Grand Moore Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

LETTER FROM GRAND MOORE

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company, Tencent Computer, their respective substantial Shareholders, Directors or chief executives, or any of their respective associates and accordingly, are considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

In the past two years, we have not acted in any financial adviser role to the Company. Save for the appointment as the Independent Financial Adviser, there was no other relationship and/or engagement between the Company and us in the past two years.

With regards to our independence from the Company, it is noted that (i) apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries or their respective controlling Shareholders that could reasonably be regarded as relevant to our independence; and (ii) the aggregate professional fees paid or to be paid to us do not make up a significant portion of our revenue during the relevant period which would affect our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser in respect of the Transactions pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the Company's annual results announcement for the year ended 31 December 2024 (the "**2024 Annual Results Announcement**"); (iii) other information provided by the Directors and/or the senior management of the Company (the "**Management**"); (iv) the supporting documents requested by us mentioned in this letter provide by, the opinions expressed by and the representations of the Directors and the Management; and (v) our review of the relevant public information. We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Directors and/or the Management (where applicable), which have been provided to us. The Directors have confirmed that, to the best of their knowledge, they believe that no material fact or information has been omitted from the information supplied to us and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Chapters 13 and 14A of the Listing Rules. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and

LETTER FROM GRAND MOORE

except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company, nor conducted any independent in-depth investigation into the business affairs, assets and liabilities or future prospects of the Company, Tencent Computer, their respective subsidiaries or associates (if applicable) or any of the other parties involved in the Transactions, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. The Company has been separately advised by its own professional advisers with respect to the Transactions and the preparation of the Circular (other than this letter).

We have assumed that the Transactions will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Transactions, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Transactions. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Transactions, we have taken into account the following principal factors and reasons:

1. Background Information of the Group

As per the 2024 Annual Results Announcement, the Group only has one reportable operating segment of production, distribution and licensing of broadcasting rights of TV series. Set out below is the key consolidated financial information of the Group for the year ended 31 December 2023 and 2024 as extracted from the 2024 Annual Results Announcement.

	For the year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	657,008	1,221,752
Gross Profit	108,523	481,598
Profit/(Loss) for the year	(190,053)	213,628

LETTER FROM GRAND MOORE

Revenue of the Group amounted to approximately RMB657,008,000 for the year ended 31 December 2024 which represents a decline of approximately RMB564,744,000, or approximately 46.2%, from approximately RMB1,221,752,000 for the year ended 31 December 2023. The 2024 Annual Results Announcement carries on to explain that the decrease in revenue was primarily due to (i) the impact from the industry; (ii) the decrease in the number of episodes of drama series broadcasted in 2024 as compared to the same period of 2023; and (iii) the fact that the drama series newly launched in 2024 in Mainland China were only broadcasted via online platforms while the drama series launched in the same period of 2023 were broadcasted via both online platforms and TV stations.

Gross profit of the Group amounted to approximately RMB108,523,000 for the year ended 31 December 2024 which represents a decrease of approximately RMB373,075,000, or approximately 77.5%, from approximately RMB481,598,000 for the year ended 31 December 2023. The gross profit margin decreased from approximately 39.4% for the year ended 31 December 2023 to approximately 16.5% for the year ended 31 December 2024. The decrease in gross profit was mainly due to the aforesaid broadcast situation of drama series of the Group during the year ended 31 December 2024.

Net loss of the Group amounted to approximately RMB190,053,000 for the year ended 31 December 2024 which represents a decrease of approximately RMB403,681,000, or approximately 189.0%, from a net profit of approximately RMB213,628,000 for the year ended 31 December 2023. Such decrease was mainly attributable to the decrease in gross profit driven by the aforesaid broadcast situation of drama series of the Group during the year ended 31 December 2024.

Set out below are certain key consolidated financial information of the Group as extracted from the consolidated balance sheet set out in the 2024 Annual Results Announcement.

	As at	
	31 December 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Total assets	3,217,853	3,567,506
Total liabilities	904,003	992,963
Equity attributable to owners of the parent	2,312,759	2,574,543
Cash and cash equivalents	1,086,280	716,171

The total assets of the Group amounted to approximately RMB3,217,853,000 as at 31 December 2024, representing a decrease of approximately RMB349,653,000 or approximately 9.8%, as compared to RMB3,567,506,000 as at 31 December 2023. The decrease was primarily due to the decrease in (i) trade and notes receivables, from approximately RMB597,258,000 as at 31 December 2023 to approximately RMB282,422,000 as at 31 December 2024; (ii) time deposits, from approximately RMB583,376,000 as at 31 December 2023 to approximately RMB56,000,000 as at 31 December 2024, partly offset by increase in (i) prepayments, other receivables and other assets, from

LETTER FROM GRAND MOORE

approximately RMB217,018,000 as at 31 December 2023 to approximately RMB242,564,000 as at 31 December 2024; and (ii) cash and cash equivalents from approximately RMB716,171,000 as at 31 December 2023 to approximately RMB1,086,280,000 as at 31 December 2024.

The total liabilities of the Group amounted to approximately RMB904,003,000 as at 31 December 2024, representing a decrease of approximately RMB88,960,000 or approximately 9.0%, as compared to RMB992,963,000 as at 31 December 2023. The decrease was primarily due the decrease in contracted liabilities from approximately RMB404,963,000 as at 31 December 2023 to approximately RMB346,604,000 as at 31 December 2024; the decrease in tax payables from approximately RMB56,435,000 as at 31 December 2023 to approximately RMB7,083,000 as at 31 December 2024; partly offset by the increase in bank borrowing from nil as at 31 December 2023 to approximately RMB60,000,000 as at 31 December 2024.

The Group's equity attributable to owners of the parent decreased from approximately RMB2,574,543,000 as at 31 December 2023 to approximately RMB2,312,759,000 as at 31 December 2024, representing a decrease of approximately RMB261,784,000 or approximately 9.0%. The 2024 Annual Results Announcement attributes the decrease in the Group's equity to the net loss during the year ended 31 December 2024. The cash and cash equivalents of the Group amounted to approximately RMB1,086,280,000 as at 31 December 2024, representing an increase of approximately RMB370,109,000 or 51.7% as compared to approximately RMB716,171,000 as at 31 December 2023.

2. Continuing connected transactions

2.1 *Reasons for and benefits of entering into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement*

It is stated in the Board Letter that Tencent Video, the online video platform operated by the Represented Tencent Group, is a market-leading online entertainment service provider in China and its platform features popular original content, as well as a comprehensive selection of professionally produced and partner-generated content. By entering into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement, the Group can enhance its distribution network and deepen the business relationship with the Represented Tencent Group, which has been a major player in content distribution market with sizeable procurement budgets for drama series and movies. Besides, licensing the copyrights of the drama series and movies produced by the Group to Tencent Video could be mutually beneficial to both parties by satisfying Tencent Video's demand for high-quality content as well as enabling the Group to generate revenue. The prices and terms offered by the Company to the Represented Tencent Group are no more favorable than those offered to the Group's other customers which are independent third parties, hence the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are conducted on normal commercial terms in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM GRAND MOORE

2.2 *Historical annual caps and historical amounts*

The annual caps for the Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ended 31 December 2024, and the historical amounts of revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group for the three years ended 31 December 2024, are set out below:

	2022	Year ended 2023	2024
	<i>(RMB in thousands)</i>	<i>(RMB in thousands)</i>	<i>(RMB in thousands)</i>
Revenue of the Group	951,469	1,221,752	657,008
Historical annual cap – Revenue to be generated by the Group from licensing drama series and movies to the Represented Tencent Group	432,500	1,273,600	1,322,700
Historical transaction amounts – Revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group (note 1)	78,032	703,379	85,869
Utilisation rate (approx.)	18.0%	55.2%	6.5%
Revenue contribution ratio from Represented Tencent Group (%)	8.20%	57.57%	13.07%

Note:

- 1) For the three years ended 31 December 2024, the relatively low utilisation rate of the annual caps under the Drama Series and Movies Copyrights Licensing Framework Agreement was due to the combined impacts of the outbreak of Covid-19 during the relevant period and the slower-than-expected development progress, thus the broadcasting progress of the drama series on the video platform(s) was behind schedule.

LETTER FROM GRAND MOORE

2.3 *Principal terms of the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement*

Date

30 December 2024

Parties

The Company; and

Tencent Computer

Principal terms

The Company entered into the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement with Tencent Computer (for itself and on behalf of the group members of Tencent Group, excluding China Literature Limited, Tencent Music Entertainment Group and their subsidiaries (the “**Represented Tencent Group**”)), pursuant to which the Company shall license the online broadcasting rights and distribution rights of the Group’s original drama series and movies to the Represented Tencent Group, and the Represented Tencent Group shall pay licensing fees to the Company. Separate underlying agreements will be entered into between the parties to set out the detailed terms, including details of the drama series and movies, term of license, scope of license and exclusivity, broadcasting schedule, licensing fee and milestone payment schedules, based on the principles and within the parameters provided under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement.

Term

For the period from 1 January 2025 to 31 December 2027.

2.4 *Pricing policy*

As stated in the Board Letter, the licensing fees that the Group charges the Represented Tencent Group shall be determined after arm’s-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including the overall market conditions and trends, the total investment amount, the scope of license and exclusivity, the broadcasting schedules, the theme, the expected popularity and target audience base of the drama series and movies, as well as the Group’s target profit margin. However, given that each of the drama series and movies has its unique features and the above factors are not generic in nature, which highlights the versatility and distinctiveness of each drama series, there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the movies, which will be subject to arm’s-length negotiations between the relevant parties. In general: (i) if the drama series and movies are expected to enjoy relatively high popularity (including the popularity of the main personnel such as the directors, scriptwriters, main actors

LETTER FROM GRAND MOORE

and actresses, etc.) with a wide target audience base, such drama series and movies will be priced relatively high; (ii) if the total investment amount of the drama series and movies is relatively high, such drama series and movies will be priced relatively high; and (iii) the licensing fees of the first-run broadcasting rights are generally higher than those of the re-run broadcasting rights, which is mainly because that the first-run broadcasting usually attracts greater audience attention and discussion as compared to re-run broadcasting. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Company. If the Group's drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus a tiered royalty calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance.

In order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the Company will, at the early stage of production of drama series and movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku, and Mango TV) about the status of the project, and approach at least two independent third-party video platform companies to gain their purchasing intentions for the project; after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified, further communications will be conducted between the Company and the interested video platform company(ies) to determine the purchase intention and contract price; and the details such as the video platform(s) and the licensing fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Company will consider the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (such as the directors, scriptwriters, main actors and actresses, etc.), and take into consideration the broadcasting results of this product on various video platforms based on the features of each video platform (such as the major audience base of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Company.

2.4.1 Our work done and analysis

Price negotiation

Each drama series or movie has its unique features and is not homogeneous and comparable like goods and products. We discussed with the Management and understand that by nature, there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the movies, and such price could by nature only be subject to arm's-length negotiations between the relevant parties.

LETTER FROM GRAND MOORE

Despite the aforesaid, we further enquired and discussed with the Management the detailed price negotiation process between the relevant parties, and the Management provided the Group's written sales, revenue and receivables management policy (the "Policy") and advised the following steps and procedures:

- (i) according to the Policy, at the beginning of each year, sales department of the Group prepare an annual target, including the number of dramas and movies to be distributed, and the expected revenue per episode/movie based on the then prevailing market condition, including but not limited to popularity of competing drama/movie. The annual target covers and applies on all possible customers including Represented Tencent Group and independent video platform(s), and will be submitted to the Group's president's office for approval;
- (ii) at the early stage of production of each drama series or movie, sales department of the Group will communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku, and Mango TV) about the status of the project to gain their purchasing intentions for the project;
- (iii) after the project script development and the main personnel (directors, screenwriters, main actors, etc.) are further clarified, further communications will be conducted between sales department of the Group and the interested video platform company(ies) to determine the purchase intention and contract price;
- (iv) according to the Policy, sales team of the Group will submit, among others, the contract price preliminarily agreed with each of the interested video platform company(ies) to the Group's president's office for review and approval;
- (v) around the time the filming process commences, the video platform(s) to be sold, either on exclusive basis or non-exclusive basis, will be finalized and confirmed.

Prevailing market price

Each drama series or movie project has its own uniqueness and there are no identical drama series and movies projects. By nature, there is no comparable price for each drama series or movie in the market. Nevertheless, we enquired the Management and understand that the Group performs the following to ensure that the pricing available to Represented Tencent Group are no more favorable than those available to the Group's other independent customers:

LETTER FROM GRAND MOORE

As mentioned above, for each drama series or movie, the sales team of the Group will conduct further communications with the video platform companies after the project script development and the main personnel (directors, screenwriters, main actors, etc.) are further clarified. The Management advise that they will ensure,

- (i) for exclusive right licensing, the Group will ensure that the pricing agreed with Represented Tencent Group are no less favorable than those offered by the Group's other independent customers (i.e. the other video platform company(ies)). In the event that all other terms and conditions are the same, while the pricing offered by other video platform company is higher than that of Represented Tencent Group, the Group will enter into exclusive right licensing contract with that video platform company instead of Represented Tencent Group. In any event, sales team of the Group will submit, among others, the contract price preliminarily agreed with the interested video platform company, together with the discussions with other video platform company(ies) which the sale department has negotiated with, to the Group's president's office for review and approval;
- (ii) for non-exclusive right licensing, where the Group will enter into licensing contract of the same drama series or movie with more than one video platform company, including Represented Tencent Group, the pricing agreed with Represented Tencent Group are no less favorable than those offered by the Group's other independent customers (i.e. the other video platform company(ies)).

For due diligence purpose, we requested and obtained from the Management, and reviewed all contracts (the "**2022 to 2024 Contracts**") with customers (including Represented Tencent Group and all independent customers) for all dramas and movies being played, in each of the financial year ended 31 December 2022, 2023 and 2024.

LETTER FROM GRAND MOORE

Please see the breakdown of the 2022 to 2024 Contracts below:–

No.	Year on screen	Name	Type of licensing	Platform(s)
1		Drama A	non-exclusive right licensing drama	Tencent Represented Group and two independent customers
2		Drama B	exclusive right licensing drama	One independent customer
3	2022	Drama C	exclusive right licensing drama	One independent customer
4		Drama D	exclusive right licensing drama	One independent customer
5		Drama E	rerun drama	Tencent Represented Group only
6		Drama F	exclusive right licensing drama	Tencent Represented Group only
7		Drama G	exclusive right licensing drama	Tencent Represented Group only
8	2023	Drama H	exclusive right licensing drama	One independent customer
9		Drama I	rerun drama	Tencent Represented Group only
10		Drama J	rerun drama	Tencent Represented Group only
11		Drama K	exclusive right licensing drama	One independent customer
12		Drama L	exclusive right licensing drama	One independent customer
13	2024	Drama M	non-exclusive right licensing drama	Tencent Represented Group and one independent customer
14		Movie A	exclusive right licensing movie	One independent customer

We consider that the aforesaid sample size and sample basis are exhaustive, fair and representative. We reviewed all of the 2022 to 2024 Contracts and note that the pricing basis as written in each of the 2022 to 2024 Contracts is consistent with the Group's pricing policies. In particular, we note that:

- (i) for exclusive right licensing contract where the drama series is licensed to one and only one video platform company, either Represented Tencent Group (i.e. Drama F and Drama G) or other video platform company(ies) (i.e. Drama B, Drama C, Drama D, Drama H, Drama K and Drama L), the drama series is licensed at an agreed licensing fee per episode, and the expected number of episodes is also written on the licensing contract. The licensing fee could be adjusted upwards if the view count achieves certain level;

LETTER FROM GRAND MOORE

- (ii) for exclusive right licensing contract where the movie is licensed to one and only one video platform (i.e. Movie A), the movie is licensed at a basic licensing fee plus a tiered royalty calculated based on the movie's box office (i.e. the better the movie's box office performs, the higher the corresponding tiered royalty);
- (iii) for non-exclusive right licensing contracts where the drama series is licensed to more than one video platform companies (including Represented Tencent Group) (i.e. Drama A and Drama M), the agreed licensing fee per episode is no less favorable than those offered by the other independent video platform company(ies).

Based on the above, we are satisfied that the pricing policies are appropriate, fair and reasonable, and are not prejudicial to the interests of the Company and the Independent Shareholders.

2.5 Annual caps

The proposed annual caps for the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ending 31 December 2027 are set out below:

	Proposed annual caps for the year ending 31 December		
	2025	2026	2027
	<i>(RMB in thousands)</i>	<i>(RMB in thousands)</i>	<i>(RMB in thousands)</i>
Revenue to be generated by the Group from licensing drama series and movies to the Represented Tencent Group	911,000	1,343,000	1,307,000
Revenue of the Group in the year ended 31 December 2024		657,008	
Revenue contribution ratio from Represented Tencent Group based on the Group's 2024 annual revenue (%)	138.66%	204.41%	198.83%

As illustrated above, in the event the annual cap for the three years ending 31 December 2027 will be fully utilized, the envisaged revenue contribution ratio from Represented Tencent Group based on the Group's 2024 annual revenue amounted to approximately 138.66%, 204.41% and 198.93% respectively. However, the above calculation has adopted the Group's 2024 annual revenue figure and is not indicative to the Group's annual revenue for each of the

LETTER FROM GRAND MOORE

three years ending 31 December 2027. In particular, as illustrated in section 2.2 above, the envisaged revenue contribution ratio from Represented Tencent Group in the years ended 31 December 2022, 2023 and 2024 amounted to approximately 8.20%, 57.57% and 13.07% respectively. We enquired the Management and understand that, due to, among others, the outbreak of Covid-19, the broadcasting progress of the drama series on the video platform(s) was behind the original schedule as demonstrated by the decreasing revenue trend of the Group since 2020. However, as Covid-19 came to an end in 2023, and the Group commenced to expand its production since then, the Management expects that the filing and broadcasting progress of the drama series on the video platform(s) will be gradually on schedule, and the annual revenue from Represented Tencent Group grow along the growth in the Group's total revenue.

The Management possesses the expertise and has the professional judgement to, taking into consideration the nature of the drama series including the theme, the expected popularity and target audience of the drama series and movies, choose the appropriate video platform(s) to broadcast the Group's drama series to maximize the commercial value. We note from the 2022 to 2024 Contracts that, the total number of episodes of new drama on screen, either on exclusive licensing basis or non-exclusive licensing basis, amounted to 80 episodes to 120 episodes in each year of 2022, 2023 and 2024. The Management expects that the production and broadcasting progress of new dramas will gradually increase from the year 2025. We discussed with the Management and understand that the Management expects the number of episodes of new drama on production, either on exclusive licensing basis or non-exclusive licensing basis, will be over 200 episodes per annum from the year 2025 onwards. The Management expects that the annual revenue from Represented Tencent Group will constitute certain range of percentage of, and grow along with, the Group's annual revenue, which does not give rise to reliance on Represented Tencent Group in any material respect.

2.5.1 Basis of determining the annual caps and our analysis

When estimating the annual caps, the Directors have taken into consideration the following factors, including: (i) the revenue generated by the Group from licensing drama series and movies to the Represented Tencent Group for the two years ended 31 December 2023 and the nine months ended 30 September 2024; (ii) the unperformed contractual amounts under the existing agreement and the amounts of the new agreement proposed to be entered into; (iii) the estimated number of the Group's original drama series and movies to be licensed by the Company to the Represented Tencent Group in the next three years; (iv) the estimated number of episodes of each of the Group's pipeline drama series for copyrights licensing to the Represented Tencent Group; and (v) the estimated rating of the Group's pipeline drama series and movies for copyrights licensing to the Represented Tencent Group and the corresponding prevailing market price range per episode of the drama series and the movies.

The proposed annual caps for each year under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are arrived based on the sum of the following: (i) licensing fee income from the drama series and movies for which licensing contracts have been entered into with Represented Tencent Group for the

LETTER FROM GRAND MOORE

respective years, including the contracted licensing of two drama series for each year of 2025 and 2026; and (ii) licensing fee income from the drama series and movies for which licensing contracts are expected to be entered into with Represented Tencent Group for the respective years, including the planned licensing of two drama series and one film for each year of 2025 and 2026 and the planned licensing of four drama series and one film for 2027. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Company. If the Group's drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus a tiered royalty calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance. The licensing fee income from the drama series and movies for which licensing contracts are expected to be entered into with Represented Tencent Group determined with reference to the licensing fees for drama series and movies already contracted at the present stage.

Tencent Video, the online video platform operated by Represented Tencent Group, is a market-leading online entertainment service provider in China. The Company believes that licensing the copyrights of the drama series and movies produced by the Company to Tencent Video could be beneficial to both parties by satisfying Tencent Video's demand for high-quality contents as well as enabling the Group to generate revenue, and it is unlikely that the relationship between the Company and Tencent Video in relation to the licensing of drama series and movies would be terminated or otherwise materially adversely changed. In addition, we also proactively develop cooperation relationship with various online platforms other than Tencent Video, such as domestic online video platforms (including iQIYI, Youku and Mango TV) and other international video platforms as well as TV channels. After taking into consideration the nature of the drama series including the theme, the expected popularity and target audience of the drama series and movies, the Company will choose the appropriate video platforms for cooperation to maximize its commercial value. The Company expects that the revenue to be generated from licensing its drama series and movies to Represented Tencent Group by the Group will increase in line with the increase in the Group's revenue for the year, provided that such increase will be kept in certain range of percentage. As such, the Company believes that the cooperation between the Company and Represented Tencent Group will not lead to reliance on Represented Tencent Group in any material respect. Looking forward, the Company will uphold its market-oriented strategy, and choose business partner(s) on the principle of maximizing the commercial value of its drama series and movies in a prudent manner.

Although the utilisation rate of the annual caps under the Drama Series and Movies Copyrights Licensing Framework Agreement for the three years ended 31 December 2024 was relatively low, after taking into consideration that the proposed annual caps under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement

LETTER FROM GRAND MOORE

are arrived based on the expected total transaction amounts, and the fact that the Group is recently in the process of stepping up efforts for drama series development and it is expected that more drama series will be put into production and broadcast in the future, and the number of drama series and movies for which the Group will cooperate with Tencent Video will accordingly increase as a result of the increasing number of drama series and movies that will be produced and broadcasted by the Company. The Board is of the view that the proposed annual caps under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

For due diligence purpose, we requested and obtained from the Management breakdown of proposed annual caps for the years ending 31 December 2025, 2026 and 2027, and we note the followings:

**Year ending
31 December**

Our findings and analysis

2025

The proposed annual cap is arrived based on the sum of:

- (i) licensing fee income from two (2) new drama series calculated based on the licensing fee per episode times the estimated number of episodes as written on the signed licensing contracts with Represented Tencent Group (the “**2025 Recent Tencent Signed Contracts**”). We requested and obtained the aforementioned two 2025 Recent Tencent Signed Contracts and are satisfied that the calculation basis is consistent with the 2025 Recent Tencent Signed Contracts;
- (ii) licensing fee income from one (1) new drama series calculated based on estimated licensing fee per episode times the estimated number of episodes. The licensing contracts are yet to be signed. We note that the estimated licensing fee per episode estimated by the Management is slightly lower than the abovementioned licensing fee per episode as written on the 2025 Recent Tencent Signed Contracts based on actual negotiation with customers and for prudent’s sake;
- (iii) licensing fee income from one (1) old drama series calculated based on an estimated licensing fee per episode times the actual number of episodes. We enquired the Management and understand that the licensing fee of replaying old drama series on video platform depends on the then popularity of such drama series when such drama series was initially published; and
- (iv) licensing fee income of one (1) new movie based on expected upper bound of the licensing fee. The licensing contract is yet to be signed. We note that the amount of estimated license fee estimated by the Management is similar to the movie license fee in the previously signed movie contract with independent video platform company (i.e. Movie A). We reviewed such previously signed movie contract regarding Movie A and confirmed the aforementioned.

LETTER FROM GRAND MOORE

Year ending

31 December **Our findings and analysis**

2026

The proposed annual cap is arrived based on the sum of:

- (i) licensing fee income from two (2) new drama series calculated based on the licensing fee per episode times the estimated number of episodes as written on the signed licensing contracts with Represented Tencent Group (the “**2026 Recent Tencent Signed Contracts**”). We requested and obtained the aforementioned two 2026 Recent Tencent Signed Contracts and are satisfied that the calculation basis is consistent with the 2026 Recent Tencent Signed Contracts;
- (ii) licensing fee income from two (2) new drama series calculated based on estimated licensing fee per episode times the estimated number of episodes. The licensing contracts are yet to be signed. We note that the estimated licensing fee per episode estimated by the Management is the same as the abovementioned licensing fee per episode as written on the 2026 Recent Tencent Signed Contracts based on actual negotiation with customers and for prudent’s sake;
- (iii) licensing fee income from one (1) old drama series calculated based on an estimated licensing fee per episode times the actual number of episodes. The licensing contracts are yet to be signed. We enquired the Management and understand that the licensing fee of replaying this old drama series on video platform is higher than that of the old drama series to be replayed in 2025 and 2027. We researched the name of this old drama series and understand that this old drama series has been very popular in Mainland China since it was initially published; and
- (iv) licensing fee income of one (1) new movie based on expected upper bound of the licensing fee. The script writing and negotiation with customers are yet to commence as at the Latest Practicable Date. The licensing contract is yet to be signed. We note that the amount of estimated license fee estimated by the Management is similar to the movie license fee in the previous signed movie contract with independent video platform company (i.e. Movie A). We reviewed such previously signed movie contract regarding Movie A and confirmed the aforementioned.

LETTER FROM GRAND MOORE

Year ending

31 December **Our findings and analysis**

2027

The proposed annual cap is arrived based on the sum of:

- (i) licensing fee income from four (4) new drama series calculated based on estimated licensing fee per episode times the estimated number of episodes. The script writing and negotiation with customers are yet to commenced as at the Latest Practicable Date. The licensing contracts are yet to be signed. We note that the estimated licensing fee per episode estimated by the Management is the same as the abovementioned licensing fee per episode as written on the 2026 Recent Tencent Signed Contracts for prudent's sake;
- (ii) licensing fee income from one (1) old drama series calculated based on an estimated licensing fee per episode times the actual number of episodes. The licensing contracts are yet to be signed; and
- (iii) licensing fee income of one (1) new movie based on expected upper bound of the licensing fee. The script writing and negotiation with customers are yet to commence as at the Latest Practicable Date. The licensing contract is yet to be signed. We note that the amount of estimated license fee estimated by the Management is similar to the movie license fee in the previous signed movie contract with independent video platform company (i.e. Movie A). We reviewed such previously signed movie contract regarding Movie A and confirmed the aforementioned.

The Management has not applied additional buffer on estimation of the proposed annual caps, and the proposed annual caps are estimated based on signed licensing contracts and actual and ongoing business plan. Based on the detailed work done and analysis above, we are satisfied that the basis for determining each of the annual caps is fair and reasonable so far as the Independent Shareholders are concerned.

3. Internal control measures

As stated in the Board Letter, in order to ensure that the terms of the continuing connected transactions are fair and reasonable, or such transactions are on terms no less favorable to the Group than those offered by independent third parties, and that the continuing connected transactions are conducted on normal commercial terms, the Group has adopted the following internal control procedures:

- (i) the Group has adopted and implemented a management system on connected transactions. Under such system, the audit committee of the Board is responsible for reviewing the compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the audit committee of the Board, the Board and various other internal departments of the Company (including but not limited to

LETTER FROM GRAND MOORE

the finance department and the compliance and legal department) are jointly responsible for evaluating the fairness of the terms, the pricing policy and the annual caps under the continuing connected transactions;

- (ii) the audit committee of the Board, the Board and various other internal departments will also regularly monitor the performance and transaction progress of the continuing connected transactions. Before the commencement and during the course of each transaction, the business department of the Group will keep a constant watch over the amount of the connected transactions. The finance department and the legal and compliance department of the Group will also conduct monthly review on the actual transaction amount with the connected persons on a regular basis, so as to ensure that such amount will not exceed the relevant annual caps. Where the actual transaction amount is close to the annual caps, the finance department and the legal and compliance department will notify the business department and other relevant departments and report to the Management, and report to the Board when necessary for them to consider if the annual caps need to be revised so as to meet the relevant requirements under the Listing Rules and the internal policies of the Group. The Management will hold monthly regular meeting and confirm the amounts of the connected transactions at such regular meetings, to ensure that the Management will be timely posted with the updates on the actual amounts of the connected transactions. Taking into consideration the nature of the industry in which the Company operates, connected transactions do not occur frequently, thus the Company's existing monitoring system is sufficient to enable the Company to have a good understanding of the performance and progress of the connected transactions. In addition, the Management also regularly reviews the pricing policy of the continuing connected transactions;
- (iii) the independent non-executive Directors and the auditors will conduct annual review of the continuing connected transactions and provide annual confirmations to ensure that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies, in compliance with the requirements under Rules 14A.55 and 14A.56 of the Listing Rules;
- (iv) in order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the business department of the Company will, at the early stage of production of drama series and movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku and Mango TV) about the status of the project, and approach at least two independent third-party video platform companies to gain their purchasing intentions for the project; further communications will be conducted between the Company and the interested video platform company(ies) to determine the purchase intention and contract price after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified; and the details such as the video platform(s) and the licensing fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Company will take into consideration the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (such as the directors, scriptwriters, main actors and actresses, etc.), and consider the broadcasting results of such products on various video platforms based on the features of each

LETTER FROM GRAND MOORE

video platform (such as the major audience of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Company, in an effort to ensure the agreement(s) with the connected persons and the transactions contemplated thereunder are fair and reasonable and no less favorable to the Group than those offered by independent third parties; and

- (v) in considering any subsequent renewal or amendment to the continuing connected transactions, the interested Directors and Shareholders shall abstain from voting on the resolutions approving such transactions at the Board meetings or the Shareholders' meetings (as the case may be), and the independent non-executive Directors and the Independent Shareholders have the right to consider whether the terms of the non-exempt continuing connected transactions (including the proposed annual caps) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. If the approval of the independent non-executive Directors or the Independent Shareholders is not obtained, the Group will not proceed with the transactions under the continuing connected transactions unless such transactions constitute exempted continuing connected transactions under Rule 14A.73 of the Listing Rules.

3.1 Our review on the Group's internal control measures

In view of the Group's internal control measures as stated above, we enquired, received and reviewed the following documents from the Management:

- (i) The Group's written internal control guideline on connected transactions advising the employees of the Group, among other things, list of connected persons, key principles of conducting connected transactions and reporting, compliance and disclosure procedures of connected transactions;
- (ii) The sales and financing policy clearly instructs that (i) the sales team of the Group will submit, among others, the contract price preliminarily agreed with each of the interested video platform company(ies) to the Group's president's office for review and approval to ensure that the Group's pricing policy is adhered; (ii) once the formal licensing agreement has been signed, sales team of the Group will keep track on the broadcasting statistic/box office, and submit the figures to the finance department of the Group for record; (iii) finance department of the Group is responsible for preparing monthly revenue and receivables analysis and submit the same to the president's office and sales department to make everyone aware of the year-to-date transaction amount with each customer;
- (iii) Annual summary of continuing connected transactions for the year ended 31 December 2022, 2023 and 2024 prepared by the Management and submitted to the Board and the audit committee of the Board;
- (iv) Board agenda and audit committee agenda of the annual meeting for each of the year ended 31 December 2022, 2023 and 2024 which include, among others, resolution regarding the continuing connected transactions for the subject year; and

LETTER FROM GRAND MOORE

- (v) Signed annual confirmations from each of the auditor and audit committee for the continuing connected transactions for each of the year ended 31 December 2022, 2023 and 2024.

In addition, given the nature of the business of the Group, where (i) transactions do not occur frequently and (ii) contracts are signed months or even over one year before launch of the new drama/movie so the revenue recognition from connected persons is highly predictable, the monthly meeting held by the Management to confirm the transaction amounts of connected transactions is sufficient to safeguard the threshold of the annual cap and monitor the contribution of Represented Tencent Group to the Group's revenue to avoid material reliance.

Having considered the above, we are satisfied that appropriate and effective internal control are in place (i) to ensure that the pricing policies under the 2025 Drama Series and Movie Copyrights Licensing Framework Agreement are on normal contract terms or better and the proposed annual caps for the three years ending 31 December 2027 will not be exceeded, (ii) to closely monitor the transaction amounts of connected transactions to prevent material reliance on Represented Tencent Group; and (iii) to safeguard the interest of the Company and the Independent Shareholders.

4. Information of the Group and the parties involved under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement

Please refer to the Board Letter.

5. Conclusion

Having review and analyzed the Group's pricing policies as stated in section 2.4 above, we are of the view that the terms of the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders and are fair and reasonable.

Having review and analyzed the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement as stated in section 2.5 above, we are of the view that the basis for determining each of the annual caps is fair and reasonable so far as the Independent Shareholders are concerned.

In respect of internal control effectiveness, based on our understanding illustrated in section 3 above, we do not doubt the effectiveness of the implementation of the internal control procedures as mentioned above.

In respect of potential material reliance on Represented Tencent Group, as discussed in sections headed 2.4.1, 2.5 and 3.1 above, (i) in the event that all other terms and conditions are the same, while the pricing offered by other video platform company is higher than that of Represented Tencent Group, the Group will enter into exclusive right licensing contract with that video platform company instead of Represented Tencent Group; (ii) the Management expects that the annual revenue from

LETTER FROM GRAND MOORE

Represented Tencent Group will constitute certain range of percentage of, and grow along with, the Group's annual revenue, which does not give rise to reliance on Represented Tencent Group in any material respect; and (iii) given the nature of the business of the Group, where (a) transactions do not occur frequently and (b) contracts are signed months or even over one year before launch of the new drama / movie so the revenue recognition from connected persons is highly predictable, the monthly meeting held by the Management to confirm the transaction amounts of connected transactions is sufficient to safeguard the threshold of the annual cap and monitor the contribution of Represented Tencent Group to the Group's revenue to avoid material reliance, we are satisfied that sufficient measures are in place to prevent material reliance on Represented Tencent Group.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including the annual caps) are in the ordinary and usual course of business, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, we would recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favor of the ordinary resolution(s) to approve the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement (including the annual caps) at the EGM.

Yours faithfully,
For and on behalf of
Grand Moore Capital Limited
Florence Ng
Associate Director

Note:

Ms. Florence Ng is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Ms. Ng has over 10 years of experience in the corporate finance industry in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were 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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Interest in the shares of the Company

Names of Directors	Nature of interest	Number of shares of the Company held ⁽¹⁾	Approximate percentage of shareholding interest
Mr. Su Xiao ⁽²⁾ (“ Mr. Su ”)	Interest in controlled corporation; interest held jointly with other persons	137,165,040	38.03%
Ms. Chen Fei ⁽³⁾ (“ Ms. Chen ”)	Interest in controlled corporation; interest held jointly with other persons	137,165,040	38.03%
Ms. Xu Xiao’ou ⁽⁴⁾ (“ Ms. Xu ”)	Interest in controlled corporation; interest held jointly with other persons	137,165,040	38.03%

Notes:

- (1) All interests stated are long positions.
- (2) Lemontree Harvest Investment Limited (“**Lemontree Harvest**”) directly holds 71,136,000 shares in the Company and is wholly owned by Lemontree Evergreen Holding Limited (“**Lemontree Evergreen**”), which in turn is wholly owned by Mr. Su. Under the SFO, the deemed interest of Mr. Su consists of (i) 71,136,000 shares in the Company held by Lemontree Harvest, and (ii) shares held by other controlling Shareholders as they are parties acting in concert.
- (3) Faye Free Flight Limited (“**Faye Free**”) directly holds 33,014,520 shares in the Company and is wholly owned by Free Flight Limited (“**Free Flight**”), which in turn is wholly owned by Ms. Chen. Under the SFO, the deemed interest of Ms. Chen consists of (i) 33,014,520 shares in the Company held by Faye Free, and (ii) shares held by other controlling Shareholders as they are parties acting in concert.
- (4) A&O Investment Limited (“**A&O Investment**”) directly holds 33,014,520 shares in the Company and is wholly owned by MEOO Limited, which in turn is wholly owned by Ms. Xu. Under the SFO, the deemed interest of Ms. Xu consists of (i) 33,014,520 shares in the Company held by A&O Investment, and (ii) shares held by other controlling Shareholders as they are parties acting in concert.

(ii) Interest in associated corporations

Names of Directors	Name of associated corporation	Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage of interest
Mr. Su ⁽²⁾	Shanghai Linmon Picture Media Co., Ltd. (“ Shanghai Linmon ”)	Beneficial interest; interest held jointly with other persons	149,996,521	62.26% ⁽³⁾
Ms. Chen ⁽²⁾	Shanghai Linmon	Beneficial interest; interest held jointly with other persons	149,996,521	62.26% ⁽³⁾
Ms. Xu ⁽²⁾	Shanghai Linmon	Beneficial interest; interest held jointly with other persons	149,996,521	62.26% ⁽³⁾

Notes:

- (1) All interests stated are long positions.
- (2) Under the SFO, the deemed interest of each of Mr. Su, Ms. Chen and Ms. Xu in Shanghai Linmon consists of (i) the number of shares held by him/her, and (ii) the shares held by other controlling Shareholders as they are parties acting in concert.
- (3) The deemed interest of 62.26% by each of Mr. Su, Ms. Chen and Ms. Xu in Shanghai Linmon includes:
 - (i) the 56.93% interests in Shanghai Linmon directly held by them;
 - (ii) the 0.000000415% interests in Shanghai Linmon held by Shanghai Guanhan Enterprise Management Consulting Partnership (Limited Partnership) (“**Shanghai Guanhan**”). As at the Latest Practicable Date, Ms. Chen acts as the general partner of Shanghai Guanhan. In light of the above and the concert party agreement, each of Mr. Su, Ms. Chen and Ms. Xu would be deemed to be interested in all the shares of Shanghai Linmon held by Shanghai Guanhan; and
 - (iii) the 5.33% interests in Shanghai Linmon held by Shanghai Guoshi Investment Management Center (Limited Partnership) (“**Shanghai Guoshi**”) and Shanghai Guoyun Enterprise Management Consulting Partnership (Limited Partnership) (“**Shanghai Guoyun**”). As at the Latest Practicable Date, the largest limited partner of Shanghai Guoshi, Ms. Yang Xijuan, holds 37.2000% of its partnership interests, and no other limited partner holds more than 30% of the partnership interests in Shanghai Guoshi. Mr. Su acts as the general partner of Shanghai Guoshi. As at the Latest Practicable Date, the largest limited partner of Shanghai Guoyun, Mr. Zhang Xiaobo, holds 82.0102% of its partnership interests. Ms. Xu acts as the general partner of Shanghai Guoyun. In light of the above and the concert party agreement, each of Mr. Su, Ms. Chen and Ms. Xu would be deemed to be interested in all the shares of Shanghai Linmon held by Shanghai Guoshi and Shanghai Guoyun as Mr. Su and Ms. Xu act as the general partners of Shanghai Guoshi and Shanghai Guoyun, respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were 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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Names of Shareholders	Nature of interest	Number of shares held	Long position/Short position/Interest in a lending pool	Approximate percentage of shareholding
Lemontree Harvest ⁽¹⁾	Beneficial owner; interest of concert parties	137,165,040	Long position	38.03%
Lemontree Evergreen ⁽¹⁾	Interest in controlled corporation; interest of concert parties	137,165,040	Long position	38.03%
Faye Free ⁽²⁾	Beneficial owner; interest of concert parties	137,165,040	Long position	38.03%
Free Flight ⁽²⁾	Interest in controlled corporation; interest of concert parties	137,165,040	Long position	38.03%
A&O Investment ⁽³⁾	Beneficial owner; interest of concert parties	137,165,040	Long position	38.03%
MEEO Limited ⁽³⁾	Interest in controlled corporation; interest of concert parties	137,165,040	Long position	38.03%

Names of Shareholders	Nature of interest	Number of shares held	Long position/Short position/Interest in a lending pool	Approximate percentage of shareholding
Tencent Mobility ⁽⁴⁾	Beneficial owner	68,302,080	Long position	18.94%
Great luminosity Limited ("Great luminosity") ⁽⁵⁾	Beneficial owner	55,756,800	Long position	15.46%
Shanghai Hongni Enterprise Management Partnership (Limited Partnership) ("Shanghai Hongni") ⁽⁵⁾	Interest in controlled corporation	55,756,800	Long position	15.46%

Notes:

- (1) Lemontree Harvest directly holds 71,136,000 shares in the Company and is wholly owned by Lemontree Evergreen, which in turn is wholly owned by Mr. Su. Under the SFO, Lemontree Evergreen is deemed to be interested in the 71,136,000 shares in the Company held by Lemontree Harvest.
- (2) Faye Free directly holds 33,014,520 shares in the Company and is wholly owned by Free Flight, which in turn is wholly owned by Ms. Chen. Under the SFO, Free Flight is deemed to be interested in the 33,014,520 shares in the Company held by Faye Free.
- (3) A&O Investment directly holds 33,014,520 shares in the Company and is wholly owned by MEOO Limited, which in turn is wholly owned by Ms. Xu. Under the SFO, MEOO Limited is deemed to be interested in the 33,014,520 shares in the Company held by A&O Investment.
- (4) Tencent Mobility is ultimately controlled by Tencent.
- (5) Great luminosity directly holds 55,756,800 shares in the Company and is wholly owned by Shanghai Hongni. Shanghai Hongni's general partner is Hony Capital (Shanghai) Co., Ltd. (弘毅投資(上海)有限公司) ("Hony Capital"), holding approximately 0.0018% of the partnership interests in Shanghai Hongni. Shanghai Hongni has only one limited partner, being Hongyi Hongxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) ("Hongyi Hongxin"), which holds approximately 99.9982% of the partnership interests in Shanghai Hongni. Hongyi Hongxin's general partner is Hony Capital, which is ultimately controlled by Xu Minsheng (徐敏生), Cao Yonggang (曹永剛) and Zhao Wen (趙文) as to 33.33%, respectively. Hongyi Hongxin is held as to 91.46% by its limited partner, Hongyu (Shanghai) Investment Fund Partnership (Limited Partnership) (弘娛(上海)投資基金合夥企業(有限合夥)) ("Hongyu"). Hongyu's general partner is Hony Capital, which is ultimately controlled by Xu Minsheng (徐敏生), Cao Yonggang (曹永剛) and Zhao Wen (趙文) as to 33.33%, respectively.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors and chief executives of the Company are aware, the Company has not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register kept by the Company.

4. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or entity connected with such Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party.

None of the Directors, directly or indirectly, has had any interest in any assets which had since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. RIGHTS AND INTEREST OF DIRECTORS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their associates has any competing interests in the businesses which compete or are likely to compete, directly or indirectly, with the Group's business or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration of material importance, and as far as the Directors are aware, there was no litigation or claim of material importance pending or threatened by or against any members of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) and up to the Latest Practicable Date.

9. QUALIFICATION AND CONSENT OF EXPERT

Grand Moore is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Grand Moore has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears herein.

As at the Latest Practicable Date, Grand Moore:

- (a) neither had any shareholding in any member of the Group nor had any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up.

10. DOCUMENTS ON DISPLAY

The 2025 Drama Series and Movies Copyrights Licensing Framework Agreement will be displayed on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.linmon.cn) within 14 days from the date of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, 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 notice.



柠萌影视

Linmon Media Limited

柠萌影视传媒有限公司

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

(Stock Code : 9857)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Linmon Media Limited (the “**Company**”) will be held at Building No. B2, Universal Business Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Friday, 25 April 2025 at 2:00 p.m. for the following purposes:

AS ORDINARY RESOLUTION

1. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (1) the transactions contemplated under the 2025 Drama Series and Movies Copyrights Licensing Framework Agreement dated 30 December 2024 entered into between the Company and Shenzhen Tencent Computer Systems Company Limited (for itself and the Represented Tencent Group) and its proposed annual caps be and are hereby approved, confirmed and ratified; and
- (2) any one or more Directors of the Company be and is/are hereby authorised to do all such further acts and things, negotiate, approve, agree on, sign, initial, ratify and/or execute such further documents deemed by him/her/them to be necessary or desirable, and take all steps deemed by him/her/them to be necessary, desirable or expedient.”

By order of the Board
Linmon Media Limited
Su Xiao
Chairman

Hong Kong, 2 April 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:	Head office and principal place of business in China:	Principal place of business in Hong Kong:
Suite #4-210, Governors Square 23 Lime Tree Bay Avenue PO Box 32311 Grand Cayman KY1-1209 Cayman Islands	31/F, Suhe Centre No. 99 North Shanxi Road Jing'an District Shanghai PRC	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

Notes:

1. For determining the shareholders who are entitled to attend and vote at the extraordinary general meeting, the register of members of the Company will be closed from Tuesday, 22 April 2025 to Friday, 25 April 2025, both days inclusive, during which period no transfer of shares will be effected. To be eligible to attend and vote at the extraordinary general meeting, all transfer documents accompanied by the relevant share certificates and the duly completed and signed transfer forms must be lodged for registration with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 17 April 2025.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed.
3. Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the extraordinary general meeting (i.e. before 2:00 p.m. on Wednesday, 23 April 2025) or any adjourned meeting.
4. The ordinary resolution set out above will be determined by way of poll.

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