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LINEKONG

藍港互動

Linekong Interactive Group Co., Ltd.

藍港互動集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8267)

PROFIT WARNING

This announcement is made by Linekong Interactive Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby notifies the shareholders and potential investors of the Company that, based on the information currently available to the Group and the preliminary assessment on the unaudited consolidated management accounts (the “**Management Accounts**”) of the Group for the nine months ended September 30, 2015, it is expected that the Group will record a net loss of approximately RMB5,000,000 to RMB10,000,000 for the nine months ended September 30, 2015 under the International Financial Reporting Standards (the “**IFRSs**”), which included the non-cash expenses of approximately RMB54,000,000 incurred from the grant of restricted share units (the “**RSUs**”) by the Company. Excluding such non-cash expenses incurred from the grant of RSUs by the Company under the IFRSs, it is expected that the Group will record a net profit of approximately RMB44,000,000 to RMB49,000,000 for the nine months ended September 30, 2015 under the non-IFRSs after adjustment.

The expected net loss was mainly attributable to the following factors:

The non-cash expenses of approximately RMB54,000,000 incurred from the grant of the RSUs by the Company under the IFRSs have been included into the Management Accounts. Also, the Group has made strategic adjustments to its products and restructured the research and development department, which has caused adjustments to the release time of certain self-developed or licensed mobile games and has in turn affected the revenue generated. Further, the games currently operated by the Group have entered into a maturity stage, which has led to a certain degree of natural decrease in the revenue and resulted in lower-than-expected revenue for the third quarter.

Nevertheless, the Board is optimistic about the Group's future operation and layout arrangements. The market switched the focus from "channel-oriented" in the past to "product-oriented" nowadays, availing the Group to continue to concentrate on the research and development for its prime games products. By means of the product types in which the team excels as its core competitiveness and the operating model with independent intellectual property ("IP") as its carrier, the Group is to unearth the IP storyline, the well-received IP culture and the trendy elements being well blended, which will be all around the kernels of the game design and eventually becomes part of the games in order to ensure and enhance the quality of self-developed products.

Meanwhile, the Group will deeply drive the internationalization process and develop prime games with international standard by combining domestically self-developed mature-staged kernel system with the design and production by the international team.

After *One Hundred Thousand Bad Jokes* (十萬個冷笑話), the Group opened the beta testing for 3D MMO collectible card mobile game *The Legend of Zhenhuan* (甄嬛傳) on September 16, 2015, which was then launched on all platforms on October 10, 2015. In addition, the Group will also launch a Japanese-cartoon styled and *SanGuo* (三國) themed mobile game *Warrior Crash* (亂彈三國志) featuring pinball in the fourth quarter of 2015, which opened pay-for-play testing on October 16, 2015 and will be officially commercialized in November. Furthermore, a mobile game called *Wars of Shushan* (蜀山戰記), which is adapted from and shares the same name of a television series, will also open internal testing in the fourth quarter of 2015.

As the Company is still finalising the third quarterly results for the nine months ended September 30, 2015, and the Management Accounts have not yet been reviewed by the auditors of the Company, the information set out herein is based solely on the information currently available to the Group and the preliminary assessment made by the Board on the Management Accounts. As such, the actual results for the nine months ended September 30, 2015 may or may not be different from the disclosure in this announcement.

Further information on the Group's results and performance for the nine months ended September 30, 2015 is expected to be announced in November 2015 and the related quarterly report will be published and despatched to the shareholders of the Company in accordance with the requirements under the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Linekong Interactive Group Co., Ltd.
WANG Feng
Chairman

Beijing, PRC, October 30, 2015

As at the date of this announcement, the executive Directors are Mr. WANG Feng, Ms. LIAO Mingxiang, Mr. MEI Song and Mr. ZHAO Jun; the non-executive Director is Mr. QIAN Zhonghua; and the independent non-executive Directors are Mr. MA Ji, Mr. ZHANG Xiangdong, Mr. WANG Xiaodong and Ms. ZHAO Yifang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.linekong.com.