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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)

THE TERMINATION OF THE TRANSACTION IN RELATION TO THE DISPOSAL OF HORGOS PICTURES

This announcement is made pursuant to Rule 19.36 and 20.33 of the GEM Listing Rules.

Reference is made to the announcement of Linekong Interactive Group Co., Ltd. (the “**Company**”) dated 24 August 2017 in relation to, among other things, the planned disposal of Horgos Pictures according to the Lanfeng Agreement and the Lanhai Culture Agreement (the “**Announcement**”). Unless otherwise defined, the capitalised terms used herein shall have the same meaning as those defined in the Announcement.

Since the entering into the Lanfeng Agreement and the Lanhai Culture Agreement, Horgos Pictures, in addition to the independent investment filming mode, has developed its customized drama filming mode which required lower capital usage, resulting in improvement of its operating performance. The Board considers that continuing to conduct the transaction under the Lanfeng Agreement and the Lanhai Culture Agreement may not be in the best interest of the Company and the shareholders as a whole. Both Lanfeng Investment and Lanhai Culture intended to agree not to proceed with the aforesaid transaction.

Therefore, the parties to the Lanfeng Agreement and the Lanhai Culture Agreement have entered into a separate termination agreement respectively on 28 September 2018 for the termination of the Lanfeng Agreement and the Lanhai Culture Agreement, pursuant to which after arm’s length negotiation, the parties have agreed, among other things: (i) the Lanfeng Agreement and the Lanhai Culture Agreement shall be fully terminated and the respective rights and obligations of the parties thereunder shall cease; and (ii) the parties shall have no rights, claims, liabilities, demand, and costs and expenses against the other party in connection with the Lanfeng Agreement and the Lanhai Culture Agreement and any transactions contemplated thereunder.

According to the plan of the Group, Horgos Pictures will continue to explore with the accurate market demands from young females born after 1995 and 2000 by focusing on productions with themes of romantic fantasy and school days drama, such as the recently aired “Long For You” (我與你的光年距離) and “Unexpected” (來到你的世界), the “Long For You 2” (我與你的光年距離2) which has finished filming and currently under post-production, and “As a Fatty” (身為一個胖子) which is at the stage of script development. In addition, leveraging on its Group’s Game Business, Horgos Pictures will achieve a win-win situation for games and movies production, such as exquisite historical dramas IP “Tomb Guardian — Revelation” (鎮墓獸·天啟) and “Ancient Music Records” (古樂風華錄).

The Board considers that the termination of the Lanfeng Agreement and the Lanhai Culture Agreement has no material adverse impact on the existing business operation and financial position of the Group.

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

Beijing, The PRC, September 28, 2018

As at the date of this announcement, the executive Directors are Mr. WANG Feng, Ms. LIAO Mingxiang, Mr. CHEN Hao and Mr. WANG Jin (also known as YAN Yusong); the non-executive Director is Mr. PAN Donghui; and the independent non-executive Directors are Ms. ZHAO Yifang, Mr. ZHANG Xiangdong and Ms. WU Yueqin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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’s 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.