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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)

**POSSIBLE MAJOR TRANSACTION
VARIATION OF TERMS IN RELATION TO
THE ACQUISITION MANDATE
OF THE POTENTIAL CRYPTOCURRENCY ACQUISITIONS**

VARIATION OF TERMS

Reference is made to (i) the announcements of the Company dated June 15, 2023, July 7 2023, August 8, 2023, August 17, 2023, September 13, 2023 and December 29, 2023; (ii) the circular (the “**Circular**”) of the Company dated October 31, 2023; and (iii) the poll results of the Company dated November 22, 2023, pursuant to which the Board was authorized and empowered to acquire Cryptocurrency in open market transactions with a focus on Bitcoins and Ethereum.

Pursuant to the Acquisition Mandate, the maximum amount that the Board is authorized and empowered to acquire Cryptocurrencies is up to US\$5 million in open market transactions. The nature of Cryptocurrencies are in general highly volatile, and are subject to sudden, massive price swings. Ever since the approval of the Acquisition Mandate on 22 November 2023, the value of Cryptocurrencies has risen rapidly, rendering the Acquisition Mandate not as purposeful as expected and ultimately limiting the potential enhancement of Shareholders’ value. Given these circumstances, the Company believes it is necessary to revise the maximum amount to US\$6 million to acquire Cryptocurrencies in open market transactions and further revise the maximum capped price per each unit of Bitcoin and Ethereum to be not exceeding 10% of the market price (the “**Revised Acquisition Mandate**”). The Board is of the view that the Revised Acquisition Mandate can provide flexibility to the Board in capturing fleeting opportunities. The other terms in the Acquisition Mandate shall remain the same.

GEM LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Revised Acquisition Mandate is expected to exceed 25% but all are less than 100%, the Revised Acquisition Mandate constituted a major transaction on the part of the Company and was subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.42 of the GEM Listing Rules, since the Company proposes to vary certain terms of the Acquisition Mandate which constitute material change to the terms by way of the Revised Acquisition Mandate, the Company is required to re-comply with all applicable provisions under the GEM Listing Rules, including the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Company will convene the Extraordinary General Meeting for the purposes of, among others, seeking approval from the independent Shareholders on the terms of the Revised Acquisition Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Revised Acquisition Mandate. Accordingly, it is expected that no Shareholder is required to abstain from voting at the Extraordinary General Meeting.

A circular containing, among other things, further details of the Revised Acquisition Mandate, the notice of the Extraordinary General Meeting and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before February 2, 2024.

Shareholders and potential investors of the Company should note that any Cryptocurrencies that the Group may purchase or sell will depend on market conditions and will be made at the Board's discretion. The Cryptocurrency market is volatile in the near-term and the prices of Cryptocurrencies may be subject to fluctuations. There is therefore no assurance as to the timing, quantity, type or price of any Cryptocurrencies to be purchased or sold by the Group. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

VARIATION OF TERMS

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THE TERMS OF THE REVISED ACQUISITION MANDATE

Save for the variation of the maximum amount for conducting the Potential Cryptocurrency Acquisitions and the maximum capped unit price per Bitcoin and/or Ethereum, the remaining terms in the Acquisition Mandate shall remain the same. The terms of the Revised Acquisition Mandate (reflecting the initial terms under the Acquisition Mandate, together with the varied term in respect of the maximum amount) to be sought from the Shareholders at the Extraordinary General Meeting are as follows:-

1. Mandate Period

The Revised Acquisition Mandate is for the Mandate Period, i.e., a period of 12 months from the date on which the ordinary resolution in relation to the Revised Acquisition Mandate and the Potential Cryptocurrency Acquisitions is duly passed by the Shareholders at the Extraordinary General Meeting.

2. Maximum Amount

The Revised Acquisition Mandate shall authorize and empower the Board to acquire Cryptocurrencies up to US\$6 million in open market transactions.

The maximum capped unit price per Bitcoin and/or Ethereum is determined according to the bid and ask prices of the Cryptocurrencies as quoted on the open market with a maximum of no more than 10% of the market price.

3. Scope of Authorization

The Board shall be authorized and empowered to determine, decide, execute and implement with full discretion all manners in relation to the Potential Cryptocurrency Acquisitions, including but not limited to the number of batches of Potential Cryptocurrency Acquisitions, type of Cryptocurrencies to be acquired, the timing of the Potential Cryptocurrency Acquisitions and the acquisition prices.

4. Manner of the Potential Cryptocurrency Acquisitions

The Potential Cryptocurrency Acquisitions shall be conducted in the open market.

5. Basis of Consideration

The consideration for the Potential Cryptocurrency Acquisitions will be determined according to the bid and ask prices of the Cryptocurrencies as quoted in open market. The consideration for the Potential Cryptocurrency Acquisitions will be satisfied in cash and will be funded by the then available cash reserve of the Group.

The estimated aggregate consideration to be payable for the Potential Cryptocurrency Acquisitions under the Revised Acquisition Mandate shall not exceed the aggregation of US\$6 million, which was determined with reference to the Group's current Web3 business development and asset allocation strategy.

REASONS FOR AND BENEFITS OF THE REVISED ACQUISITION MANDATE

Cryptocurrency prices are extremely volatile and are subject to massive price swings. Ever since the approval of the Acquisition Mandate in 22 November 2023, the value of Cryptocurrencies has risen rapidly, rendering the Acquisition Mandate not as purposeful as expected and ultimately limiting the potential enhancement of Shareholders' value. By revising the maximum amount and removing the capped unit price per Cryptocurrency, the Board believes there would be more flexibility to conduct the Potential Cryptocurrency Acquisitions and would ultimately enhance Shareholders' value in the long term.

In view of the above, the Directors are of the view that the terms of the Revised Acquisition Mandate are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE POSSIBLE COUNTERPARTIES

The Company was incorporated in the Cayman Islands on May 24, 2007 as an exempted company with limited liability with its Shares listed on GEM since December 30, 2014. The Group is principally engaged in developing and publishing online games in the PRC and other countries and regions, and the film business in the PRC.

As the Potential Cryptocurrency Acquisitions will be conducted in the open market, the identities of the counterparties of the Potential Cryptocurrency Acquisitions cannot be ascertained. In the event that any counterparty is a connected person (as defined in the GEM Listing Rules) of the Company, the Company will comply with the requirements under the Chapter 20 of the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Revised Acquisition Mandate is expected to exceed 25% but all are less than 100%, the Revised Acquisition Mandate constituted a major transaction on the part of the Company and was subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.42 of the GEM Listing Rules, since the Company proposes to vary certain terms of the Acquisition Mandate which constitute material change to the terms by way of the Revised Acquisition Mandate, the Company is required to re-comply with all applicable provisions under the GEM Listing Rules, including the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Company will convene the Extraordinary General Meeting for the purposes of, among others, seeking approval from the Independent Shareholders on the terms of the Revised Acquisition Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Revised Acquisition Mandate. Accordingly, it is expected that no Shareholder is required to abstain from voting at the Extraordinary General Meeting.

A circular containing, among other things, further details of the Revised Acquisition Mandate, the notice of the Extraordinary General Meeting and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before February 2, 2024.

Shareholders and potential investors of the Company should note that any Cryptocurrencies that the Group may purchase or sell will depend on market conditions and will be made at the Board’s discretion. The Cryptocurrency market is volatile in the near-term and the prices of Cryptocurrencies may be subject to fluctuations. There is therefore no assurance as to the timing, quantity, type or price of any Cryptocurrencies to be purchased or sold by the Group. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Acquisition Mandate”	a specific mandate approved by the Shareholders at the EGM held on 22 November 2023 to authorize and empower the Directors to acquire Cryptocurrencies during the Mandate Period
“Board”	the Board of Directors of the Company
“Company”	Linekong Interactive Group Co., Ltd. (藍港互動集團有限公司), an exempted company incorporated under the laws of the Cayman Islands on May 24, 2007 with limited liability
“Cryptocurrency(ies)”	a digital currency which is an alternative form of payment created using encryption algorithms and currently includes, among others, Bitcoin and Ethereum
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to approve, among other things, the Revised Acquisition Mandate and the Potential Cryptocurrency Acquisitions
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries

“Mandate Period”	12 months from the date on which the ordinary resolution in relation to the Revised Acquisition Mandate and the Potential Cryptocurrency Acquisitions is duly passed by the Shareholders at the Extraordinary General Meeting
“Potential Cryptocurrency Acquisitions”	the potential acquisitions of Cryptocurrencies (including but not limited to Bitcoin and Ethereum) up to US\$6 million in open market transactions on an ongoing basis
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of nominal value of US\$0.000025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States

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

Beijing, the PRC, January 21, 2024

As at the date of this announcement, the executive directors of the Company are Mr. WANG Feng, Mr. CHEN Hao and Mr. WANG Jin (also known as YAN Yusong); and the independent non-executive directors of the Company are Mr. ZHANG Xiangdong, Ms. WU Yueqin and Mr. FU Frank Kan.

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 of Hong Kong Limited 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 Listed Company Information” page of the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.linekong.com.