

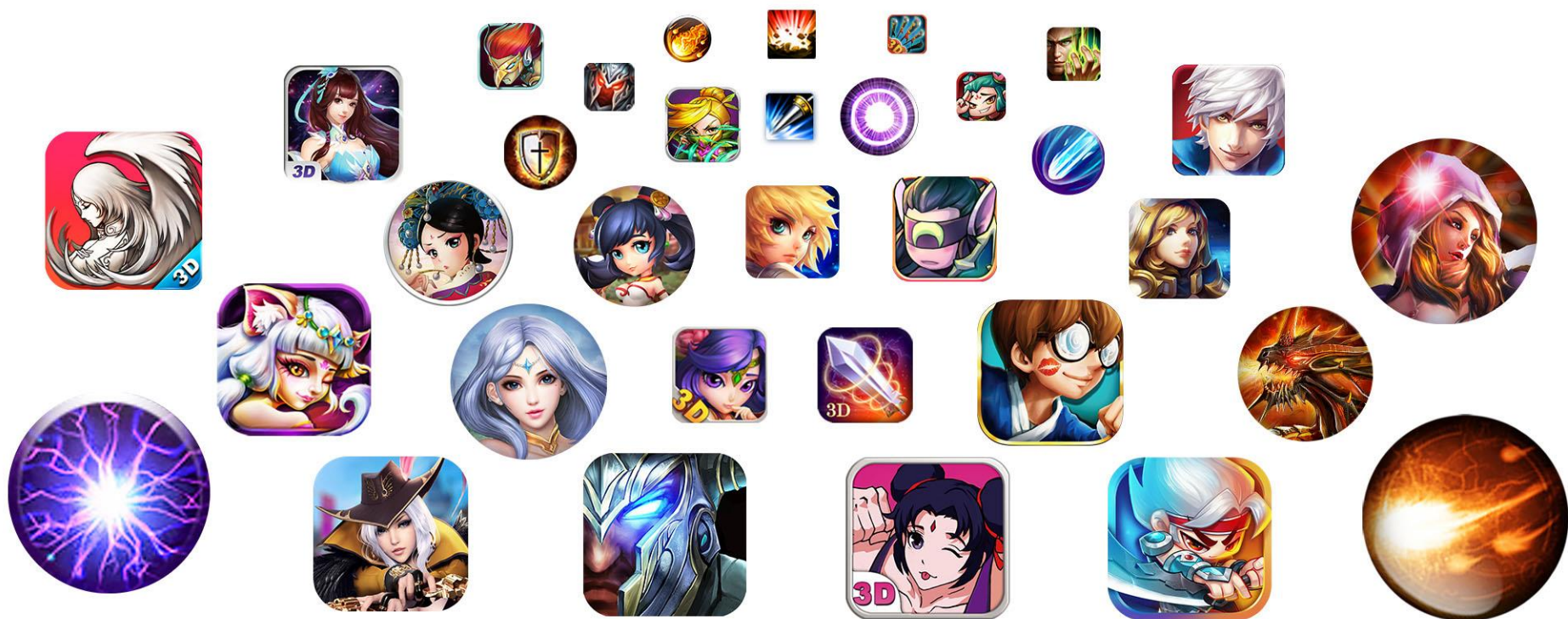
LINEKONG

藍港互動

Linekong Interactive Co., Ltd.

(Stock code: 8267.HK)

2014 Annual Results



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Part I : Company Overview and Prospects

Company Profile

1 A leading Chinese mobile games developer and publisher, founded in 2007, with focus on high quality midcore and hardcore mobile games; Linekong went public on GEM of Hong Kong on 30 Dec., 2014 (Stock code: 8267.HK). As of 25 March, 2014, stock price was HKD 9.06 and the market cap was HKD 3,351 million

2 As of Dec. 31, 2014, the Company had commercialized 17 online games, including 10 self-developed games and 7 licensed games;

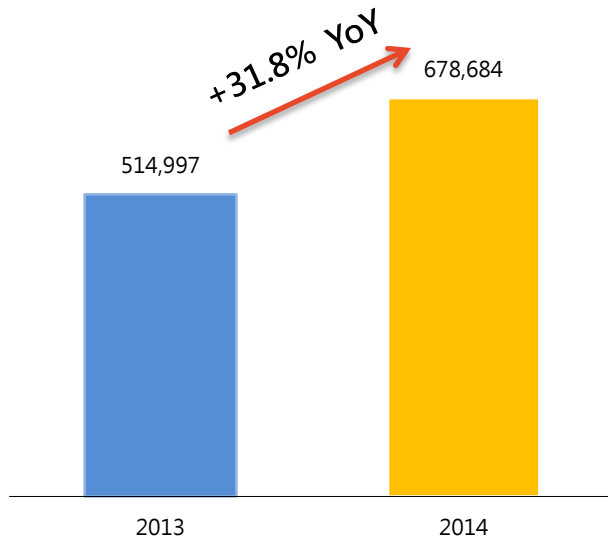
3 As of Dec. 31, 2014, our cumulative registered players had reached approximately 174.4 million, with approximately 4.7 million average monthly active players ("MAUs") and approximately 0.8 million daily active players ("DAUs"), respectively;

4 As of Dec. 31, 2014, the Company' s self-owned game platform "8864.com" had a total of approximately 85.0 million registered players, recorded a revenue of approximately RMB 103.7million, accounting for approximately 16.5% to the total revenue from virtual items of the Company in 2014.

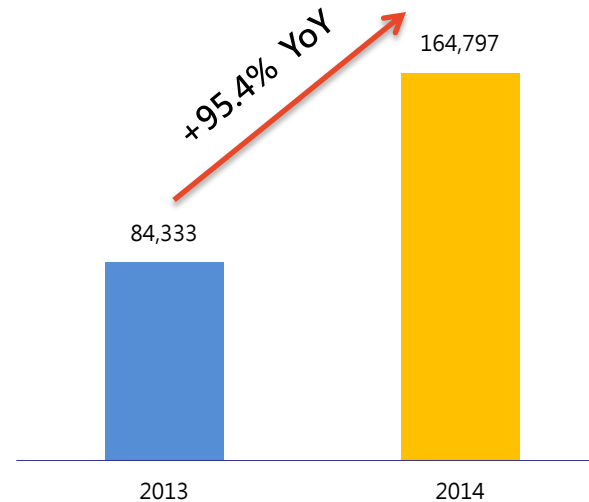
FY 2014 Performance

Both revenue and non-IFRS adjusted net profit had achieved significant growths

Revenue
(RMB' 000)



Non-IFRS Adjusted
Net Profit (RMB' 000)



2015 Game Pipeline...



One Hundred Thousand Bad Jokes



The mobile game, One Hundred Thousand Bad Jokes, a turn-based 3D RPG collectible card game, went online on March 18, 2015 and achieved 1.42 million DAUs after 3 days post-launch.

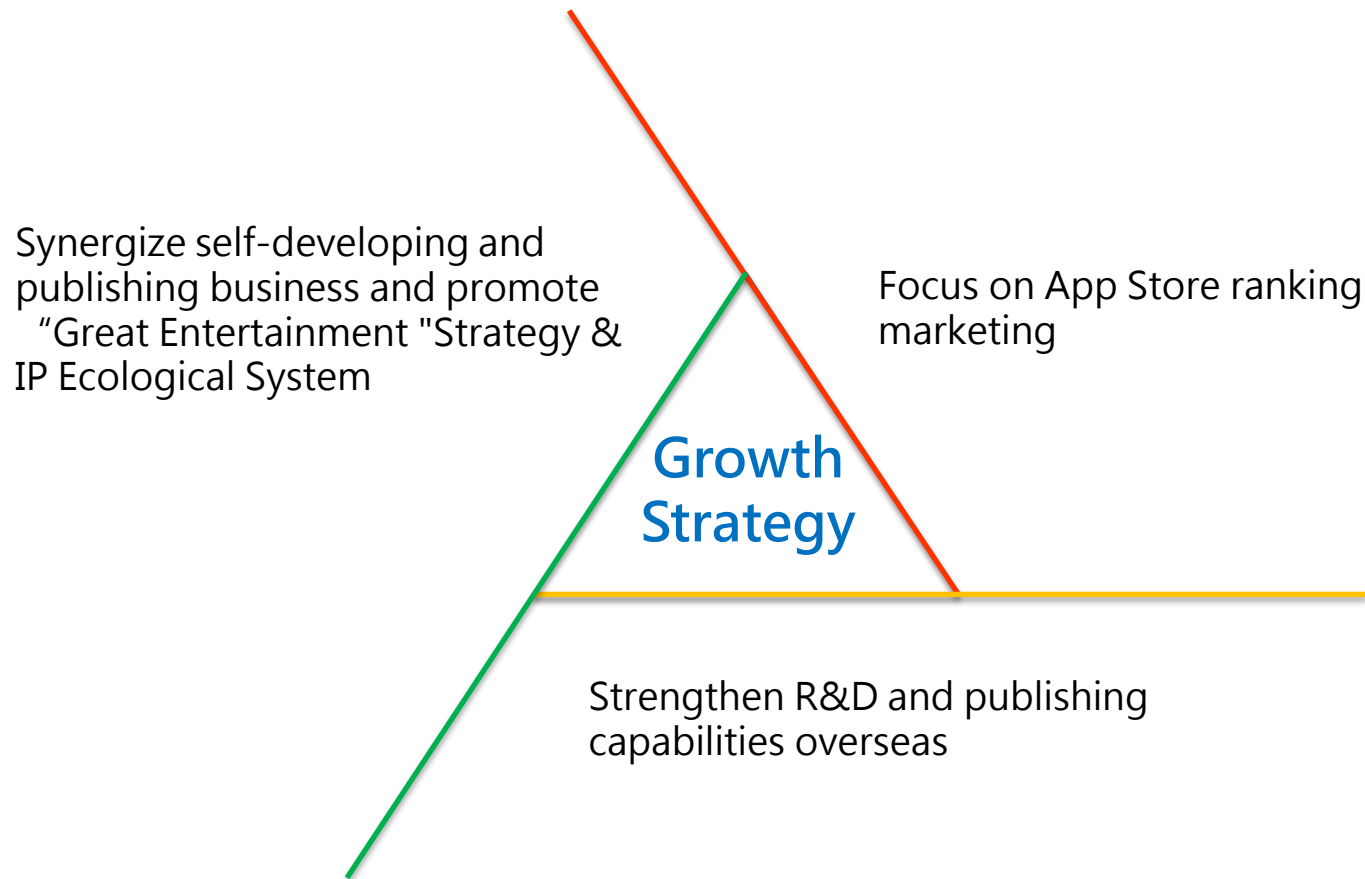
One Hundred Thousand Bad Jokes, from comics to animation comics, to stage play, to movie and even to mobile game, grows into the most influential original comic and animation IP in China within 4 years.

The movie One Hundred Thousand Bad Jokes grossed RMB120 million, which set up a record on profits for domestic original comic and animation in China.



The Company has acquired the exclusive rights for mobile game development of One Hundred Thousand Bad Jokes and authorized a third-party for game development. The game is exclusively published and operated by Linekong.

2015 Key Strategies



Part II : 2014 Financial Results

2014 Annual Results Highlights

FY 2014 Results Highlights

	For the year ended 31 December		
RMB'000	2013	2014	Changes
Revenue	514,997	678,684	31.8%
- Mobile games	249,158	597,897	140.0%
- Webgames	145,746	30,313	-79.2%
- Client-based games	120,093	50,474	-58.0%
Gross profit	270,607	331,325	22.4%
Loss attributable to the equity holders of the company	-400,877	-154,582	-61.4%
Non-IFRS adjusted net profit	84,333	164,797	95.4%

FY 2014 Key Highlights

1 Strong growth in revenue and profit

- Revenue amounted to RMB 678.7m, up 31.8% yoy
- Non-IFRS adjusted net profit (unaudited) achieved RMB164.8m, up 95.4% yoy

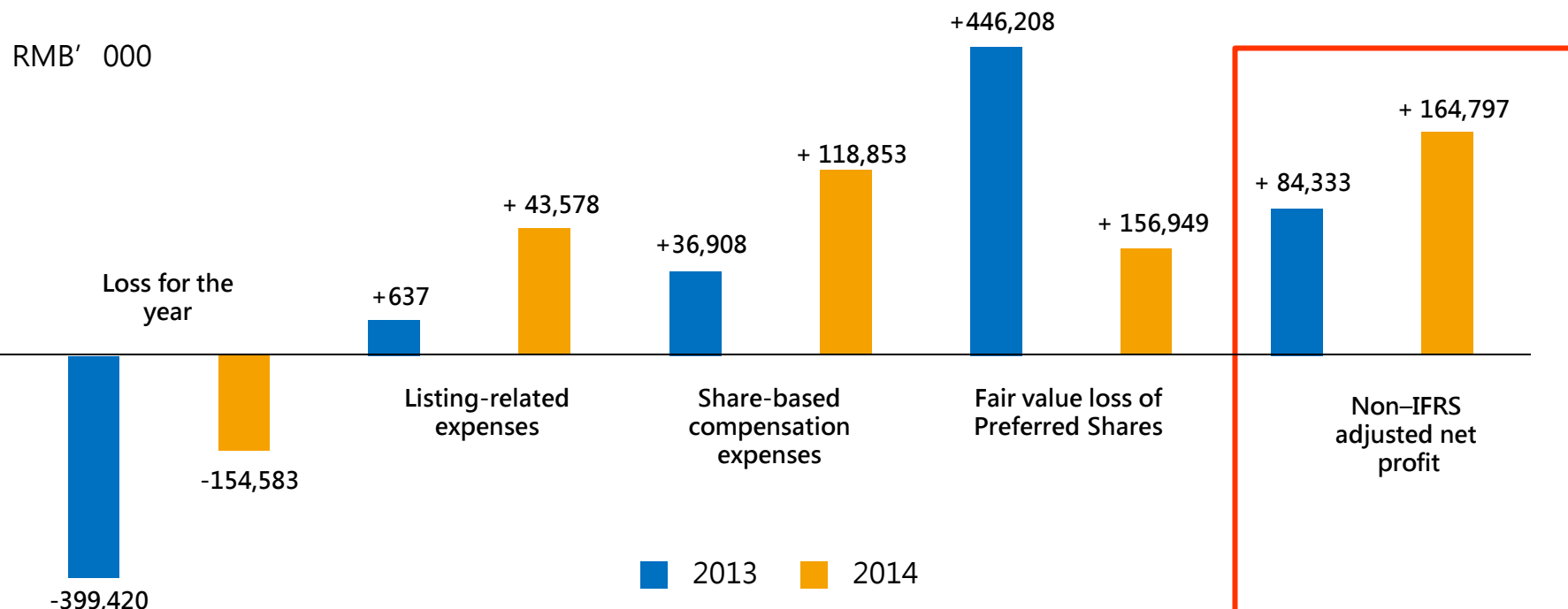
2 Strong growth in mobile games

- Revenue from Mobile games amounted to RMB 597.9m, up 140% yoy
- Revenue from Mobile games amounted for 88.1% of total revenue

3 Strong growth in licensed games

- Revenue from licensed games amounted for 35.0% of total revenue in 2014 verse 18.1% in 2013

Non-IFRS Measure – Adjusted Net Profit

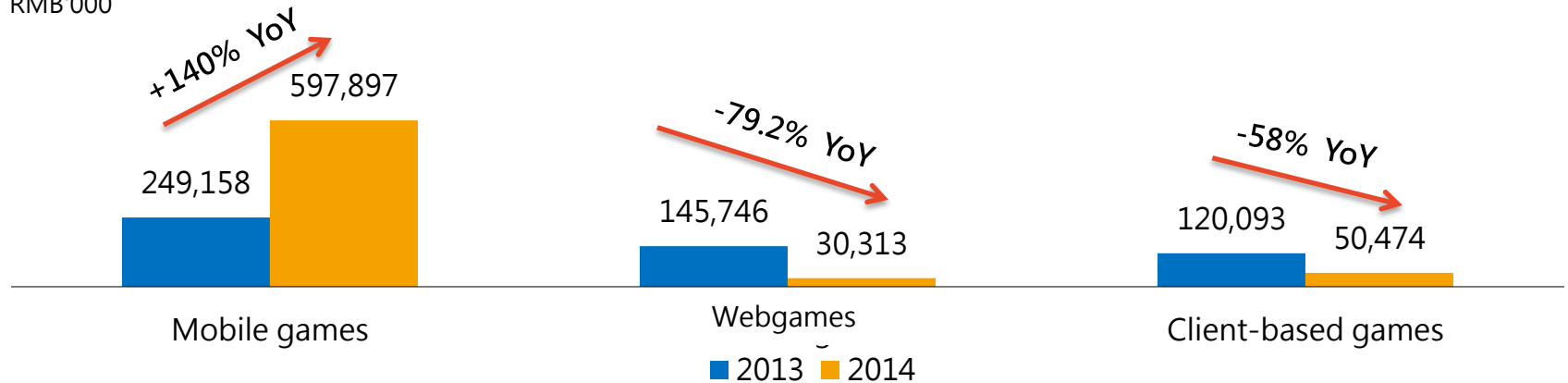


RMB' 000	For the year ended 31 December		Change
	2013	2014	
Loss for the year	-399,420	-154,583	-61.3%
Add:			
Share-based compensation expenses	36,908	118,853	222.0 %
Listing-related expenses	637	43,578	6,741.1%
Fair value loss of Preferred Shares	446,208	156,949	64.8%
Non -IFRS adjusted net profit	84,333	164,797	95.4%

2014 Revenue Breakdown - by Game Types

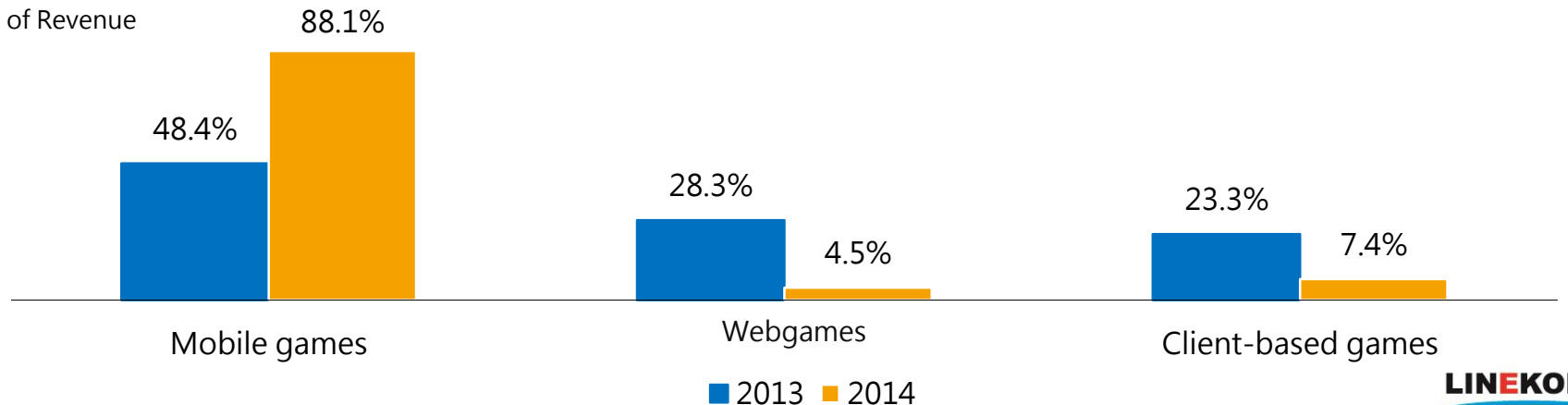
Strong Growth in Mobile games

RMB'000






Mobile games became the major source of revenue in 2014

% of Revenue



2014 Revenue Breakdown - by Games

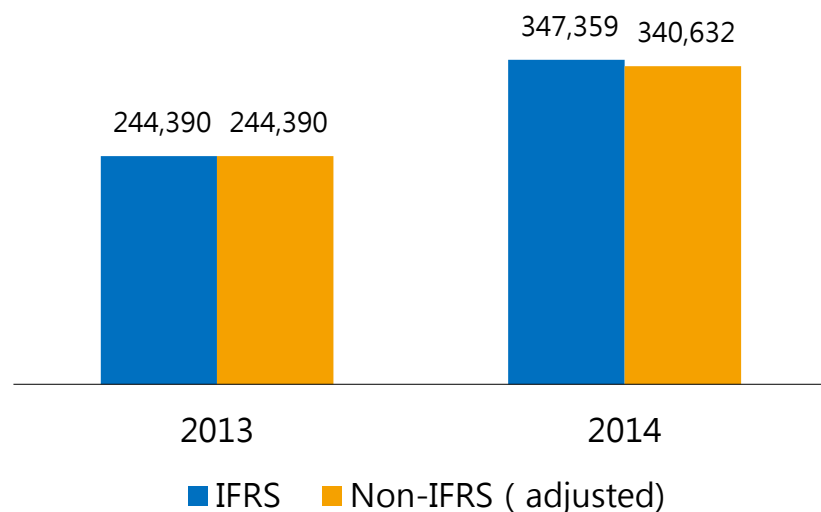
RMB'000		For the year ended 31 December		
		2013	2014	Changes
Key Games	Sword of Heaven (蒼穹之劍)  3D RPG Self-Developed	9,910	213,889	2058.3%
	Blade of God (神之刃)  3D CCG Licensed	-	186,171	100.0%
	Excalibur (王者之劍)  2D ACT Self-Developed	238,970	141,126	-40.9%
	Sword of Heros (英雄之劍)  2D ACT Self-Developed	-	29,780	100.0%
	Three Kingdoms (三國演義)	91,322	26,154	-71.4%
	Daybreak (黎明之光)	74,175	21,782	-70.6%
	Journey to the West (西遊記)	18,556	9,542	-48.6%
	Bubble Ninja (火影世界)	50,161	3,863	-92.3%
	Others	31,903	46,377	45.4%
	Total	514,997	678,684	31.8%

2014 Expenses Analysis

Cost of Revenue

	% of Revenue	2013	2014
IFRS		47.5%	51.2%
Non-IFRS (adjusted)		47.5%	50.2%

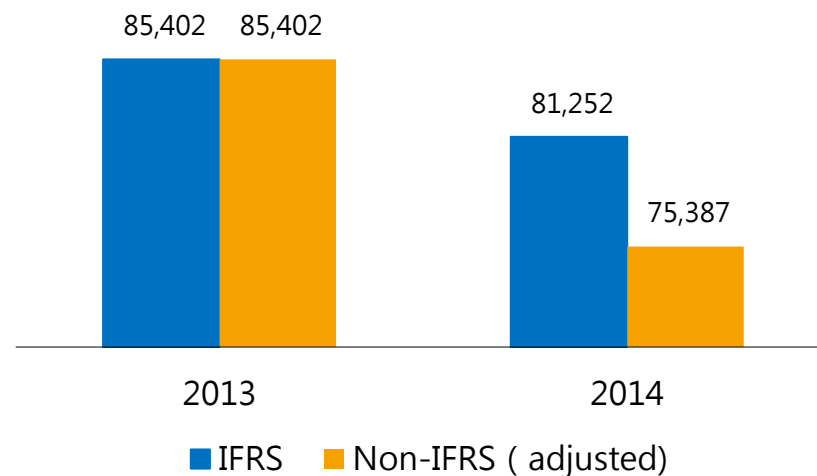
RMB' 000



Selling and Marketing Expenses

	% of Revenue	2013	2014
IFRS		16.6%	12.0%
Non-IFRS (adjusted)		16.6%	11.1%

RMB' 000

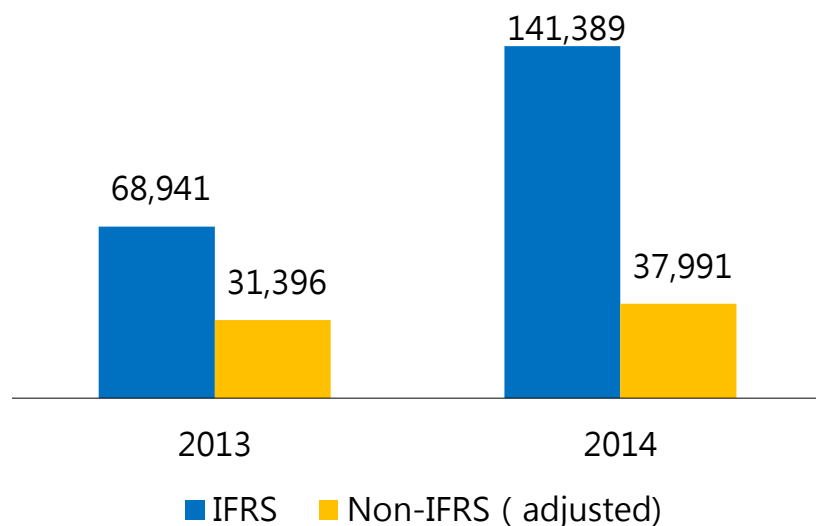


2014 Expenses Analysis

Administrative Expenses

	% of Revenue	2013	2014
IFRS		13.4%	20.8%
Non-IFRS (adjusted)		6.1%	5.6%

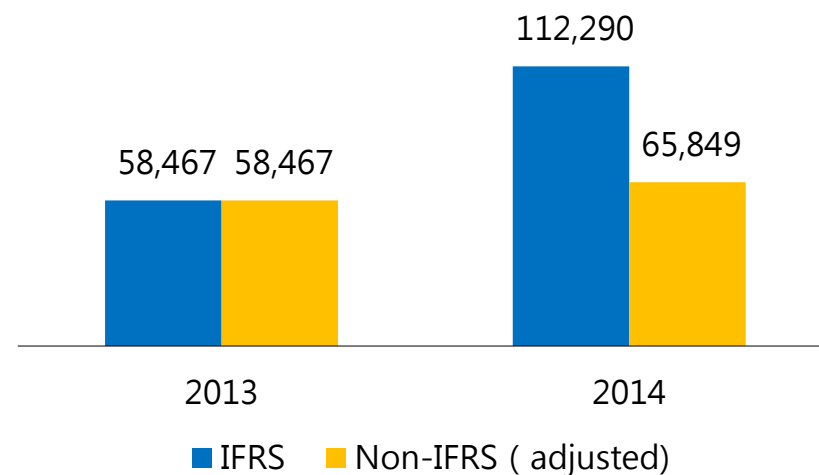
RMB' 000



Research and Development Expenses

	% of Revenue	2013	2014
IFRS		11.4%	16.5%
Non-IFRS (adjusted)		11.4%	9.7%

RMB' 000



2014 Operational Matrix

All Games

For the year ended
31 December

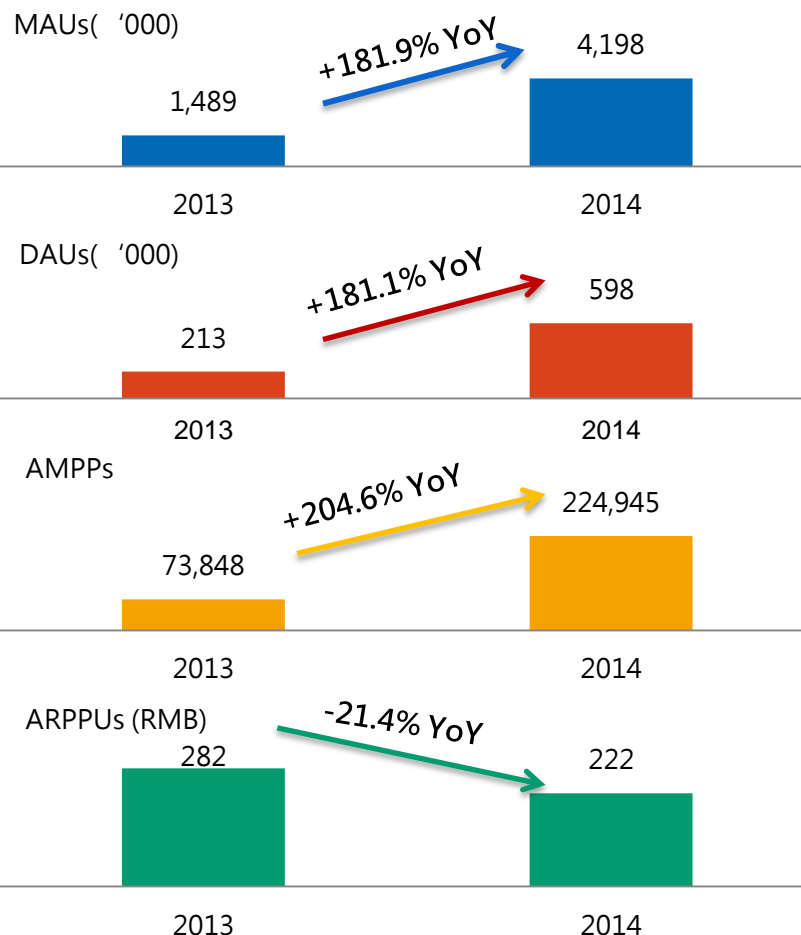
	2013	2014	Changes
Monthly Active Players ("MAUs") (in thousands)			
<u>Mobile games</u>	<u>1,489.0</u>	<u>4,197.9</u>	<u>181.9%</u>
Webgames	1,312.0	105.1	-92.0%
Client-based games	635.2	370.6	-41.7%
Total	3,436.2	4,673.6	36.0%

Daily Active Players ("DAU") (in thousands)			
<u>Mobile games</u>	<u>212.8</u>	<u>598.1</u>	<u>181.1%</u>
Webgames	162.7	35.3	-78.3%
Client-based games	164.2	118.0	-28.1%
Total	539.7	751.4	39.2%

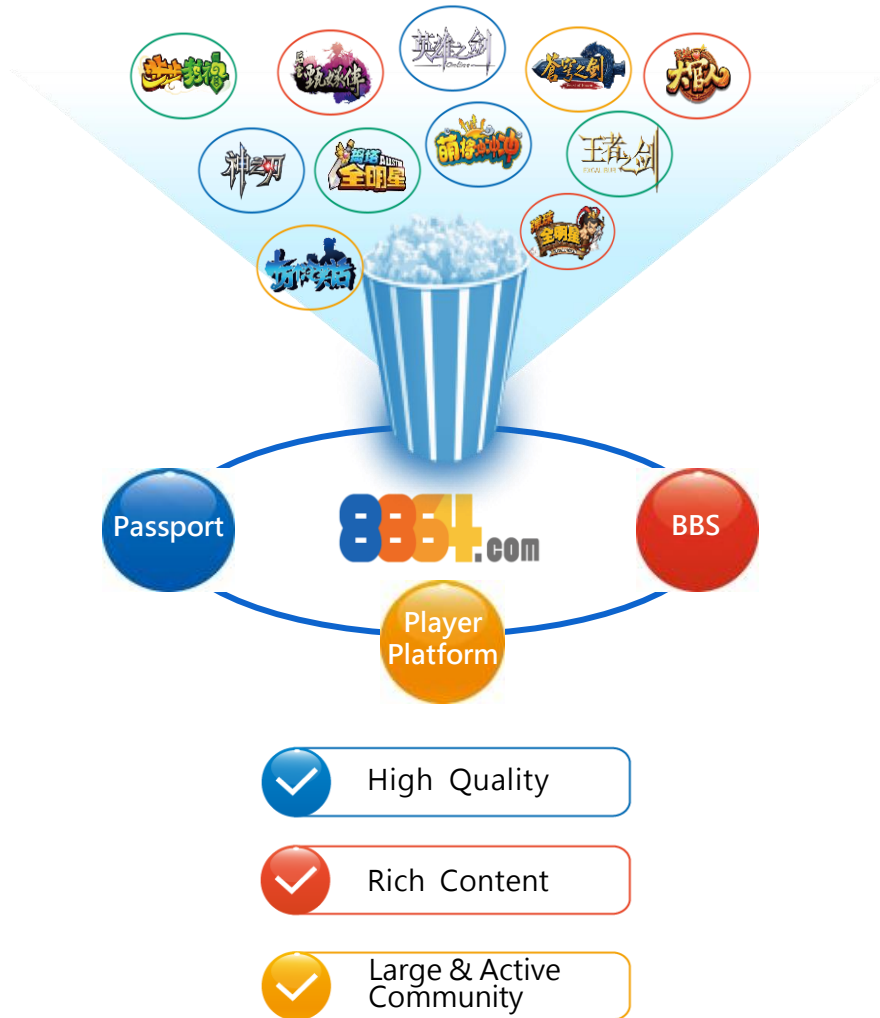
Average Monthly Paying Players			
<u>Mobile games</u>	<u>73,848</u>	<u>224,945</u>	<u>204.6%</u>
Webgames	29,143	3,596	-87.7%
Client-based games	25,184	9,251	-63.3%
Total	128,175	237,792	85.5%

Monthly Average Revenue per Paying Player (RMB)			
<u>Mobile games</u>	<u>281.9</u>	<u>221.5</u>	<u>-21.4%</u>
Web games	423.5	702.5	65.9%
Client-based games	399.1	454.7	13.9%
All games	337.1	237.8	-29.5%

Mobile Games Highlights

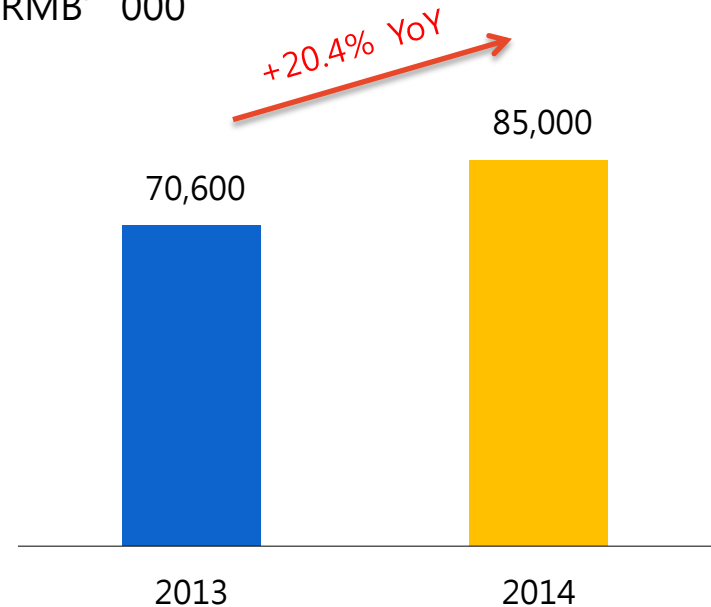


Own Distribution Platform—8864.com



Numbers of registered users as of year end

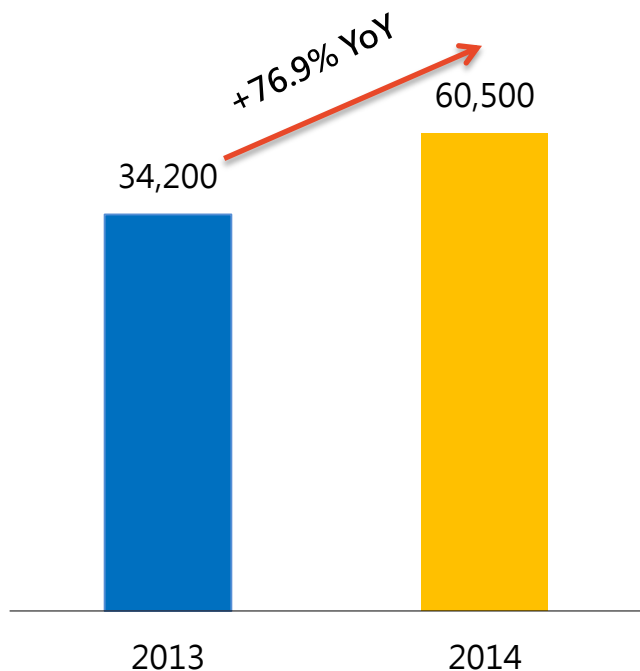
RMB' 000



2014 Oversea Market

Overseas Market Revenue

RMB' 000



Benefiting from our globalized development strategy, the Company has also achieved visible results in overseas markets. Currently, the Company has already established subsidiaries in Hong Kong and Seoul, covering the markets of Hong Kong, Macau, Taiwan and South Korea. The Company has started publishing the Korean version of Sword of Heaven in South Korea.

As of Dec. 31, 2014, the Company recorded a revenue of approximately RMB60.5 million in markets other than Mainland China, representing an increase of approximately 76.9% as compared to approximately RMB34.2 million in 2013.

Financial Positions

<u>BMB'000</u>	<u>As of 31 Dec.2013</u>	<u>As of 31 Dec.2014</u>	<u>Change</u>
Total assets	246,860	1,260,240	410.51%
Total liabilities	928,180	252,944	-72.75%
Net assets	-681,320	1,007,296	-
Cash and cash equivalents	111,777	1,086,532	872.05%
Trade receivables	43,779	62,829	43.51%
Trade and other paybales	99,795	151,466	51.78%

Q&A

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