

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



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Linekong Interactive Group Co., Ltd. (the “Company” or “we”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (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.

HIGHLIGHTS

- Our revenue for the six months ended June 30, 2025 amounted to approximately RMB28.5 million, representing a decrease of approximately 51.5% as compared to approximately RMB58.8 million for the six months ended June 30, 2024.
- Our gross profit for the six months ended June 30, 2025 amounted to approximately RMB5.4 million, representing a decrease of approximately 63.3% from RMB14.7 million recorded for the six months ended June 30, 2024.
- Profit attributable to owners of the Company under IFRS Accounting Standards for the six months ended June 30, 2025 amounted to approximately RMB11.4 million (for the six months ended June 30, 2024: loss attributable to owners of the Company under IFRS Accounting Standards approximately RMB12.8 million).
- Earnings per share under IFRS Accounting Standards for the six months ended June 30, 2025 amounted to approximately RMB0.032 (for the six months ended June 30, 2024: loss per share under IFRS Accounting Standards approximately RMB0.037).
- The board of Directors (the “**Board**”) did not recommend any payment of dividends for the six months ended June 30, 2025.

INTERIM RESULTS (UNAUDITED)

The Board announces the unaudited interim condensed consolidated results and the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025 together with the comparative figures for the six months ended June 30, 2024. The results were reviewed by the audit committee of the Company (the “**Audit Committee**”), which consists of all independent non-executive Directors, and is chaired by an independent non-executive Director.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME/(LOSS)

For the six months ended June 30, 2025

		Six months ended June 30,	
	Note	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	28,537	58,787
Cost of revenue		(23,139)	(44,070)
Gross profit		5,398	14,717
Selling and marketing expenses		(1,160)	(7,679)
Administrative expenses		(12,823)	(9,849)
Research and development expenses		(1,512)	(10,252)
Net impairment losses on receivables and contract assets		(413)	(92)
Other operating income/(expenses) — net	5	16,079	(526)
Operating profit/(loss)		5,569	(13,681)
Other gains — net	6	2,504	998
Finance income — net		205	428
Share of profit of investment accounted for using equity method		2,789	172
Profit/(loss) before income tax		11,067	(12,083)
Income tax expense	7	—	(5)
Profit/(loss) for the period		11,067	(12,088)
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss:			
— Share of other comprehensive (loss)/income of investment accounted for using equity method, net of tax		(386)	247
Items that will not be reclassified to profit or loss:			
— Currency translation differences		(1,057)	814
Other comprehensive (loss)/income for the period, net of tax		(1,443)	1,061
Total comprehensive income/(loss) for the period		9,624	(11,027)

		Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit/(loss) attributable to:			
Owners of the Company		11,429	(12,764)
Non-controlling interests		(362)	676
		<u> </u>	<u> </u>
Profit/(loss) for the period		<u>11,067</u>	<u>(12,088)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		9,986	(11,703)
Non-controlling interests		(362)	676
		<u> </u>	<u> </u>
Total comprehensive income/(loss) for the period		<u>9,624</u>	<u>(11,027)</u>
Earnings/(loss) per share (expressed in RMB per share)			
— Basic	8	<u>0.032</u>	<u>(0.037)</u>
— Diluted	8	<u>0.032</u>	<u>(0.037)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025

	<i>Note</i>	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	5,197	6,606
Intangible assets	9	69,993	53,906
Film rights and films in progress	10	9,881	9,059
Investment accounted for using equity method		43,740	41,337
An associate measured at fair value through profit or loss		21,643	21,643
Financial assets at fair value through profit or loss	11	35,098	40,294
Other receivables	13	827	834
Other non-current assets		5,709	5,209
		<u>192,088</u>	<u>178,888</u>
Current assets			
Contract assets		10,634	5,063
Trade receivables	12	8,198	3,753
Other receivables	13	15,087	15,827
Other current assets		22,116	22,114
Cash and cash equivalents		77,759	89,883
		<u>133,794</u>	<u>136,640</u>
Total assets		<u><u>325,882</u></u>	<u><u>315,528</u></u>

	<i>Note</i>	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		59	59
Share premium		1,720,690	1,720,690
Shares held for restricted share unit scheme		(10,555)	(10,555)
Reserves		432,444	432,112
Accumulated losses		(1,896,230)	(1,907,659)
		246,408	234,647
Non-controlling interests		(801)	(439)
Total equity		245,607	234,208
Liabilities			
Non-current liabilities			
Contract liabilities		2,796	2,250
Current liabilities			
Trade and other payables	14	38,837	41,920
Current income tax liabilities		3,459	3,286
Contract liabilities		35,183	33,864
		77,479	79,070
Total liabilities		80,275	81,320
Total equity and liabilities		325,882	315,528

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

(Unaudited)	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Shares held for RSU Scheme	Reserves	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as of January 1, 2025	59	1,720,690	(10,555)	432,112	(1,907,659)	234,647	(439)	234,208
Comprehensive income								
Profit for the period	—	—	—	—	11,429	11,429	(362)	11,067
Other comprehensive loss								
— Share of other comprehensive loss of investment accounted for using equity method, net of tax	—	—	—	(386)	—	(386)	—	(386)
— Currency translation differences	—	—	—	(1,057)	—	(1,057)	—	(1,057)
Total comprehensive (loss)/income for the period	—	—	—	(1,443)	11,429	9,986	(362)	9,624
Total contributions by and distributions to owners of the Company recognised directly in equity								
Employee share option and RSU Scheme:								
— Value of employee services	—	—	—	1,775	—	1,775	—	1,775
Total contributions by and distributions to owners of the Company for the period	—	—	—	1,775	—	1,775	—	1,775
Balance as of June 30, 2025	59	1,720,690	(10,555)	432,444	(1,896,230)	246,408	(801)	245,607

(Unaudited)	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Shares held for RSU Scheme	Reserves	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as of January 1, 2024	59	1,720,690	(10,555)	415,664	(1,878,628)	247,230	430	247,660
Comprehensive loss								
Loss for the period	—	—	—	—	(12,764)	(12,764)	676	(12,088)
Other comprehensive income								
— Share of other comprehensive income of investment accounted for using equity method, net of tax	—	—	—	247	—	247	—	247
— Currency translation differences	—	—	—	814	—	814	—	814
Total comprehensive income/(loss) for the period	—	—	—	1,061	(12,764)	(11,703)	676	(11,027)
Total contributions by and distributions to owners of the Company recognised directly in equity								
Capital contribution from shareholder	—	—	—	8,980	—	8,980	—	8,980
Employee share option and RSU Scheme:								
— Value of employee services	—	—	—	15	—	15	—	15
Total contributions by and distributions to owners of the Company for the period	—	—	—	8,995	—	8,995	—	8,995
Balance as of June 30, 2024	59	1,720,690	(10,555)	425,720	(1,891,392)	244,522	1,106	245,628

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

	Note	Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Cash (used in)/generated from operations		(18,393)	46,475
Income tax refunded — net		—	—
Net cash (outflow)/inflow from operating activities		(18,393)	46,475
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(624)	(228)
Purchase of intangible assets	9	(56,358)	(41,927)
Proceeds from disposal of intangible assets		55,450	—
Proceed from disposal of property, plant and equipment		589	—
Capital reduction from financial assets at fair value through profit or loss		1,376	—
Proceeds from disposal of financial assets at fair value through profit or loss		9,923	—
Purchase of financial assets at fair value through profit or loss		(8,070)	—
Payments for film rights and films in progress	10	(822)	(1,731)
Loan repaid from/(advanced to) a third party	13	5,000	(7,000)
Decrease in short-term bank deposits		—	18,556
Interest received		369	—
Net cash inflow/(outflow) from investing activities		6,833	(32,330)
Cash flows from financing activities			
Principal elements of lease payments		—	(273)
Interest elements of lease payments		—	(9)
Net cash outflow from financing activities		—	(282)
Net (decrease)/increase in cash and cash equivalents		(11,560)	13,863
Cash and cash equivalents at beginning of period		89,883	77,668
Effects of exchange rate changes on cash and cash equivalents		(564)	472
Cash and cash equivalents at end of the period		77,759	92,003

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Linekong Interactive Group Co., Ltd. (the “**Company**”), was incorporated in the Cayman Islands on May 24, 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, the Cayman Islands. The Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited since December 30, 2014 by way of its initial public offering (“**IPO**”).

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in developing and publishing online games (the “**Game Business**”) in the People’s Republic of China (the “**PRC**”) and other countries and regions, and film and online drama business (the “**Film Business**”) in the PRC.

The interim condensed consolidated statement of financial position of the Group as of June 30, 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income/(loss) for the six-month period then ended, changes in equity and cash flows for the six-month period then ended, and a summary of material accounting policies information (collectively defined as the “**Interim Financial Information**”) have been approved by the Board of Directors on August 29, 2025.

The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Information has not been audited.

2. BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim financial reporting”. The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2024 as set out in the 2024 annual report of the Company (the “**2024 Financial Statements**”), which have been prepared in accordance with all applicable IFRS Accounting Standards, and any public announcements made by the Company during the interim reporting period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

3.1 Summary of material accounting policies information

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2024, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended standards as set out below. The Interim Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and an associate measured at fair value through profit or loss which are carried at fair value.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) Impact of standards issued but not yet applied by the entity

Certain standards, amendments and interpretations to existing standards have been issued but are not yet effective for the financial period beginning January 1, 2025, and are not expected to have a material impact on consolidated financial statements in the foreseeable future.

3.2 Critical accounting estimates and judgments

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

When preparing the Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Financial Statements.

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision maker ("CODM") of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The Group separately manages the production and operation of each segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance. For the six months ended June 30, 2025 and 2024, the Group is organised into two reportable operating segments.

The Group identifies two operations segments as follows:

- Game Business, which is primarily engaged in developing and publishing online games in the PRC and other countries and regions;
- Film Business, which is primarily engaged in licensing self-developed online drama rights to third-party publishers and producing online drama rights for specific customers in the PRC.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit/loss from each segment without allocation of unallocated expenses, other gains-net, finance income-net and share of profit of investment accounted for using equity method. The CODM assesses the performance of the operating segments based on the operating profit/loss of each reporting segments.

Segment revenue and results

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Segment revenue:		
Game Business		
— Sales of in-game virtual items	16,861	22,132
— License fee and technical support fee	302	1,202
	17,163	23,334
Film Business		
— Licensing and production of online dramas and others	11,374	35,453
	28,537	58,787

The following is an analysis of the Group's revenue and results by reportable segment:

	Game Business		Film Business		Total	
	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	17,163	23,334	11,374	35,453	28,537	58,787
Segment (loss)/profit	(6,191)	(16,147)	(2,180)	2,941	(8,371)	(13,206)
Gain on disposal of intangible assets					19,755	—
Impairment on intangible assets					(4,236)	(475)
Unallocated expenses					(1,579)	—
Other gains — net					2,504	998
Finance income — net					205	428
Share of profit of investment accounted for using equity method					2,789	172
Profit/(loss) before income tax					11,067	(12,083)

A breakdown of revenue derived from the PRC, South Korea and other overseas countries and regions in the respective period is as follows:

	Six months ended	
	June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from external customers:		
— PRC	22,512	51,028
— South Korea	6,025	6,984
— Other overseas countries and regions	—	775
	28,537	58,787

A breakdown of revenue derived from the transfer of goods and services over time and at a point in time in the respective period is as follows:

	Six months ended	
	June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
— Recognised over time	28,100	55,380
— Recognised at a point in time	437	3,407
	28,537	58,787

The Group's non-current assets other than financial instruments and investment accounted for using equity method were located as follows:

	As of	As of
	June 30,	December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
— PRC	16,172	14,978
— Hong Kong and other overseas countries	74,510	59,696
— South Korea	98	106
	90,780	74,780

5. OTHER OPERATING INCOME/(EXPENSES) — NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bad debt recovered	2	—
Government subsidies	144	195
Foreign exchange gains/(losses), net	393	(245)
Gain on disposal of property, plant and equipment	26	—
Gain on disposal of intangible assets	19,755	—
Impairment on intangible assets	(4,236)	(475)
Others	(5)	(1)
	<u>16,079</u>	<u>(526)</u>

6. OTHER GAINS — NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains/(losses) from financial assets at fair value through profit or loss	827	(70)
Fair value gain from an associate measured at fair value through profit or loss	—	1,068
Gain on disposal of financial assets at fair value through profit or loss	<u>1,677</u>	<u>—</u>
	<u>2,504</u>	<u>998</u>

7. INCOME TAX EXPENSE

The income tax expense of the Group for six months ended June 30, 2025 and 2024 is analysed as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
— Current income tax of this period	—	2
Deferred tax	<u>—</u>	<u>3</u>
Income tax expense	<u>—</u>	<u>5</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

No income tax provision for Hong Kong Profits Tax has been made by the Group as the Company's subsidiaries incorporated in Hong Kong did not have any taxable profit generated from operations in Hong Kong for the six months ended June 30, 2025 and 2024.

The income tax provision of the Group in respect of operations in the PRC has been calculated based on the statutory tax rate of 25% on the estimated assessable profits for the six months ended June 30, 2025 and 2024 of each of the group companies, except that: (i) one subsidiary of the Company, incorporated in Horgos, was entitled to a preferential income tax rate of 12.5% for the six months ended June 30, 2025 and 2024 under the relevant PRC tax rules and regulations; (ii) two subsidiaries of the Company were qualified as "High and New Technology Enterprises" and entitled to a preferential income tax rate of 15% for the six months ended June 30, 2025 and 2024; and (iii) three subsidiaries of the Company, incorporated in Horgos, were exempted from income taxes under the relevant PRC tax rules and regulations for the six months ended June 30, 2025 and 2024.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share for the six months ended June 30, 2025 and 2024 is calculated by dividing the profit/(loss) of the Group attributable to the owners of the Company of the period by the weighted average number of ordinary shares in issue during the period.

	Six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	<u>11,429</u>	<u>(12,764)</u>
Weighted average number of ordinary shares in issue (thousand shares)	<u>356,980</u>	<u>349,688</u>
Basic earnings/(loss) per share (expressed in RMB per share)	<u>0.032</u>	<u>(0.037)</u>

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2025 and 2024, the Company had two categories of potential ordinary shares, restricted share units and share options granted to eligible person. The computation of diluted earnings per share for the six months ended June 30, 2025 does not assume the exercise of the Company's potential ordinary shares since their assumed exercise would result in a decrease in earnings per share. As the Group incurred loss for the six months ended June 30, 2024, the potential ordinary shares were not included in the calculation of dilutive loss per share where their inclusion would be anti-dilutive. Accordingly, dilutive earnings/(loss) per share for the six months ended June 30, 2025 and 2024 are the same as basic earnings/(loss) per share of the period.

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000 (Unaudited)	Right-of-use assets RMB'000 (Unaudited)	Intangible assets RMB'000 (Unaudited)
As of January 1, 2025	6,606	—	53,906
Additions	624	—	56,358
Depreciation/amortisation charge	(1,452)	—	(35)
Disposal	(563)	—	(35,695)
Impairment	—	—	(4,236)
Exchange	(18)	—	(305)
As of June 30, 2025	<u>5,197</u>	<u>—</u>	<u>69,993</u>
	Property, plant and equipment RMB'000 (Unaudited)	Right-of-use assets RMB'000 (Unaudited)	Intangible assets RMB'000 (Unaudited)
As of January 1, 2024	566	613	20,342
Additions	228	542	41,927
Depreciation/amortisation charge	(123)	(262)	(51)
Impairment	—	—	(475)
Exchange	(6)	—	281
As of June 30, 2024	<u>665</u>	<u>893</u>	<u>62,024</u>

- (i) The additions in intangible assets for the six months ended June 30, 2025 was primarily due to the purchase of cryptocurrencies. The Group had purchased cryptocurrencies of 62.9877 (for the six months ended June 30, 2024: 43.3396) units of Bitcoins, 330.4948 (for the six months ended June 30, 2024: 848.3860) units of Ethereum and 6,991.7000 (for the six months ended June 30, 2024: Nil) units of Solana at aggregate cash considerations of USD7,850,000 (equivalent to RMB56,358,000) (for the six months ended June 30, 2024: USD5,904,000 (equivalent to RMB41,927,000)).
- (ii) The recoverable amount of each type of cryptocurrencies are determined based on fair value less costs of disposal. In determining the fair values, the relevant available markets are identified by the Group, and the Group consider accessibility to, and activity within those markets in order to identify the principal cryptocurrency markets for the Group. The fair value of Bitcoin, Ethereum and Solana traded in active markets (such as trading and exchange platforms) is determined based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. Therefore, the fair value used for assessment of recoverable amount in impairment tests is determined as quoted prices (unadjusted) in active markets for Bitcoin (Level 1), Ethereum (Level 1) and Solana (Level 1). Based on the result of the impairment tests, the recoverable amount of Bitcoin is greater than its carrying amounts of approximately RMB70,883,000 (December 31, 2024: RMB67,980,000), while the recoverable amount of Ethereum and Solana are lower than their carrying amounts which their recoverable amounts of approximately RMB16,571,000 (December 31, 2024: RMB19,686,000) and approximately RMB6,554,000 (December 31, 2024: Nil), respectively. Therefore, impairment loss on Ethereum and Solana in total of RMB5,403,000 (December 31, 2024: RMB1,167,000) was recognised as of June 30, 2025.

10. FILM RIGHTS AND FILMS IN PROGRESS

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Film rights and films in progress		
— Under production/production yet to commence	<u>9,881</u>	<u>9,059</u>
	Six months ended June 30,	2024
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Beginning of the period	9,059	8,785
Additions	822	1,731
Impairment	—	(82)
End of the period	<u>9,881</u>	<u>10,434</u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Included in non-current assets		
Unlisted securities (<i>Note</i>)	30,977	40,294
Listed securities	<u>4,121</u>	<u>—</u>
	<u>35,098</u>	<u>40,294</u>

Note:

There is no quoted market price available for the unlisted securities. The Group has determined the fair value of these investments based on estimated future cash flows method. The fair values are within level 3 of the fair value hierarchy.

12. TRADE RECEIVABLES

	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
Trade receivables	10,834	5,973
Loss allowance	<u>(2,636)</u>	<u>(2,220)</u>
Total trade receivables	<u>8,198</u>	<u>3,753</u>

The revenue of the Group from the game distribution channels, third-party payment vendors, game publishers and film publishers are mainly made on credit terms determined on an individual basis with a normal period up to 60 days. Ageing analysis based on recognition date of the gross trade receivables at the end of the reporting period is as follows:

	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
0–60 days	8,201	3,459
61–90 days	86	125
91–180 days	206	201
181–365 days	270	582
Over 1 year	<u>2,071</u>	<u>1,606</u>
	<u>10,834</u>	<u>5,973</u>

13. OTHER RECEIVABLES

	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
Current		
Loans to third parties and related interest (<i>Note</i>)	20,963	26,104
Receivable from capital reduction of an associate measured at fair value through profit or loss	10,035	10,035
Receivable from disposal of financial assets at fair value through profit or loss	4,471	—
Others	1,757	1,837
	37,226	37,976
Loss allowance	(22,139)	(22,149)
	15,087	15,827
Non-current		
Others	827	834

Note:

Loans to third parties are mainly due from film producers for the Group's investment in film projects. These loans are repayable within 12 months and with a fixed return of 15%~20% (2024: 15%~20%). The balance of these loans to film producers and related interest has been fully impaired, thus the net balance of these loans after allowance is nil as of June 30, 2025 and December 31, 2024. As of December 31, 2024, amounting of RMB5,000,000 is loan to a third party with fixed interest of 3.45% per annum which is unsecured and fully repaid during the period ended June 30, 2025.

14. TRADE AND OTHER PAYABLES

	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
Trade payables (<i>Note</i>)	2,144	3,175
Accrued expenses and liabilities	15,623	17,095
Salary and staff welfare payables	15,557	15,609
Amount due to a related party	5,438	5,438
Other taxes payables	75	603
	38,837	41,920

Note:

Trade payables are mainly arising from film production and licensing games from game developers. The credit terms of trade payables granted by the vendors are usually up to 30 days. The ageing analysis of trade payables based on recognition date is as follows:

	As of June 30, 2025 <i>RMB'000</i> (Unaudited)	As of December 31, 2024 <i>RMB'000</i> (Audited)
0–180 days	1,813	2,933
181–365 days	92	43
1–2 years	32	47
2–3 years	59	82
Over 3 years	148	70
	2,144	3,175

15. DIVIDENDS

No dividends have been paid or declared by the Company during each of the six months ended June 30, 2025 and 2024.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

In the first half of 2025, the Group continued to deepen its business transformation and innovation in a complex and evolving market environment, with a laser-focus on Web3 business as its strategic priority, while developing its two traditionally strong segments of game and film businesses in a steady pace. With its forward-looking strategic layout, efficient execution capabilities, and accurate grasp of market trends, the Group's various business segments have achieved remarkable results, laying a solid foundation for steady growth throughout the year.

Web3 Business: highlight of our development strategy, attaining breakthroughs in terms of investment, application and computing services

Since the Group established the Web3 business as its strategic focus in 2024, it has consistently invested in Web3 business. As policies become more favorable, such as the Hong Kong government laying the groundwork for Web3, cryptocurrencies and stablecoins, relevant policies would have a significant impact on the Group. In terms of stablecoin regulations, on August 1, 2025, Hong Kong's Stablecoins Ordinance became effective. It preliminary established the licensing system for stablecoin issuers and improved the regulatory framework of virtual asset activities in Hong Kong. The U.S. government approved the implementation of regulations related to cryptocurrencies and stablecoins, including the Clarity Act, as well as regulations allowing 401(K) pension account to more conveniently purchase cryptocurrencies, which will reduce market risk, boost market confidence and help the Group in optimizing its investment portfolio while complying with those regulations. This will facilitate the Group's relevant investment, trading and financial innovative businesses and ensure asset security. The Group will pay close attention to details and make timely adjustment to our strategies, in order to promote the steady growth of our crypto assets investment business while in compliance with regulations.

In the first half of 2025, in regard of crypto assets investment, the Group continued to monitor the market. Despite significant market volatility, we addressed market fluctuations with flexible and prudent strategies. As of the end of the reporting period, the Group held a total of 92.0692 units of Bitcoin, 943.6293 units of Ethereum and 6,091.7000 units of Solana. Cumulative unrealized gains amounted to approximately US\$7.5 million. Crypto assets held by the Group have made significant contributions to the growth of the Group's assets and the improvement of its profit and loss. We will further purchase more cryptocurrency to the extent permitted by the Board and Shareholders of the Group, with an aim to achieve the goal of asset preservation and value appreciation amidst the fluctuating market. This is not just a short-term move, but also aims to lay down the foundation for the Group to expand into the Web3 business and facilitate the Group to seize the initiative in the emerging technological fields, constructing a more competitive business layout.

In July 2025, the Group announced the establishment of the LK Crypto division. This is a significant strategic decision of the Group to capitalize on the historic opportunities presented by Hong Kong's Web3 policy. As the core platform for executing the Group's Web3 strategy, the LK Crypto division oversees all of our Web3 and crypto assets related businesses, including the management of Bitcoin, Ethereum, Solana and other mainstream crypto assets held by the Group and the crypto assets held by the non-controlling companies of the Group (including LK Venture, Marsbit, Element, etc.). Through consolidating resources, the Group aims to establish a more comprehensive and efficient Web 3 business system, in order to accelerate our expansion in real-world asset on-chain (RWA) and other fields. By leveraging on Hong Kong's policy advantages, we can participate in the investment and cooperation of more innovative projects while comply with regulations, thereby promoting the implementation of these projects. However, with the implementation of policies, more stringent regulations have also brought challenges. For example, the Stablecoins Ordinance imposes strict requirements on anti-money laundering, investor protection and other aspects. While engaging in crypto assets investment and relevant businesses, the Group needs to allocate more resources in compliance, so as to ensure that our operation complies with regulatory standards and avoids potential legal risks.

The Element platform of the Group maintained steady development in the NFT trading market. In the first half of 2025, the platform accelerated its process in establishing multi-chain ecosystem and infrastructure. On the technical front, we completed the integration of emerging high-performance public chains like Abstract and BeraChain, which comprehensively enhanced our cross-chain interoperability and asset coverage capabilities. We have also established in-depth ecosystem cooperation with Nibiru and ZetaChain, in order to capture the core traffic inflow during the starting stage of new chains. In terms of core system, we officially launched our indexer 2.0 in the first quarter. Based on distributed computing and efficient indexing algorithms, it not only significantly reduced node resource consumption and maintenance costs, but also achieved a significant leap in data processing throughput.

In terms of business expansion, the platform continued to explore early trading opportunities for quality digital assets, providing matching engine and operational support for projects. In terms of asset types, we have expanded our business from NFT to Fungible Token, preemptively engaging in on-chain market information aggregation and intelligent trading tools. Through incentive expansion events with Bitlayer, Monda and other innovative public chains, we improved both our user acquisitions and activities. Our Launchpad function introduced a multi-dimensional due diligence and risk quantification system, which significantly increased project success rate and GMV of the platform, laying a solid technical and ecological foundation for the next-generation trading ecosystem featuring multiple assets, cross-chain capabilities and high liquidity.

In January 2024, we invested in EcoPowX, a company engaged in the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally-friendly flare gas power generation facilities and premises. EcoPowX intends to cooperate with large oilfields and natural gas processing equipment suppliers in West Africa, in order to promote the eco-friendly processing of flare gas in oilfields. As part of its cryptocurrency mining and graphics processing units computing provision business, the overall operation of EcoPowX centers on power sources for AI computing and cryptocurrencies mining, providing sustainable green solutions and technical support. Currently, the equipment of the project has been installed and is pending for final trial operation and acceptance before it could be put into operation.

Game Business: leverage on AI innovation to drive efficient product development

In the first half of 2025, with our rich product portfolio, refined operation and investment in innovation, the business demonstrated resilience and vitality, providing strong support for result growth. The Group's existing classic games maintained stable operations through refined operations and continuous updates.

In regards of the overseas market, our existing games maintained stable operations in Korea and other core regions. With our in-depth knowledge on local culture and refined localized operation, our game contents could maintain their core appeal while catering to regional user preferences. Not only has this solidified our market foundation, but it has also demonstrated long-term viability, consistently contributing stable overseas revenue and serving as a solid support for our business growth. In the first half of the year, the overseas revenue of our game business increased by 5.8% period-on-period, showcasing a significant improvement in brand awareness and user loyalty.

The Group leverages innovative AI technology and comprehensively integrates it into game development and operation. During development, AI is used in character modeling, scene generation and other areas to improve efficiency and quality and shorten the development cycle. During operation, AI facilitates personalized recommendations, intelligent customer service and game balance adjustments, enhances user engagement and service experience and maintains a competitive environment.

Looking forward to the second half of 2025, the game business of the Group will center on the three core directions of product innovation, market expansion and technology upgrade, comprehensively promoting business growth and enhancing competitiveness. Regarding our existing operation, the Group will further deepen its refined operation strategy and continue to improve product quality and user experience through visual quality improvement, storyline extensions, and social gameplay optimizations, thereby extending the lifecycle of existing products. The Group remains committed to the development of new mobile games, the application of cutting-edge technologies and the expansion of the value of its game IPs. In terms of research and development, the Group will increase its investment and encourage the exploration of new gameplay, themes and technological applications, strengthen industry-academia-research cooperation, enhance research and development capabilities and foster an innovative culture. In terms of technology upgrade, we further expand our AI applications, explore intelligent script generation and strengthen security and server optimization. We pay close attention to blockchain, cloud gaming and other emerging technologies and explore the new business model of “technology+content”, in order to maintain our lead in technology and lay a foundation for the long-term development.

As of June 30, 2025, we operated 15 online games. In the second half of 2025, the game business will maintain stable operation, providing the Group with consistent and stable cash flow. Through refined operation and user maintenance, we ensure that our existing projects could have extended lifecycle and increased user activity. We will conduct in-depth research into market trends and player demands, experiment with new gameplay and mechanics. Based on market trends and user preferences, we will introduce innovative elements such as strategy game mechanics, MOBA elements and random generation, and refine these through continuous testing and iteration to ensure the game’s playability and replayability, thereby driving business growth.

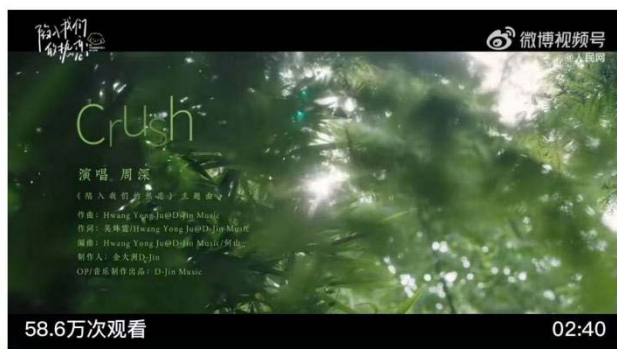
Film Business: focusing on premium products

Linekong’s film business has been steadily building our product matrix, enriching our potential IP reserve and promoting the production of its high-quality premium IP drama.

Linekong Pictures has achieved satisfactory results in terms of the production and publication of sweet youth romance dramas which are well received by young female audiences. These include “Long For You (我與你的光年距離)”, “Unexpected (來到你的世界)”, “Long For You 2 (我與你的光年距離2)”, “Love The Way You Are (身為一個胖子)”, “Hello Mr. Gu (原來你是這樣的顧先生)”, “花好月又圓”, “對你不止是喜歡”, and “陷入我們的熱戀”, an adaptation from the novel written by the famous JinJiang romance author Er Dong Tu Zi (耳東兔子).

“陷入我們的熱戀”, a youth drama jointly produced by Tencent Video and Linekong Pictures, starring Liu Haocun and Wang Anyu, was released on Tencent Video on May 28, 2025. “陷入我們的熱戀” is a JinJiang S-tier romance IP adapted from the novel of the same title written by the famous author Er Dong Tu Zi (耳東兔子). It tells the youthful romance story between a cool but arrogant dark horse NCEE candidate and a cute academic prodigy who falls in love on first sight, focusing on the once-in-a-lifetime summer after NCEE. Its general tone is that of a casual romance with frequent quotes and humor, providing viewers with an immersive, youthful, passionate and unrelenting love story. The drama has received widespread acclaim and praise from government media outlets like People’s Daily Online and CCTV News, ranking top 2 among modern idol dramas on Tencent in 2025. It recorded over 400 million valid views across all platforms, consistently topping the rankings on platforms, with a peak popularity score of 25,087 and ranking top 1 in various search rankings in the platforms. It was also popular overseas and ranked first in the Vietnam ranking of wetv.

The drama topped all search results ranking, with over 1,044 popular search terms on Weibo and views of the main topic of “陷入我們的熱戀” exceeding 1.03 billion; on TikTok, there were 220 popular videos, with the most-liked video receiving over 3.32 million likes and views of the main topic reaching 5.34 billion. The drama saw remarkable success on reputable platforms, consistently ranking among top 3 on the drama influence rankings of Maoyan, Dengta and DataWin.



央视网 文娱i评

《陷入我们的热恋》在既有校园爱情剧框架内，通过“成长先行”的剧情架构、清醒独立的人物刻画和自然写实的表演风格，展现当代年轻人清醒独立的新型情感价值观，它不仅保留了校园青春偶像剧应有的浪漫与朝气，也为“纯爱”题材注入了更为成熟和正能量的价值内核。

CCTV.com 央视网



The fictional love drama “唵唵人間玉” (originally named as “Mejaz Regulus in the World (摩耶人間玉)”) jointly produced by Linekong Pictures and other production companies is a fantasy love drama, which is currently the most popular genre. The drama reaches a broad range of audience and is about the sadistic cross-species relationship between a human and a monster. The drama was broadcasted on iQIYI (愛奇藝) on July 31, 2024 and was well received by the audiences. As of the date compiling this report, i.e., August 5, 2025, such drama had been played 72.7427 million times by paid members.

In 2025, Linekong Pictures focused on premium products. With our S class IPs, we were ready to co-operate with the best film industry players to perform product upgrade.

Historical-style IP “Ancient Music Records (古樂風華錄)” is the first ancient costume fairy and devil drama with ancient music as its theme in the PRC. Through a beautiful love story with ups-and-downs, the drama reveals the legend of a forgotten ancient musical instrument and the beauty of stunning ancient music, showing the unique charm and inner nature of the nation and fostering new dynamics in traditional culture. The original IP was selected and ranked the first in the 2017 List of National Items for Reforms and Development (改革發展專案庫二零一七年入庫名額) of the State Administration of Press, Publication, Radio, Film and Television (國家新聞出版廣電總局). The comic on which the drama is based was selected for the 2016 Mobility Supporting Plan for Chinese Original Comic and Animation (二零一六年原動力中國原創動漫出版扶持計劃) by the National Radio and Television Administration (國家廣電總局). In 2024, Linekong Pictures has reached cooperation with Tencent Video on its production and entered into joint production with a PRC renowned production company Shanghai Hengxing Film Media Company Limited (上海恆行影視傳媒有限公司) to produce the ancient costume fantasy romance drama “Ancient Music Records (古樂風華錄)”, which was selected into the Tencent top drama list in the second quarter of 2024, and will star Li Yitong and Chen Xinhai and be directed by Chiu Yilong. Its filming has been completed and is currently in post-production, with an expected release in next year.

In 2024, the Group has tapped into vertical segments. Adhering to its philosophy of premium production for long dramas, the Group strives to build deep emotional resonance with the audience and deliver heartfelt audio and visual experience to viewers by creating stories related to hot social issues and people’s livelihood and exploring premium dramas with realistic themes and mystery elements. Thus, we planned the “Linekong Theater (藍港劇場)”, using the mystery trilogy to launch our long drama improvement plan.

“燃燒的四季” is the first social and mystery project that depicts stories of people fighting against injustice and turning their lives around in the unique and innovative perspective of a “villainess”, and is based on a true story. We invited Mr. Han Sanping (韓三平), a leading figure of the filming industry, to serve as the executive producer of the drama, while the Mr. Zhang Yong (張勇), the creator of the popular drama “The Disguiser (偽裝者)”, acts as the chief consultant for the script. Filming is expected to begin in the fourth quarter of 2025.

“殺妻2+1” (tentative) is the second mystery project of the mystery trilogy. With its unique and innovative “third-person” perspective, it depicts the story of a wife murder case closely related to the protagonist, who brings her lover (the husband in the case) to justice. The story reflects on the stereotypical image of women among public and explore the value of romance and marriage. The drama is based on a true story, and will be written by Luo Hong, the screenwriter of “The Ideal City (理想之城)”. Filming is expected to start in the second or third quarter of 2026.

“少年藏寶行” (originally named as “雲海傳”) is the first ancient-setting mystery and adventure drama in the PRC produced by the Group, which is about a treasure hunt journey without a map and the revelation of the truth of a ten-thousand-year treasure. It is a courageous and enthusiastic story of three young men growing up together hand-in-hand in adversity and making choices between right and wrong. Continuing our plan of creating premium long dramas, with its IP and story created by 天下霸唱 and 蔡駿 and the tag team of cinema-level screenwriter and emerging director of popular ancient-setting drama in 2024, the ancient-setting mystery and adventure drama “少年藏寶行” is a high-quality premium ancient-setting drama made for a wide audience. Filming is expected to begin in 2026.

Since 2025, following market trends, the Group began developing mid-length drama promoted by long-form video platforms in 2025. By leveraging on small investments to achieve great returns, we strive to capture the attention of young users in this new era who seek fast-paced, plot-driven and twist-filled contents with various popular genres, such as horror-thriller, ancient costume idol drama and contemporary social drama. We also plan to develop the “parallel world” series short drama. “異世界之13路巴士” is the first title of the “parallel world” series. The story follows a group of ordinary people who are drawn into a virtual trial due to the chain reactions triggered by trivial matters in life, and explores the complexity and diversity of human nature, as well as kindness and growth. In the story, people of different backgrounds faced troubles due to a series of trivial matters. In this extreme circumstance, they show fear and struggle, but also display merits like mutual assistance and sacrifice. In the end, they put aside their differences and demonstrate the brilliance of humanity through mutual assistance and self-sacrifice. The director and screenwriter of this drama is the same team as “狸貓書生”, a popular mid-length drama launched on Mango TV in 2024. Filming is expected to begin in the third quarter of 2025.

In the first half of 2025, Linekong Interactive Group made significant progress in its Web3 business, game business and film business. By actively embracing industry transformation and increasing investment in technology research and development, content creation and market expansion, the Group has maintained steady progress amid a complex market environment. Looking ahead to the second half of the year, the Group will continue to focus on its strategic objectives, steadily promote the development of all business segments, give full play to the synergies between business segments and continuously enhance its core competitiveness, in order to create greater value for shareholders and achieve sustainable development for the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 51.5% from approximately RMB28.5 million for the six months ended June 30, 2024 to approximately RMB58.8 million for the six months ended June 30, 2025.

The following table sets out the breakdown of the Group's results by segments:

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue:		
— Game Business	17,163	23,334
— Film Business	11,374	35,453
Total	<u>28,537</u>	<u>58,787</u>

The following table sets forth the breakdown of the Group's revenue by geographical locations:

	For the six months ended June 30,			
	2025		2024	
	<i>approximate</i>		<i>approximate</i>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
China (including Hong Kong, Macau and Taiwan regions)	22,512	78.9	51,028	86.8
South Korea	6,025	21.1	6,984	11.9
Other overseas countries and regions	—	—	775	1.3
Total	<u>28,537</u>	<u>100.0</u>	<u>58,787</u>	<u>100.0</u>

For the six months ended June 30, 2025, the revenue contributed by game business amounted to approximately RMB17.1 million, representing a decrease of 26.6% or RMB6.2 million as compared with the corresponding period of 2024, which was mainly due to the decrease in revenue from individual game projects as their lifecycles declined.

In respect of the Group's film business, the Group recognised revenue from licensing and production of online dramas and others of approximately RMB11.4 million for the six months ended June 30, 2025, representing a decrease of approximately 67.9% or RMB24.1 million from approximately RMB35.5 million for the six months ended June 30, 2024, which was mainly attributable to the project lifecycles of film business.

Cost

The Group's cost for the six months ended June 30, 2025 was approximately RMB23.1 million, representing a decrease of approximately 47.6% as compared to approximately RMB44.1 million for the six months ended June 30, 2024, which was mainly due to the period-on-period decrease in costs and revenues recognised in the current period as a result of the lifecycles of film and television projects.

Gross profit and gross profit margin

The Group's gross profit for the six months ended June 30, 2025 was approximately RMB5.4 million, representing a decrease of approximately 63.3% from approximately RMB14.7 million for the six months ended June 30, 2024, which was mainly attributable to the project lifecycles of film business.

The Group's gross profit margin for the six months ended June 30, 2025 was approximately 18.9%, representing a decrease of approximately 6.1% as compared to approximately 25.0% for the six months ended June 30, 2024, which was mainly attributable to the project lifecycles of film business.

Selling and marketing expenses

The Group's selling and marketing expenses for the six months ended June 30, 2025 were approximately RMB1.2 million, representing a decrease of approximately 84.4% from approximately RMB7.7 million for the six months ended June 30, 2024, which was mainly due to the preliminary promotion expenses of the project, namely "Uproar in Heaven II (鬧鬧天宮2)", and the expenses arose from the short drama distribution business recognised for the previous period, while there was no large scale marketing for the current period.

Administrative expenses

The Group's administrative expenses for the six months ended June 30, 2025 were approximately RMB12.8 million, representing an increase of approximately 30.6% from approximately RMB9.8 million for the six months ended June 30, 2024, which was mainly due to the increase in share-based incentive expenses.

Research and development expenses

The Group's research and development expenses for the six months ended June 30, 2025 were approximately RMB1.5 million, representing a decrease of approximately 85.4% from approximately RMB10.3 million for the six months ended June 30, 2024, which was mainly due to gradual decrease in investment in research and development of new game projects resulting from strategic adjustment.

Segments results — operating (loss)/profit

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
— Game Business	(6,191)	(16,147)
— Film Business	(2,180)	2,941
Total	<u>(8,371)</u>	<u>(13,206)</u>

The operating loss for the six months ended June 30, 2025 was approximately RMB8.4 million, as compared to the operating loss for the corresponding period of 2024 of approximately RMB13.2 million.

For the six months ended June 30, 2025, the operating loss from the game business was approximately RMB6.2 million, and the operating loss from the game business for the corresponding period of 2024 was approximately RMB16.1 million, which was mainly due to the further enhancement in cost control and expense reduction.

For the six months ended June 30, 2025, the operating loss from the film business was approximately RMB2.2 million, and the operating profit from the film business for the corresponding period of 2024 was approximately RMB2.9 million, which was mainly attributable to the project lifecycles of film business.

Other operating income/(expense) — net

For the six months ended June 30, 2025, other operating income-net was approximately RMB16.1 million, and the other operating expense-net was approximately RMB0.5 million for corresponding period of 2024, which was mainly attributable to the gain on disposal of cryptocurrencies.

Share of profit of investment accounted for using equity method

The Group's share of profit of investment accounted for using equity method for the six months ended June 30, 2025 was approximately RMB2.8 million, and the share of profit of investments for the six months ended June 30, 2024 was approximately RMB0.2 million.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended June 30, 2025, we mainly financed our business with cash generated from the operating activities. The Group has been maintaining a solid cash position since the completion of the initial public offering (the “**IPO**”) in December 2014. We intend to fund our expansion and business operations through our internal resources and on-going internal growth.

Treasury policy

During the six months ended June 30, 2025, the Group has adopted a prudent financial management approach to its funding policy to maintain a healthy liquidity position. In order to manage the liquidity risk, the Board closely monitors the liquidity position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding needs from time to time.

Cash and cash equivalents, short-term bank deposits

As of June 30, 2025, we had cash and cash equivalents of approximately RMB77.8 million (as of December 31, 2024: 89.9 million), which primarily consisted of cash at bank, other financial institutions and cash in hand and were mainly denominated in U.S. dollars (“**USD**”) (as to approximately 49.9%), RMB (as to approximately 41.4%), HKD (as to approximately 8.2%) and other currencies (as to approximately 0.5%).

CAPITAL EXPENDITURES

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Procurement of furniture and office equipment	624	228
Expenditures on film/online drama rights and films/online drama in progress	822	1,731
Purchase of cryptocurrencies and financial assets	64,428	41,927
Total	<u>65,874</u>	<u>43,886</u>

Our capital expenditures comprised expenditures on film/online drama rights and films/online drama in progress, procurement of furniture and office equipment and expenditures on purchase of cryptocurrencies and financial assets. For the six months ended June 30, 2025, our total capital expenditure amounted to approximately RMB65.9 million (for the six months ended June 30, 2024: approximately RMB43.9 million), including expenditures on film/online drama rights and films/online drama in progress of approximately RMB0.8 million (for the six months ended June 30, 2024: approximately RMB1.7 million), procurement of furniture and office equipment of approximately RMB0.6 million (for the six months ended June 30, 2024: approximately RMB0.2 million) and purchase of cryptocurrencies and financial assets of approximately RMB64.4 million (for the six months ended June 30, 2024: approximately RMB41.9 million). As of the end of the reporting period, we had no committed capital expenditures, and the capital expenditures for 2025 are expected to be mainly games, cryptocurrencies and financial assets and film IPs.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on December 30, 2014. The capital structure of the Company comprises ordinary Shares.

BORROWING AND GEARING RATIO

As of June 30, 2025, there was no bank loans borrowed by the Group (as of December 31, 2024: Nil). The gearing ratio of the Group, calculated as total liabilities divided by total assets, was approximately 24.6% (as of December 31, 2024: approximately 25.8%).

PLEDGE OF GROUP ASSETS

As of June 30, 2025, there was no pledge of assets (as of December 31, 2024: Nil).

INFORMATION ON EMPLOYEES AND REMUNERATION POLICY

The Group has established the remuneration committee on April 21, 2014 with written terms of reference in compliance with Appendix C1 to the GEM Listing Rules. The remuneration committee will regularly review and recommend to the Board from time to time regarding the remuneration and compensation of the Directors and the senior management of the Group. The Group offers a competitive remuneration package commensurate with industry practice and provides benefits to employees of the Group, including social insurance coverage, defined contribution retirement scheme and bonus. As of June 30, 2025, the Group had 64 employees. For the six months ended June 30, 2025, total remuneration for employees of the Group was approximately RMB13.5 million (for the six months ended June 30, 2024: approximately RMB21.2 million).

The Company has adopted a share option scheme which awards Share options (the “**Share Option Scheme**”) and two share award schemes which award restricted share units as incentive to the Directors and eligible persons. For details, please refer to the 2025 interim report of the Company to be published in due course.

The Directors believe that maintaining a stable and motivated employee force is critical to the success of the Group’s business. As a fast growing company, the Group is able to provide its employees with ample career development choices and opportunities of advancement. The Group organises various training programs on a regular basis for its employees to enhance their knowledge of online game development and operation, improve time management and internal communications and strengthen team building. The Group also provides various incentives to motivate its employees.

CONTINGENT LIABILITIES

As of June 30, 2025, the Group did not have any significant contingent liabilities (December 31, 2024: Nil).

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily USD. Therefore, our foreign exchange risk primarily arises from assets and liabilities recognised when the Group’s subsidiaries receive or plan to receive foreign currencies from, or pay or plan to pay foreign currencies to, our overseas cooperated counterparties, as well as assets denominated in foreign currencies, mainly includes bank deposits in foreign currencies, intangible assets, financial assets at fair value through profit or loss and others. For the six months ended June 30, 2025, the Group has not hedged any foreign currency fluctuations, the Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2025.

SUBSEQUENT EVENTS

There is no material subsequent events required to be disclosed after the Reporting Period and up to the date of this announcement.

INTERESTS IN COMPETING BUSINESS

None of the Directors or controlling shareholders of the Company or any of their respective associates, as defined in the GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group for the six months ended June 30, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended June 30, 2025, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares). As of June 30, 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee was established on April 24, 2014. The chairman of the Audit Committee is Ms. Wu Yueqin, an independent non-executive Director and other members include Mr. Zhang Xiangdong and Mr. Fu Frank Kan, independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the HKEXnews website at www.hkexnews.hk and on the Company's website at www.linekong.com.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and the Company's risk management and internal control systems, the effectiveness of the internal audit function, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that the Audit Committee must comprise a minimum of three members with a majority of independent non-executive Directors and must be chaired by an independent non-executive Director, and that at least one of the members of the Audit Committee is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules.

The Group's unaudited financial statements for the six months ended June 30, 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited financial statements of the Group for the six months ended June 30, 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions in the Corporate Governance Code (the “**Code**”) as set out in Part 2 of Appendix C1 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with the code provisions as set out in Part 2 of the Code for the six months ended June 30, 2025, except for the deviation from code provision C.2.1 of the Code.

Since February 26, 2023, Mr. Wang Feng has been appointed as the chairman of the Board and the chief executive officer of the Company. Pursuant to code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Despite deviating from code provision C.2.1 of the Code, the Board believes that Mr. Wang, being the chairman of the Board, is familiar with the Company's business operation and has superior knowledge and experience of the Company's business, and vesting the roles of both the chairman and the chief executive officer in the same person has the benefit of ensuring consistent leadership with the Company and improving the efficiency of overall strategic planning for the Company. Although the responsibilities of the chairman and the chief executive officer are vested in one person, all major decisions are made after consultation with the Board members and the senior management of the Company. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. Under the current relatively independent board structure (independent non-executive Directors accounting for 50%), the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

The Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate, for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard against which Directors must measure their conduct regarding transactions in securities of their issuers (the “**Required Standard of Dealings**”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Among other things, the Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of financial results of the Group.

After specific enquiries were made with all Directors, all Directors confirmed that they have complied with the Required Standard of Dealings for the six months ended June 30, 2025.

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

Beijing, the PRC, August 29, 2025

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

This announcement will remain on the “Latest Company Announcements” 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.