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, 2026

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, 2026 amounted to approximately RMB13.6 million, representing a decrease of 52.3% as compared to approximately RMB28.5 million for the six months ended June 30, 2025.

— Our gross profit for the six months ended June 30, 2026 amounted to approximately RMB2.1 million, representing a decrease of 61.1% as compared to approximately RMB5.4 million for the six months ended June 30, 2025.

— Loss attributable to owners of the Company under IFRS Accounting Standards for the six months ended June 30, 2026 amounted to approximately RMB48.0 million (six months ended June 30, 2025: profit attributable to owners of the Company of approximately RMB11.4 million).

— Loss per share under IFRS Accounting Standards for the six months ended June 30, 2026 amounted to approximately RMB0.132 (six months ended June 30, 2025: earnings per share of approximately RMB0.032).

— The board of Directors (the "**Board**") did not recommend any payment of dividends for the six months ended June 30, 2026.

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, 2026 together with the comparative figures for the six months ended June 30, 2025. 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 (LOSS)/INCOME

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**13,625**	28,537
Cost of revenue		**(11,507)**	(23,139)
Gross profit		**2,118**	5,398
Selling and marketing expenses		**(1,485)**	(1,160)
Administrative expenses		**(13,272)**	(12,823)
Research and development expenses		**(4,915)**	(1,512)
Net impairment losses on receivables and contract assets		**(92)**	(413)
Other operating (expenses)/income — net	5	**(23,187)**	16,079
Operating (loss)/profit		**(40,833)**	5,569
Other (losses)/gains — net	6	**(8,002)**	2,504
Finance (cost)/ income — net		**(244)**	205
Share of profit of investment accounted for using equity method		**816**	2,789
(Loss)/profit before income tax		**(48,263)**	11,067
Income tax credit	7	**40**	—
(Loss)/profit for the period		**(48,223)**	11,067
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss:			
— Share of other comprehensive loss of investment accounted for using equity method, net of tax		**(2,477)**	(386)
Items that will not be reclassified to profit or loss:			
— Currency translation differences		**(4,352)**	(1,057)
Other comprehensive loss for the period, net of tax		**(6,829)**	(1,443)
Total comprehensive (loss)/income for the period		**(55,052)**	9,624

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit attributable to:			
Owners of the Company		**(47,980)**	11,429
Non-controlling interests		**(243)**	(362)
(Loss)/profit for the period		**(48,223)**	11,067
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(54,809)**	9,986
Non-controlling interests		**(243)**	(362)
Total comprehensive (loss)/income for the period		**(55,052)**	9,624
(Loss)/earnings per share (expressed in RMB per share)			
— Basic	*8*	**(0.132)**	0.032
— Diluted	*8*	**(0.132)**	0.032

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2026

	Note	**As of June 30, 2026** *RMB'000* **(Unaudited)**	As of December 31, 2025 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**3,913**	4,304
Right-of-use assets	*9*	**4,930**	5,337
Intangible assets	*9*	**61,796**	87,571
Film rights and films in progress	*10*	**14,092**	12,728
Investment accounted for using equity method		**40,800**	42,461
An associate measured at fair value through profit or loss		**20,893**	20,332
Financial assets at fair value through profit or loss	*11*	**17,314**	20,706
Other receivables	*13*	**1,747**	1,698
Other non-current assets		**6,034**	5,667
		171,519	200,804
Current assets			
Inventories		**317**	165
Trade receivables	*12*	**2,575**	2,641
Financial assets at fair value through profit or loss	*11*	**1,025**	2,471
Other receivables	*13*	**15,978**	15,847
Other current assets		**22,761**	22,747
Restricted cash		**—**	332
Cash and cash equivalents		**44,267**	67,242
		86,923	111,445
Total assets		**258,442**	312,249

	Note	As of June 30, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**59**	59
Share premium		**1,721,397**	1,721,397
Shares held for restricted share unit scheme		**(10,555)**	(10,555)
Reserves		**422,442**	428,835
Accumulated losses		**(1,965,928)**	(1,917,948)
		167,415	221,788
Non-controlling interests		**(2,809)**	(2,566)
Total equity		**164,606**	219,222
Liabilities			
Non-current liabilities			
Contract liabilities		**3,351**	3,552
Lease liabilities		**2,385**	2,863
Deferred income tax liabilities		**27**	70
		5,763	6,485
Current liabilities			
Trade and other payables	*14*	**43,588**	44,513
Current income tax liabilities		**2,268**	2,598
Contract liabilities		**39,841**	37,333
Lease liabilities		**2,376**	2,098
		88,073	86,542
Total liabilities		**93,836**	93,027
Total equity and liabilities		**258,442**	312,249

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

(Unaudited)	Attributable to owners of the Company							
	Share capital *RMB'000*	Share premium *RMB'000*	Shares held for RSU Scheme *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance as of January 1, 2026	59	1,721,397	(10,555)	428,835	(1,917,948)	221,788	(2,566)	219,222
Comprehensive loss								
Loss for the period	–	–	–	–	(47,980)	(47,980)	(243)	(48,223)
Other comprehensive loss								
— Share of other comprehensive loss of investment accounted for using equity method, net of tax	–	–	–	(2,477)	–	(2,477)	–	(2,477)
— Currency translation differences	–	–	–	(4,352)	–	(4,352)	–	(4,352)
Total comprehensive loss for the period	–	–	–	(6,829)	(47,980)	(54,809)	(243)	(55,052)
Total contributions by and distributions to owners of the Company recognised directly in equity								
Employee share option and RSU Scheme:								
— Value of employee services	–	–	–	436	–	436	–	436
Total contributions by and distributions to owners of the Company for the period	–	–	–	436	–	436	–	436
Balance as of June 30, 2026	59	1,721,397	(10,555)	422,442	(1,965,928)	167,415	(2,809)	164,606

(Unaudited)	Share capital *RMB'000*	Share premium *RMB'000*	Shares held for RSU Scheme *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
	Attributable to owners of the Company							
Balance as of January 1, 2025	59	1,720,690	(10,555)	432,112	(1,907,659)	234,647	(439)	234,208
Comprehensive income/(loss)								
Profit/(loss) 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash used in operations		**(9,460)**	(18,393)
Income tax paid		**(90)**	—
Net cash outflow from operating activities		**(9,550)**	(18,393)
Cash flows from investing activities			
Purchase of property, plant and equipment	*9*	**(1,422)**	(624)
Purchase of intangible assets	*9*	**(14,269)**	(56,358)
Proceed from disposal of property, plant and equipment		**106**	589
Proceeds from disposal of intangible assets		**9,928**	55,450
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		**17,998**	9,923
Purchase of financial assets at fair value through profit or loss		**(21,645)**	(8,070)
Payments for film rights and films in progress	*10*	**(1,364)**	(822)
Loan repaid from a third party		**—**	5,000
Interest received		**126**	—
Withdrawal of restricted cash		**332**	369
Net cash (outflow)/inflow from investing activities		**(10,210)**	6,833
Cash flows from financing activities			
Principal elements of lease payments		**(1,020)**	—
Interest elements of lease payments		**(79)**	—
Net cash outflow from financing activities		**(1,099)**	—
Net decrease in cash and cash equivalents		**(20,859)**	(11,560)
Cash and cash equivalents at beginning of period		**67,242**	89,883
Effects of exchange rate changes on cash and cash equivalents		**(2,116)**	(564)
Cash and cash equivalents at end of the period		**44,267**	77,759

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, 2026 and the related interim condensed consolidated statements of profit or loss and other comprehensive 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 28, 2026.

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, 2025 as set out in the 2025 annual report of the Company (the "**2025 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 in the preparation of Interim Financial Information are consistent with those of the annual financial statements for the year ended December 31, 2025, as described in 2025 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, 2026, 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 2025 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, 2026 and 2025, 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; and

— 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 loss represents the loss from each segment without allocation of unallocated expenses, (losses)/gains on disposal of intangible assets, impairment on intangible assets, other (losses)/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,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Segment revenue:		
Game Business		
— Sales of in-game virtual items	**12,364**	16,861
— License fee and technical support fee	**—**	302
	12,364	17,163
Film Business		
— Licensing and production of online dramas and others	**566**	11,374
Other operation		
— Sales of goods	**695**	—
	13,625	28,537

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

	Game Business		Film Business		Other operation		Total	
	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue	**12,364**	17,163	**566**	11,374	**695**	—	**13,625**	28,537
Segment loss	**(6,000)**	(6,191)	**(1,257)**	(2,180)	**(4,844)**	—	**(12,101)**	(8,371)
(Losses)/gains on disposal of intangible assets							**(3,242)**	19,755
Impairment on intangible assets							**(24,090)**	(4,236)
Unallocated corporate expenses							**(1,400)**	(1,579)
Other (losses)/gains — net							**(8,002)**	2,504
Finance (cost)/income — net							**(244)**	205
Share of profit of investment accounted for using equity method							**816**	2,789
(Loss)/profit before income tax							**(48,263)**	11,067

A breakdown of revenue derived from the PRC and South Korea in the respective period is as follows:

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from external customers:		
— PRC	**9,985**	22,512
— South Korea	**3,640**	6,025
	13,625	28,537

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

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
— Recognised over time	**12,364**	28,100
— Recognised at a point in time	**1,261**	437
	13,625	28,537

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

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
— PRC	**27,028**	24,699
— Hong Kong and other overseas countries	**63,708**	90,873
— South Korea	**29**	35
	90,765	115,607

5. OTHER OPERATING (EXPENSES)/INCOME — NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bad debt recovered	**800**	2
Government subsidies	**78**	144
Foreign exchange gains, net	**1,192**	393
Gain on disposal of property, plant and equipment	**55**	26
(Losses)/gains on disposal of intangible assets	**(3,242)**	19,755
Impairment on intangible assets	**(24,090)**	(4,236)
Waiver of other payables	**792**	—
Reversal of provision of compensation	**1,200**	—
Others	**28**	(5)
	(23,187)	16,079

6. OTHER (LOSSES)/GAINS — NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value (losses)/gains from financial assets at fair value through profit or loss	**(8,563)**	827
Fair value gain from an associate measured at fair value through profit or loss	**561**	—
Gain on disposal of financial assets at fair value through profit or loss	**—**	1,677
	(8,002)	2,504

7. INCOME TAX CREDIT

The income tax credit of the Group for six months ended June 30, 2026 and 2025 is analysed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**3**	—
Deferred tax	**(43)**	—
Income tax credit	**(40)**	—

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, as the subsidiaries incorporated in Hong Kong did not have any taxable profit generated from operations in Hong Kong for the six months ended June 30, 2026 and 2025.

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, 2026 and 2025 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, 2026 and 2025 under the relevant PRC tax rules and regulations; (ii) one subsidiary (for the six months ended June 30, 2025: 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, 2026 and 2025; 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 (iv) four subsidiaries of the Company were qualified as a "Small Low-profit Enterprise" and were subject to EIT on 25% of its taxable income at a tax rate of 20% for the six months ended June 30, 2026.

8. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share for the six months ended June 30, 2026 and 2025 is calculated by dividing the (loss)/profit 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,	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	**(47,980)**	11,429
Weighted average number of ordinary shares in issue (thousand shares)	**362,883**	356,980
Basic (loss)/earnings per share (expressed in RMB per share)	**(0.132)**	0.032

(b) Diluted

Diluted (loss)/earnings 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, 2026 and 2025, the Company had two categories of potential ordinary shares, restricted share units and share options granted to eligible person. As the Group incurred loss for the six months ended June 30, 2026, the potential ordinary shares were not included in the calculation of dilutive loss per share where their inclusion would be anti-dilutive. The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the six months ended June 30, 2025. Accordingly, dilutive (loss)/earnings per share for the six months ended June 30, 2026 and 2025 are the same as basic (loss)/earnings 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, 2026	**4,304**	**5,337**	**87,571**
Additions	**1,422**	**820**	**14,269**
Depreciation/amortisation charge	**(1,674)**	**(1,227)**	**(24)**
Disposal	**(51)**	**—**	**(13,170)**
Impairment	**—**	**—**	**(24,090)**
Foreign exchange adjustments	**(88)**	**—**	**(2,760)**
As of June 30, 2026	**3,913**	**4,930**	**61,796**

	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)
Foreign exchange adjustments	(18)	—	(305)
As of June 30, 2025	5,197	—	69,993

(i) The additions in intangible assets for the six months ended June 30, 2026 were primarily due to the purchase of cryptocurrencies. The Group had purchased cryptocurrencies of 25.3741 (for the six months ended June 30, 2025: 62.9877) units of Bitcoins, no units of (for the six months ended June 30, 2025: 330.4948) Ethereum and 2,130.0840 (for the six months ended June 30, 2025: 6,991.7000) units of Solana at aggregate cash considerations of USD2,067,000 (equivalent to RMB14,269,000) (for the six months ended June 30, 2025: USD7,850,000 (equivalent to RMB56,358,000)).

(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).

During the six months ended June 30, 2026, the recoverable amounts of Bitcoin, Ethereum and Solana were approximately RMB56,025,000, RMB4,635,000 and RMB3,065,000, respectively, which were lower than their carrying amounts. Therefore, impairment losses on Bitcoin, Ethereum and Solana in total of RMB24,090,000 was recognised in profit or loss.

During the six months ended June 30, 2025, the recoverable amounts of Bitcoin, Ethereum and Solana were approximately RMB70,883,000, RMB16,571,000 and RMB6,554,000, respectively, which were lower than their carrying amounts except for the recoverable amounts of Bitcoin exceeded its carrying amount. Therefore, impairment losses on Ethereum and Solana in total of RMB4,236,000 was recognised in profit or loss.

10. FILM RIGHTS AND FILMS IN PROGRESS

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Film rights and films in progress		
— Under production/production yet to commence	**14,092**	12,728

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Beginning of the period	**12,728**	9,059
Additions	**1,364**	822
End of the period	**14,092**	9,881

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Included in non-current assets		
Unlisted securities *(Note)*	**17,314**	20,706
Include in current assets		
Equity listed outside Hong Kong	**292**	2,471
Equity listed in Hong Kong	**733**	—
	1,025	2,471

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, 2026 *RMB'000* **(Unaudited)**	As of December 31, 2025 *RMB'000* (Audited)
Trade receivables	**5,691**	5,665
Loss allowance	**(3,116)**	(3,024)
Total trade receivables	**2,575**	2,641

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, 2026 *RMB'000* **(Unaudited)**	As of December 31, 2025 *RMB'000* (Audited)
0–60 days	**1,773**	2,378
61–90 days	**651**	150
91–180 days	**134**	128
181–365 days	**242**	131
Over 1 year	**2,891**	2,878
	5,691	5,665

13. OTHER RECEIVABLES

	As of June 30, 2026 *RMB'000* (Unaudited)	As of December 31, 2025 *RMB'000* (Audited)
Current *(Note (a))*		
Loans to third parties and related interest *(Note (b))*	**20,963**	20,963
Receivable from capital reduction of an associate measured at fair value through profit or loss	**5,500**	10,035
Receivable from disposal of financial assets at fair value through profit or loss	**4,471**	4,471
Amount due from a related company	**4,990**	—
Others	**2,771**	3,095
	38,695	38,564
Loss allowances	**(22,717)**	(22,717)
	15,978	15,847
Non-current		
Rental and other deposits	**920**	871
Others	**827**	827
	1,747	1,698

Notes:

(a) As of June 30, 2026 and December 31, 2025, due to the short-term nature of the other receivables, the carrying amounts are considered to be a reasonable approximation of their fair values.

(b) 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% (2025: 15%~20%) per annum. 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, 2026 and December 31, 2025.

14. TRADE AND OTHER PAYABLES

	As of June 30, 2026 *RMB'000* (Unaudited)	As of December 31, 2025 *RMB'000* (Audited)
Trade payables *(Note)*	**4,180**	3,470
Accrued expenses and liabilities	**15,640**	17,196
Salary and staff welfare payables	**18,114**	16,735
Provision for compensation	**—**	1,200
Amount due to a related party	**5,438**	5,438
Other taxes payables	**216**	474
	43,588	44,513

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, 2026 *RMB'000* (Unaudited)	As of December 31, 2025 *RMB'000* (Audited)
0–180 days	**2,762**	2,855
181–365 days	**1,049**	367
1–2 years	**132**	25
2–3 years	**93**	76
Over 3 years	**144**	147
	4,180	3,470

15. DIVIDENDS

No dividends have been paid or declared by the Company during each of the six months ended June 30, 2026 and 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

In the first half of 2026, the global macroeconomic environment and the landscape of the technology industry continue to evolve, with market volatility and structural opportunities coexisting. Operating in a complex and ever-changing business environment, the Group continues to drive business transformation and innovation, steadfastly positioning Web3 as a strategic priority while consolidating its two traditional core businesses: game and film businesses. All segments have coordinated to maintain development momentum characterized by steady progress. This year marks the beginning of large-scale AI adoption worldwide, and robotics applications are also entering a new phase of development. The Group will closely monitor development opportunities in these areas. The Group will continue to steadily expand its business across all segments in accordance with its established strategic objectives, strengthen synergies among its businesses, continuously enhance its core competitiveness, strive to create greater value for shareholders and achieve the Group's sustainable development.

Web3 Business: a strategic focus of our development, striving for breakthroughs in investment, application and computing services

Since the Group established the Web3 business as its strategic focus in 2024, the Group has been steadily expanding its relevant businesses following global regulatory trends. In the first half of 2026, regulatory frameworks for digital assets in Hong Kong and overseas have been implemented and refined, laying the foundation for the industry's long-term development. Following the implementation of the Stablecoins Ordinance of Hong Kong, the first batch of issuer licenses have been issued in an orderly manner, with regulators adhering to strict entry standards to promote the industry's compliant development. In the U.S., as legislation related to the cryptocurrency industry and policies regarding the allocation of digital assets in pension accounts continue to be implemented, overall market confidence has begun to recover. The Group has been closely monitoring updates to local regulatory guidelines and makes timely adjustments to its internal business operations and investment risk control mechanisms, in order to ensure the security of the Group's assets and business operations.

In the first half of 2026, the global crypto markets remained highly volatile. The Group continued to pursue flexible and prudent investment and risk management strategies, dynamically adjusting the structure of its asset holdings. As of the end of the reporting period, the Group (excluding any non-controlling company) held a total of 134.1228 units of Bitcoin, 414.7932 units of Ethereum and 5,886.7890 units of Solana, with the overall size of its holdings remaining stable. In the first half of 2026, impairment on crypto assets and losses on disposal of crypto assets totaling approximately RMB27.3 million. Although investment losses were recorded for the period, the capital gains from crypto assets in previous periods continued to make a significant and positive contribution to the Group's asset base and overall profit and loss. The Group will continue to review the size of its cryptocurrency holdings by taking into account market trends, liquidity needs, the authorized limit set by the Board, domestic and international regulatory requirements and risk management metrics. While managing market volatility risks, the Group will seek to preserve and enhance the value of its assets in a prudent manner, while also reserving capital for long-term strategic initiatives in the Web3 ecosystem, in order to capitalize on the development opportunities presented by the emerging digital economy.

In the first half of 2026, Element, the digital asset transaction platform of the Group, adopted "AI-driven NFT Interactive Experiences" as its core strategy, and achieved multiple product and technology breakthroughs. The platform has successively launched three core AI functional modules, namely NFT market tracking, end-to-end listing and trading, and one-stop minting, allowing it to cover the entire NFT lifecycle from market insights and order-based trading to collection minting. Users can perform data queries, trade assets and create NFT collections using natural language commands, while the system's backend automatically handles complex intelligent contract parameters. This effectively lowers the operational barrier for users and creators, driving the platform's transformation from a traditional search-based trading platform to a conversational intelligent assistant. Meanwhile, the platform has closely kept pace with innovation trends in the industry's underlying protocols, promptly completing the technical integration of Uniswap v4-related NFT assets to support the listing and initial trading of such assets, thereby solidifying its position as an industry leader in the Uniswap v4 NFT segment. To further expand its liquidity reach, Element plans to gradually integrate into three strategically important blockchain networks, namely Ink Chain, Tempo Chain and Robinhood Chain: the Ink Chain can bring incremental users and compliant liquidity, with Element serving as the core NFT trading portal for its ecosystem; the Tempo Chain, which focuses on the AI sector, can align closely with the platform's AI strategy to jointly explore diverse application scenarios for AI-native NFTs; and the Robinhood Chain, which emphasizes RWA and on-chain finance, will help the platform identify business opportunities for bringing real-world assets onto the blockchain.

In terms of green computing power, the EcoPowX project, in which the Group strategically invested in 2024, completed all preparation for acceptance testing in the first half of 2026, including equipment commissioning and gas supply connection, and is set to begin commercial operations. Once the project becomes operational, it will serve as the Group's core platform for its integrated strategy of "green computing power + AI + Web3", establishing a business model for sustainable computing power services.

In the second half of 2026, the Group will capitalize on the industry opportunities presented by the global boom in AI applications, to create business synergy across Web3, green computing power and AI technology, explore new business models while ensuring compliance, and enhance the overall competitiveness of the Group's new technology segment.

Game Business: existing operations, new product development and AI applications

In the first half of 2026, the Group iterated several of its live game titles, adjusting in-game events and monetization mechanisms based on player feedback, while also completing partial engine optimizations, story content updates, and the launch of certain social gameplay features. As of the end of the reporting period, the Group operated a total of 14 online games.

In terms of overseas markets, South Korea is the Group's primary source of overseas revenue. The Group implemented localization adjustments to its existing product, "大航海之路", optimizing the game's difficulty and local holiday event content to enhance the user experience for local players.

In terms of AI applications, AI tools are used in the R&D phase to assist with the creation of art assets and APPs development, thereby shortening the product development cycle; on the operations side, AI is utilized for user segmentation, event notifications and in-game metrics monitoring, and is also used to upgrade the multilingual intelligent customer service system to enhance user experience.

In terms of new product development, the Group continues to invest resources in mobile game R&D and, through its internal project review mechanism, prioritizes R&D personnel and technical resources toward key projects. A mobile game derived from a core IP is currently in development. However, the project's progress is subject to various factors, including collaboration and coordination, testing results, market conditions and regulatory approvals, so the commercial launch date has not yet been determined. The remaining projects in development feature a variety of gameplay styles, including strategy, MOBA and procedurally generated content. These projects have undergone multiple rounds of internal testing, with some key projects scheduled to begin small-scale closed beta testing.

In the second half of 2026, the Group will continue to release version updates and content refreshes for its existing games; R&D and preparations for the subsequent operation of new products will proceed based on test results and compliance progress; the overseas business will continue to expand its presence in the South Korean market and optimize marketing strategies; and we will continue to apply AI tools to the R&D and production processes, and internal validation of new features will continue.

Film Business: sustaining long dramas, breaking into mid-length drama market and incubating AIGC

Linekong Pictures has been building its diverse product portfolio, and proactively stockpiles quality IP, promoting the production of premium dramas. In the first half of 2026, in response to the industry restructuring, Linekong Pictures adhered to its core strategy of "balancing quality and growth", achieving significant milestones in areas such as the operation of long dramas and the exploration of AIGC technology, while further upgrading the whole-process operational capabilities of the team. In the second half of 2026, the segment will focus on three key pillars, namely "content quality, resource integration and project risk management", to drive the implementation of key long drama projects and the applications of AIGC technology in premium films and dramas, so as to further strengthen its core competitiveness and continue to contribute value to the Group.

The series "陷入我們的熱戀", which has been airing on Tencent Video, has received S-level ratings, and related merchandise has also generated revenue. The Group has systematically summarized the lessons learned from the project's success and is applying its end-to-end operational methodology to subsequent key long drama projects, in order to enhance the content quality and operational efficiency of these projects.

Among our pipeline of long drama projects, the female-led mystery series "燃燒的四季" completed the first draft of its 12-episode script in 2025 and signed Han Sanping (韓三平) to serve as its executive producer. The project has passed the first-round assessment of Tencent Video. Its script is currently being refined in accordance with the feedback from the platform in preparation for subsequent filming.

As a core S class project of the Group focusing on "realism + intangible cultural heritage", a regional and humanistic drama "破春光" has completed the contracting of copyright and scriptwriting, and commenced scriptwriting. The drama successfully completed the filing and public notice process with the National Radio and Television Administration (國家廣播電視總局), and concluded on-site research in the Chaoshan region (潮汕地區). Concurrently, plans for cultural and tourism spin-off development were also formulated, which established a diverse development model characterized by "content + cultural tourism". The script will be completed in the second half of 2026, with production scheduled to begin in the fourth quarter. The project will further integrate Chaozhou-Shantou regional culture and implement its cultural and tourism spin-off development plan, with the aim of creating an influential and popular "cultural export" for 2027. Currently, the project has been progressing at full speed and has achieved significant milestones. In January, the scriptwriting team was organized to conduct in-depth field research in Puning, Guangdong, to explore the essence of Yingge Dance (英歌舞) culture; in March, a strategic partnership was established with the Puning Municipal Government, designating Nanxi Water Village (南溪水鄉) as the core principal filming location and planning a "film-scenery integrated promotion" model; and also in March, a global casting call was kicked off to accumulate market popularity in advance; in July, the project received funding from the Guangdong Special Fund for Supporting High-Quality Literary and Artistic Works (TV dramas/online dramas) (廣東省文藝精品扶持專項資金(電視劇／網絡劇片)). The project was scripted by Zhang Wei (張巍), the renowned scriptwriter, and features a unique topic with the potential to generate significant buzz. Aligned with global trends in cultural exchange, it is expected to become a flagship project for the Group's cultural initiatives.

"Ancient Music Records (古樂風華錄)", a joint production project, completed filming in 2024, and continued its post-production throughout 2025. Overall progress is going smoothly, and the project is expected to launch in 2026. In 2026, the Group will focus on concluding the post-production of the project and strictly controlling production quality to ensure its timely release. Pre-launch promotional and publicity campaigns have begun simultaneously to enhance the project's reach and impact.

In the fields of AIGC and IP incubation, Linekong Pictures initiated its exploration of AIGC technology application within the film business sector in 2025, and at the same time, underwent the selection and incubation of high quality IPs and successfully completed the preliminary groundwork for the implementation of AIGC technology, securing ample resources for future film-comics collaboration and content development. In 2026, the Group will continue to expand the application of AIGC technology in film content development. By using key pipeline projects as pilot schemes, the Group will validate the film-comics collaboration model of "low-cost AIGC testing — data feedback — film development", identify high-quality content to secure three premium IPs for 24-episode A+ class long dramas, and drive the implementation of AIGC technology in core processes, such as script evaluation and concept design, thereby facilitating cost reduction and efficiency enhancement in content development. "異世界", China's first AIGC "infinite loop" (無限流) short drama featuring two male leads, is set to premiere in September 2026. As Linekong Pictures' first premium AIGC drama, it will be available on iQIYI.

In terms of team capacity building and organizational structure optimization, the Group will further optimize its existing flat, efficient and multi-disciplinary elite team structure in 2026, clarify the management responsibilities of "Track Leaders", enhance support for the R&D platform, systematically document project operation methodologies, and improve the team's end-to-end project operational efficiency. Based on previous business practices and development objectives of the year, we will implement four core operational strategies: 1) end-to-end IP operation, under which a collaboration pathway for "comic dramas + short dramas + long dramas" is formulated from the project initiation stage to maximize IP value; 2) technology-driven cost reduction and efficiency enhancement, under which we introduced digital production systems, such as Virtual Production and Cloud Production, and expanded the application of AIGC technology; 3) a focus on premium projects, under which resources are concentrated to create the cultural hit "破春光", which achieves a major breakthrough in the mystery genre; and 4) the retention of key creative talents, under which we establish in-depth and long-term partnerships with 1–2 S class directors/scriptwriters to ensure that the content quality of our projects remains controllable.

In conclusion, 2026 is the pivotal year for Linekong Pictures to "break through and deliver (攻堅落地)", with the core mission being to drive decisive progress in major projects within the long drama segment and to substantially apply AIGC technology to our film business.

Robot business: laying the groundwork for embodied intelligence and exploring applications in commercial scenarios

As AI technology accelerates its penetration into the real economy worldwide, embodied intelligence and service robots are emerging as key drivers of transformation in the technology industry. The Group positions its robot business as a strategic, future-oriented emerging sector, focusing primarily on the R&D of commercial embodied intelligence and service robot technologies, while conducting technical R&D and scenario validation in line with global trends in the AI and robotics industries.

In the first half of 2026, the Group continued to strengthen its R&D team, conducting independent R&D focused on large-scale commercial physics models, motion control algorithms, and core robot hardware modules. With a focus on offline commercial scenarios such as retail and cafes, the Group conducted service robot product iterations and prototype testing, and has completed the debugging and scenario simulation validation of relevant prototypes. At the same time, the Group implemented commercial scenario integration and the expansion of its branch network to accumulate operational data from real-world environments, which is used in the iterative optimization of algorithms and hardware. During the reporting period, the relevant business remained at the technical R&D and product validation stages and has not yet achieved large-scale commercial implementation or generated significant operating revenue.

In the second half of 2026, the Group will continue to increase its R&D investment in embodied intelligence algorithms and robot hardware architecture, conduct prototype testing and pilot implementations in commercial settings, and refine robot product solutions suitable for offline consumer scenarios. At the same time, we are actively pursuing industry partnerships, adjusting the pace of product rollout based on technology maturity and market conditions, and capitalizing on opportunities for growth in the AI and service robotics industries. Due to multiple uncertainties, including technological advancements, industry developments and customer validation cycles, there is a risk that the commercialization timeline for the relevant business may be subject to change.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended June 30, 2026 was approximately RMB13.6 million, representing a decrease of 52.3% compared with approximately RMB28.5 million for the six months ended June 30, 2025.

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Segment revenue:		
— Game Business	**12,364**	17,163
— Film Business	**566**	11,374
— Other operation	**695**	—
Total	**13,625**	28,537

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

	For the six months ended June 30,			
	2026		2025	
		approximate		*approximate*
	RMB'000	***%***	*RMB'000*	*%*
China (including Hong Kong, Macau and Taiwan regions)	**9,985**	**73.3**	22,512	78.9
South Korea	**3,640**	**26.7**	6,025	21.1
Total	**13,625**	**100.0**	28,537	100.0

For the six months ended June 30, 2026, the revenue contributed by game business amounted to approximately RMB12.4 million, representing a decrease of approximately 27.5%, or RMB4.7 million, as compared to RMB17.1 million for the six months ended June 30, 2025, which was mainly attributable to the decrease in revenue from individual games as they entered later stages of their life cycles.

In respect of the Group's film business, the Group recognised revenue from licensing and production of online dramas and others of approximately RMB0.6 million for the six months ended June 30, 2026, representing a decrease of approximately 94.7%, or RMB10.8 million, as compared to RMB11.4 million for the six months ended June 30, 2025, which was mainly attributable to the lifecycles of film projects.

For the six months ended June 30, 2026, the Group's revenue from other operations was approximately RMB0.7 million (for the six months ended June 30, 2025: nil), which was mainly attributable to the retail revenue from the application scenarios of embodied intelligent service robots (cafes and beverages) for the period.

Cost

The Group's cost for the six months ended June 30, 2026 was approximately RMB11.5 million, representing a decrease of 50.2% as compared to approximately RMB23.1 million for the six months ended June 30, 2025, which was mainly attributable to the period-on-period decrease in the costs and revenue recognised for the period attributable to the lifecycles of film projects.

Gross profit and gross profit margin

The Group's gross profit for the six months ended June 30, 2026 was approximately RMB2.1 million, representing a decrease of 61.1% as compared to approximately RMB5.4 million for the six months ended June 30, 2025, which was mainly attributable to the project lifecycles of film business.

The Group's gross profit margin for the six months ended June 30, 2026 was approximately 15.5%, representing a decrease of approximately 3.4 percentage points as compared to approximately 18.9% for the six months ended June 30, 2025, 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, 2026 were approximately RMB1.5 million, representing an increase of approximately 25.0% from approximately RMB1.2 million for the six months ended June 30, 2025, which was mainly attributable to the slight increase in selling expenses incurred from the robot business.

Administrative expenses

The Group's administrative expenses for the six months ended June 30, 2026 were approximately RMB13.3 million, representing an increase of approximately 3.9% from approximately RMB12.8 million for the six months ended June 30, 2025. The movement was mainly attributable to the increase in routine administrative expenses.

Research and development expenses

The Group's research and development expenses for the six months ended June 30, 2026 were approximately RMB4.9 million, representing an increase of approximately 226.7% from approximately RMB1.5 million for the six months ended June 30, 2025. The movement was mainly attributable to the increased investments in research and development for robot related business.

Segments results — operating (loss)

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
— Game Business	**(6,000)**	(6,191)
— Film Business	**(1,257)**	(2,180)
— Other operation	**(4,844)**	—
Total	**(12,101)**	(8,371)

The Group recorded an operating loss of approximately RMB12.1 million for the six months ended June 30, 2026, as compared to the operating loss of approximately RMB8.4 million for the corresponding period of 2025.

For the six months ended June 30, 2026, the game business recorded an operating loss of approximately RMB6.0 million, compared with an operating loss of approximately RMB6.2 million for the corresponding period of 2025, which was mainly due to the decrease in revenue from individual games as they entered later stages of their life cycles.

For the six months ended June 30, 2026, the film business recorded an operating loss of approximately RMB1.3 million, compared with an operating loss of approximately RMB2.2 million for the corresponding period of 2025, which was mainly due to the lifecycles of film projects.

For the six months ended June 30, 2026, the Group's other operations comprised primarily the R&D of embodied intelligent service robotic technology and its scenario applications for retail and cafe occasions. The Group recorded an operating loss of approximately RMB4.8 million. The operating loss was mainly attributable to the research and development expenses for embodied intelligent service robots and the impact on the investment in scenario validation.

Other operating (expenses)/income – net

For the six months ended June 30, 2026, the Group recorded net other operating expenses of approximately RMB23.2 million, compared with net other operating income of approximately RMB16.1 million for the six months ended June 30, 2025, which was mainly due to the impairment of intangible assets.

Share of profit of investment accounted for using equity method

The Group's share of profit of the investment accounted for using the equity method for the six months ended June 30, 2026 was approximately RMB0.8 million, compared with a share of profit of investment of approximately RMB2.8 million for the six months ended June 30, 2025.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended June 30, 2026, 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 sustainable internal growth.

Treasury policy

During the six months ended June 30, 2026, 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 AND RESTRICTED CASH

As of June 30, 2026, the Group had cash and cash equivalents of approximately RMB44.3 million (as of December 31, 2025: approximately RMB67.2 million), which primarily consisted of cash at bank, other financial institutions and cash on hand and were mainly denominated in USD (approximately 49.4%), RMB (approximately 26.6%), HKD (approximately 21.4%) and other currencies (approximately 2.6%). Restricted cash as of June 30, 2026 was nil (as of December 31, 2025: approximately RMB0.3 million).

CAPITAL EXPENDITURES

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Procurement of furniture and office equipment	**1,422**	624
Expenditures on film/online drama rights and films/online drama in progress	**1,364**	822
Purchase of cryptocurrencies and financial assets	**35,914**	64,428
Total	**38,700**	65,874

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, 2026, our total capital expenditure was approximately RMB38.7 million (for the six months ended June 30, 2025: approximately RMB65.9 million), including expenditures on film/online drama rights and films/online dramas in progress of approximately RMB1.4 million (for the six months ended June 30, 2025: RMB0.8 million), procurement of furniture and office equipment of approximately RMB1.4 million (for the six months ended June 30, 2025: RMB0.6 million), and purchase of cryptocurrencies and financial assets of approximately RMB35.9 million (for the six months ended June 30, 2025: RMB64.4 million). As of the end of the reporting period, we had no committed capital expenditures, and the capital expenditures for 2026 are expected to be mainly game development, 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, 2026, there were no bank loans borrowed by the Group (as of December 31, 2025: nil). The gearing ratio, calculated as total liabilities divided by total assets, was approximately 36.3% (as of December 31, 2025: approximately 29.8%).

PLEDGE OF GROUP ASSETS

As of June 30, 2026, there was no pledge of assets (as of December 31, 2025: nil).

INFORMATION ON EMPLOYEES AND REMUNERATION POLICY

The Group 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, 2026, the Group had 80 employees. For the six months ended June 30, 2026, total remuneration for employees of the Group was approximately RMB15.0 million (for the six months ended June 30, 2025: approximately RMB13.5 million).

The Company has adopted the 2024 restricted share unit scheme, under which restricted share units may be granted, and the 2025 share scheme, under which share options and/or restricted share units may be granted, as incentives to eligible participants. For details, please refer to the 2026 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 for 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, 2026, the Group did not have any significant contingent liabilities (December 31, 2025: 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, 2026, 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, 2026.

SUBSEQUENT EVENTS

There are 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, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended June 30, 2026, 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, 2026, 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, 2026 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, 2026 comply with applicable accounting standards and 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, 2026, 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 60%), 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, 2026.

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

Beijing, the PRC, August 28, 2026

As of the date of this announcement, the executive Directors of the Company are Mr. WANG Feng 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 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.