
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult licensed securities dealers or other registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Linekong Interactive Group Co., Ltd., you should at once hand this circular and the accompany form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other registered institutions in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LINEKONG

藍港互動

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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
PURCHASE OF SERIES B+ PREFERRED SHARES
AND
(2) NOTICE OF EGM**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 1 to 18 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 19 to 20 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 37 of this circular.

A notice convening the EGM to be held on Wednesday, December 2, 2015 at 10:00 a.m. at 5/F, Qiming International Mansion, Wangjing North Road, Chaoyang District, Beijing, the People's Republic of China is set out on pages 60 to 61 of this circular. A form of proxy for use at the EGM is enclosed with the notice of the EGM. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.linekong.com).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.

This circular will remain on the "Latest Company Announcements" page of the Growth Enterprise Market of the Stock Exchange website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.linekong.com.

November 17, 2015

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Angel Investors”	WU Guangze and JIANG Tao
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday or Sunday or public holiday) on which banks are open for business in Hong Kong
“BVI”	British Virgin Islands
“BVI Companies”	Zhangxiaowei Holdings Limited, Zhangjia Holdings Limited, Zhouhui Holdings Limited, Lizixin Holdings Limited, Chenxiaofen Holdings Limited, Wise Orient Investments Limited, Jiangtao Holdings Limited, being companies incorporated with limited liability in BVI
“Company”	Linekong Interactive Group Co., Ltd. (藍港互動集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on May 24, 2007 and formerly known as Linekong International Co., Ltd. (藍港互動有限公司)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Founders”	ZHANG Xiaowei, ZHANG Jia, ZHOU Sui, LI Zixin, CHEN Xiaofen, being individual founder members of Fuze Entertainment
“Fuze Entertainment”	Fuze Entertainment Co., Ltd., a company incorporated with limited liability in the Cayman Islands on January 30, 2015 with an aggregate of 163,636,363 issued and outstanding shares (comprising 90,909,091 ordinary shares, 72,727,272 series A preferred shares, 83,863,636 series B preferred shares and 25,227,273 series B+ preferred shares) as at Latest Practicable Date
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HK Company”	Fuze Entertainment (Hong Kong) Co., Ltd, a company incorporated with limited liability in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all of the four independent non-executive Directors of the Company, namely Mr. MA Ji, Mr. ZHANG Xiangdong, Mr. WANG Xiaodong and Ms. ZHAO Yifang established for the purpose of giving recommendation to the Independent Shareholders regarding the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking into consideration the Purchase of Series A Preferred Shares and the Grant of Loan
“Independent Financial Adviser”	China Investment Securities International Capital Limited, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking into consideration the Purchase of Series A Preferred Shares and the Grant of Loan
“Independent Shareholder”	Shareholders other than Mr. QIAN Zhonghua, Starwish Global Limited, Famous Sino Limited, IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., IDG-Accel China Investors L.P. and Northern Light Venture Capital IV, Ltd. and their respective associates
“Independent Third Party(ies)”	Individual(s) or company(ies) who or which is (are) independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive or Substantial Shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Latest Practicable Date”	November 11, 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Notice of Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held for the purpose of, among other things, considering and, if thought fit, approving the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder
“PRC”	The People’s Republic of China, which for the purpose of interpretation of this circular only, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Companies”	Travel Box Online (Beijing) Technology Co., Ltd., Fuze Technology (Shenzhen) Co., Ltd., Beijing Travel Box Online Information Technology Co., Ltd., being companies incorporated with limited liability in PRC
“RMB”	Renminbi, the lawful currency of the PRC
“RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by the then Shareholders of the Company on March 21, 2014 and as amended on August 22, 2014
“RSU(s)”	Restricted share unit(s) award granted to a participant under the RSU Scheme
“Series A Investors”	the purchasers of series A preferred shares in Fuze Entertainment
“Series B Investors”	the purchasers of series B preferred shares in Fuze Entertainment
“Series B+ Framework Agreement”	the Series B+ Framework Agreement dated September 2, 2015 entered into between the Company and Fuze Entertainment in relation to Purchase of Series B+ Preferred Shares by the Company
“Series B+ Preferred Share Purchase Agreement”	the Series B+ Preferred Share Purchase Agreement dated September 23, 2015 entered into between the Company and, among others, Fuze Entertainment in relation to Purchase of Series B+ Preferred Shares by the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

For the purposes of illustration only, any amount denominated in RMB in this circular and translated into HK\$ was translated at the rate of RMB1=HK\$1.22. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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Linekong Interactive Group Co., Ltd.

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8267)

Executive Directors:

Mr. WANG Feng
Ms. LIAO Mingxiang
Mr. MEI Song
Mr. ZHAO Jun

Registered office:

Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Non-Executive Directors:

Mr. QIAN Zhonghua

Principal place of business in Hong Kong:

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. MA Ji
Mr. ZHANG Xiangdong
Mr. WANG Xiaodong
Ms. ZHAO Yifang

November 17, 2015

To the Shareholders

Dear Sir or Madam

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
PURCHASE OF SERIES B+ PREFERRED SHARES
AND
(2) NOTICE OF EGM**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated June 8, 2015 in relation to the Purchase of Series A Preferred Shares (defined below) in Fuze Entertainment by the Company; (ii) the announcement of the Company dated July 7, 2015 in relation to the Grant of Loan (defined below) by the Company to Fuze Entertainment; (iii) the further announcement of Company dated July 14, 2015

LETTER FROM THE BOARD

in relation to the Grant of Loan by the Company to Fuze Entertainment; (iv) the further announcement of the Company dated July 16, 2014 in relation to the Purchase of Series A Preferred Shares in Fuze Entertainment by the Company; (v) the announcement of the Company dated September 2, 2015 in relation to the Purchase of Series B+ Preferred Shares (defined below); and (vi) the further announcements of the Company dated September 11, 2015 and October 16, 2015 in relation to the Purchase of Series B+ Preferred Shares.

The purpose of this circular is (i) to provide the Shareholders with further information on the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder; (ii) to set out the recommendation from the Independent Board Committee in relation to the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder; (iii) to set out the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, in respect of the reasonableness and fairness of the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder; (iv) to set out the valuation report from ValueLink Management Consultants Ltd., an independent business valuer, in connection with the valuation as at August 30, 2015 of the market value in Fuze Entertainment Co., Ltd; and (v) to give the Shareholders a notice of the EGM and other information in accordance with the requirements of the GEM Listing Rules.

THE PURCHASE OF SERIES A PREFERRED SHARES

On June 8, 2015, the Company entered into a series A preferred share purchase agreement with Fuze Entertainment, pursuant to which the Company conditionally agreed to purchase 61,818,182 series A preferred shares in Fuze Entertainment for the aggregate consideration of US\$17,000,000 (being approximately US\$0.275 per each series A preferred share, and in aggregate, equivalent to approximately HK\$132,600,000) (the “**Purchase of Series A Preferred Shares**”).

For further information on the Purchase of Series A Preferred Shares, please refer to the announcement of the Company dated June 8, 2015 and the further announcement of the Company dated July 16, 2015.

THE GRANT OF LOAN

On July 7, 2015, the Company entered into a loan agreement with Fuze Entertainment pursuant to which the Company agreed to grant an unsecured loan in the amount of US\$9,000,000 (or its equivalent in other currencies) to Fuze Entertainment for a period of 12 months from the date of advance of the loan amount (the “**Grant of Loan**”).

For further information on the Grant of Loan, please refer to the announcement of the Company dated July 7, 2015 and the further announcement of the Company dated July 14, 2015.

LETTER FROM THE BOARD

THE PURCHASE OF SERIES B+ PREFERRED SHARES

The Series B+ Framework Agreement

The Company entered into the Series B+ Framework Agreement with Fuze Entertainment on September 2, 2015.

For further information on the Series B+ Framework Agreement, please refer to the announcement of the Company dated September 2, 2015.

The Series B+ Preferred Share Purchase Agreement

In addition to the Series B+ Framework Agreement, the Company entered into the Series B+ Preferred Share Purchase Agreement with various parties, among which Fuze Entertainment, on September 23, 2015. The principal terms of the Series B+ Preferred Share Purchase Agreement, together with the relevant terms of the Series B+ Framework Agreement, are set out below:

Date September 23, 2015

Parties (i) the Company;
 (ii) Fuze Entertainment;
 (iii) HK Company;
 (iv) BVI Companies;
 (v) PRC Companies;
 (vi) Founders;
 (vii) Angel Investors;
 (viii) Series A Investors; and
 (ix) Series B Investors.

LETTER FROM THE BOARD

Connected Parties

As at the date of the Series B+ Preferred Share Purchase Agreement, Fuze Entertainment is owned by the Company as to approximately 24.98%, taking into account all the issued and outstanding ordinary shares, series A preferred shares and series B preferred shares of Fuze Entertainment.

As at the date of the Series B+ Preferred Share Purchase Agreement, Starwish Global Limited holds 52,318,760 Shares. Starwish Global Limited is wholly-owned by China Momentum Fund, L.P., an exempted limited partnership in Cayman Islands. Fosun China Momentum Fund GP, Ltd. is the general partner of China Momentum Fund, L.P.. Fosun China Momentum Fund GP, Ltd. is in turn wholly owned by Fosun Momentum Holdings Limited. Fosun Momentum Holdings Limited is wholly-owned by Fosun Financial Holdings Limited which is in turn wholly-owned by Fosun International Limited (“**Fosun International**”, a substantial shareholder of the Company and a company listed on the Main Board of the Stock Exchange (stock code: 00656)). Fosun International is approximately 71.37% owned by Fosun Holdings Limited as of the date of the Series B+ Preferred Share Purchase Agreement which is in turn wholly-owned by Fosun International Holdings Ltd.. Mr. Guo Guangchang owns approximately 64.45% in the issued share capital of Fosun International Holdings Ltd..

Rainbow Chaser Limited has purchased certain amount of series A preferred shares and series B preferred shares in Fuze Entertainment. As of June 8, 2015, being the date of purchase of series A preferred shares in Fuze Entertainment by Rainbow Chaser Limited, Fuze Entertainment is owned by Rainbow Chaser Limited as to 3.33%, taking into account all the issued and outstanding ordinary shares and series A preferred shares. As at the date of the Series B+ Preferred Share Purchase Agreement, Fuze Entertainment is owned by Rainbow Chaser Limited as to approximately 19.83%, taking into account all the issued and outstanding ordinary shares, series A preferred shares and series B preferred shares of Fuze Entertainment. Rainbow Chaser Limited is an indirect wholly-owned subsidiary of Fosun International, and also a fellow subsidiary of Starwish Global Limited, being one of the substantial shareholders of the Company. As such, Rainbow Chaser Limited is an associate of Starwish Global Limited and is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules.

Certain shareholders of Fuze Entertainment, being Wise Orient Investments Limited, IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., IDG-Accel China Investors L.P., and Northern Light Venture Capital IV, Ltd., and/or their respective associates, also hold, directly or indirectly, less than 10% shareholding in the Company, respectively.

Save as disclosed herein and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Fuze Entertainment and its ultimate beneficial owner(s) are third parties independent of the Company and its Connected Persons.

LETTER FROM THE BOARD

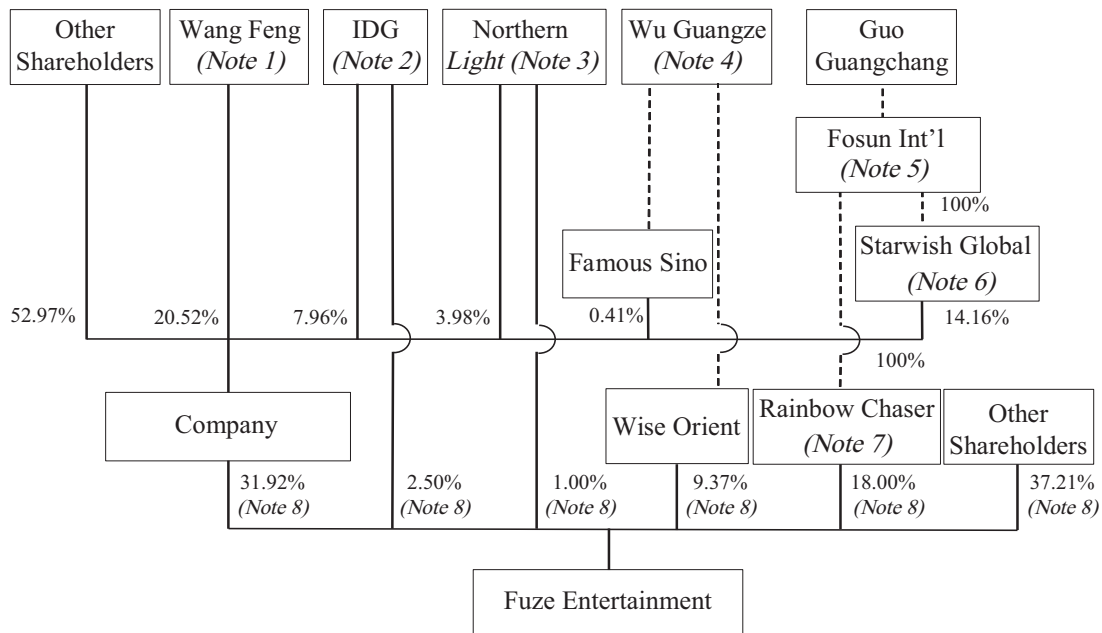
The Purchase of Series B+ Preferred Shares

Subject to the terms and conditions set forth in the Series B+ Preferred Share Purchase Agreement, Fuze Entertainment agrees to issue and sell to the Company, and the Company agrees to purchase 25,227,273 series B+ preferred shares in Fuze Entertainment with par value of US\$0.000025 each (the “**Purchased Shares**”), at a price of US\$0.3667 per share, amounting to an aggregate purchase price of US\$9,250,000, which will be paid in cash.

The Purchase of Series B+ Preferred Shares will be funded by the internal resources of the Group other than the proceeds from the initial public offering of the Company.

Upon completion of the Purchase of Series B+ Preferred Shares, Fuze Entertainment will be owned by the Company as to approximately 31.92%, taking into account all the issued and outstanding ordinary shares, series A preferred shares, series B preferred shares and series B+ preferred shares of Fuze Entertainment.

Set out below is the shareholding structure of Fuze Entertainment upon completion of the Purchase of Series B+ Preferred Shares.



Notes:

- (1) Wang Feng holds the entire issued share capital of Wangfeng Management Limited, which in turn directly holds 66,576,160 Shares. In addition, Wang Feng is interested in 813,000 Shares and 8,433,308 RSUs granted to him under the RSU Scheme entitling him to receive 8,433,308 Shares, and as of November 11, 2015, approximately 65.00% of the RSUs have been vested and the remaining RSUs are subject to vesting.
- (2) IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., and IDF-Accel China Investors L.P. (collectively, “**IDG**”).

LETTER FROM THE BOARD

- (3) Northern Light Venture Capital IV, Ltd. (“**Northern Light**”).
- (4) Wu Guangze controls Famous Sino Limited (“**Famous Sino**”) and Wise Orient Investments Limited (“**Wise Orient**”).
- (5) Fosun International Limited (“**Fosun Int’l**”) is approximately 71.37% owned by Fosun Holdings Limited as of the date of the Series B+ Preferred Share Purchase Agreement which is in turn wholly-owned by Fosun International Holdings Ltd.. Guo Guangchang owns approximately 64.45% in the issued share capital of Fosun International Holdings Ltd..
- (6) Starwish Global Limited (“**Starwish Global**”) is wholly-owned by China Momentum Fund, L.P., an exempted limited partnership in Cayman Islands. Fosun China Momentum Fund GP, Ltd. is the general partner of China Momentum Fund, L.P.. Fosun China Momentum Fund GP, Ltd. is in turn wholly owned by Fosun Momentum Holdings Limited. Fosun Momentum Holdings Limited is wholly-owned by Fosun Financial Holdings Limited which is in turn wholly-owned by Fosun International Limited.
- (7) Rainbow Chaser Limited (“**Rainbow Chaser**”) is an indirect wholly-owned subsidiary of Fosun International Limited, and also a fellow subsidiary of Starwish Global Limited, being one of the substantial shareholders of the Company. As such, Rainbow Chaser Limited is an associate of Starwish Global Limited and is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules.
- (8) Shareholding percentages of Fuze Entertainment are based on the enlarged share capital of Fuze Entertainment after completion of the Purchase of Series B+ Preferred Shares.

The Company understands that based on the current development plans of Fuze Entertainment, the funds raised by Fuze Entertainment through the issuance of ordinary shares, series A preferred shares, series B preferred shares and series B+ preferred shares should be sufficient for its business and financial needs in the near future. On such basis, the Directors do not anticipate additional investments to be made by the Group to Fuze Entertainment within the next 12 months.

If Fuze Entertainment requires further investment in the future, the Company will evaluate the opportunity based on the business and financial position of the Group and Fuze Entertainment, and will comply with the applicable GEM Listing Rules requirements as and when appropriate.

Rights of the Company as Holder of Series B+ Preferred Shares

According to second amended and restated shareholders agreement to be duly executed by all the shareholders of Fuze Entertainment, the Company has, among others, the following rights under the Series B+ Preferred Share Purchase Agreement.

Information and Inspection Rights	Under the Series B+ Preferred Share Purchase Agreement, the Company has been granted information and inspection rights with respect to certain information on Fuze Entertainment.
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LETTER FROM THE BOARD

Right of Participation

The Company shall have the right of first refusal to purchase the ratio of the number of ordinary shares (calculated on a fully-diluted and as-converted basis) held by holders of Series A, Series B and Series B+ preferred shares (“**Preferred Holders**”) and their permitted transferees to the total number of ordinary shares (calculated on a fully-diluted and as-converted basis) then outstanding immediately prior to the issuance of Series A, Series B and Series B+ preferred shares (“**Preferred Shares**”) and any preferred shares in other forms, of all (or any part) of any Preferred Shares and any preferred shares in other forms Fuze Entertainment may from time to time issue.

Right of First Refusal

The Company will have the right, exercisable upon written notice to holder of any of Fuze Entertainment’s securities now owned or subsequently acquired by any Founders and/or BVI Companies (the “**Restricted Shares**”), Fuze Entertainment, and each other Preferred Holders within 20 days after receipt of a written notice to be given by the any holder of Restricted Shares (the “**First Refusal Period**”) of its election to exercise its right of first refusal.

Co-sale Right

To the extent that Preferred Holders have not exercised their right of first refusal with respect to any or all the number of Restricted Shares to be sold or transferred (the “**Offered Shares**”), then each Preferred Holder shall have the right, exercisable upon written notice to Founders and/or BVI Companies, Fuze Entertainment and each Preferred Holder within 20 days after receipt of a written notice to be received within 10 days after expiration of the First Refusal Period to be given by Fuze Entertainment, to participate in such sale of Offered Shares on the same terms and conditions as set forth in the written notice for sale of Restricted Shares to be given by any holder of Restricted Shares.

Drag Along Right

If the holders of at least 66 2/3% of the outstanding Preferred Shares approve a proposed acquisition, then upon written notice from such holders each holder of ordinary shares shall (i) vote in favour of such proposed acquisition and in opposition of any proposal that could reasonably be expected to delay or impair such proposed acquisition; (ii) refrain from exercising any dissenters’ rights or rights of appraisal with respect to such proposed acquisition; and (iii) take all actions reasonably necessary to consummate the proposed acquisition.

LETTER FROM THE BOARD

Use of Proceeds by Fuze Entertainment from the issue of the Purchased Preferred Shares

The proceeds from the issuance of the Purchased Shares shall be used by Fuze Entertainment for business expansion, capital expenditures, general working capital requirements or other purposes as approved by the board of directors of Fuze Entertainment. It is currently expected that the proceeds will be applied by Fuze Entertainment towards the procurement and development of game contents, costs on manufacturing of game console hardware, as well as marketing and human resources expenses within the next 12 to 18 months.

None of the proceeds from the issuance of series B+ preferred shares shall be used to repurchase, redeem, or cancel any junior securities or to make any payments to any affiliates, or for the repayment of any indebtedness.

Conditions Precedent

The obligations of the relevant parties to the Series B+ Preferred Share Purchase Agreement to sell and purchase the Purchased Shares at the closing is subject to the fulfilment on or prior to the closing, or waiver by other parties, of the following conditions:

- (1) the representations and warranties made by the relevant parties to the Series B+ Preferred Share Purchase Agreement shall be true and correct and complete when made, and shall be true and correct and complete as of the date of the closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by the Series B+ Preferred Share Purchase Agreement;
- (2) each of Fuze Entertainment, HK Company, the PRC Companies, the BVI Companies and the Founders shall have performed and complied with all agreements, obligations and conditions contained in the Series B+ Preferred Share Purchase Agreement that are required to be performed or complied with by it on or before the closing;
- (3) all corporate and other proceedings in connection with the transactions contemplated by the Series B+ Preferred Share Purchase Agreement and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Company, and the Company shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request;
- (4) the Company shall have completed its business, legal, financial due diligence investigation of Fuze Entertainment, HK Company, the PRC Companies to its satisfaction;

LETTER FROM THE BOARD

- (5) each of Fuze Entertainment, the HK Company and the PRC Companies shall have obtained any and all consents and/or waivers necessary for the consummation of the transactions contemplated by the Series B+ Preferred Share Purchase Agreement;
- (6) at the closing, Fuze Entertainment, HK Company, the PRC Companies, the BVI Companies and the Founders shall deliver to the Company a certificate, dated the date of the closing, certifying that the applicable conditions precedent have been fulfilled and stating that there shall have been no material adverse change in the business, affairs, prospects, operations, properties, assets or condition of any of Fuze Entertainment, HK Company, the PRC Companies since the date of the Series B+ Preferred Share Purchase Agreement;
- (7) the offer and sale of the Purchased Shares to the Company pursuant to the Series B+ Preferred Share Purchase Agreement shall be exempt from the registration and/or qualification requirements of all applicable securities laws;
- (8) the third amended and restated memorandum and articles of association of Fuze Entertainment attached to the Series B+ Preferred Share Purchase Agreement shall have been duly adopted by Fuze Entertainment by all necessary corporate action of its board of directors and its shareholders and have become fully effective;
- (9) the Company shall have received a copy of Fuze Entertainment's register of members, certified by a director of Fuze Entertainment as true and complete as of the date of the closing, updated to show the Company as the holder of Purchased Shares as of the closing;
- (10) the Company and Fuze Entertainment shall have delivered to each other the duly executed second amended and restated shareholders agreement;
- (11) there shall have been no material adverse effect on the condition (financial or otherwise), assets relating to, or results of operation of or business (as presently conducted and proposed to be conducted) of any of Fuze Entertainment, HK Company, the PRC Companies since the date of the Series B+ Preferred Share Purchase Agreement; and
- (12) the relevant approval procedures of the Company have been fulfilled in accordance with the requirements of the GEM Listing Rules, including but not limited to, the approval procedures of the Shareholders' meeting of the Company.

The Directors will not waive any of the conditions precedent as stated above.

LETTER FROM THE BOARD

Termination

The Series B+ Preferred Share Purchase Agreement may be terminated by the Company after three months from the date of the Series B+ Preferred Share Purchase Agreement, by written notice to Fuze Entertainment, if the closing has not occurred on or prior to such date. Such termination shall be without prejudice to any claims for damages or other remedies that the parties may have under the Series B+ Preferred Share Purchase Agreement or applicable law.

BASIS OF DETERMINATION OF THE CONSIDERATION

The consideration for the Purchase of Series B+ Preferred Shares was determined after arm's length negotiations between the parties with reference to the market value of Fuze Entertainment, taking into account a number of factors including the financial position and performance of Fuze Entertainment, the valuation of comparable companies in the industry, the business model and business plan of Fuze Entertainment and the reasons for, and benefits to be derived from, the Purchase of Series B+ Preferred Shares as described below.

In addition, the consideration paid by the Series B Investors in their purchase of series B preferred shares in Fuze Entertainment, which was completed in August 7, 2015, was taken into account under the arm's length negotiations. The consideration of the issue of the series B preferred shares and the series B+ preferred shares are based on the same valuation of Fuze Entertainment. Based on the valuation report prepared by ValueLink Management Consultants Ltd., the value of the series B+ preferred shares was stated as US\$0.367 per share. The Company is of the view that the market value of Fuze Entertainment is reflected by the consideration paid by the Series B Investors in their purchase of series B preferred shares in Fuze Entertainment and the valuation of the market value of the Purchased Shares as stated in the valuation report is fair and reasonable.

INFORMATION ON THE GROUP

The Company is and its subsidiaries are principally engaged in online game and mobile game developing and publishing.

LETTER FROM THE BOARD

INFORMATION ON FUZE ENTERTAINMENT

Fuze Entertainment is a private company incorporated in the Cayman Islands on January 30, 2015. Fuze Entertainment and its subsidiaries are gaming hardware developers being mainly involved in consumer electronic products and family interactive entertainment products. As a newly established business, the Fuze Entertainment currently has two business focuses: (i) developing new models of TV gaming console under its own brand name(s); and (ii) obtaining licenses from game developers, so that Fuze Entertainment could set up and operate game servers and sell games to end users of the game consoles. As of the Latest Practicable Date, as confirmed by the management of the Company, Fuze Entertainment has entered into more than 30 license agreements with a number of game developers, mainly from the United States and Japan, with a total contract amount of approximately US\$11 million (with each of the contract amount ranging from US\$30,000 to US\$2 million). The revenue sources of Fuze Entertainment are expected to be sale of its game consoles and sale of games to the end users of the game consoles.

FINANCIAL INFORMATION OF FUZE ENTERTAINMENT AND ITS SUBSIDIARIES

Set out below is a summary of the key unaudited consolidated financial information of Fuze Entertainment and its subsidiaries since the incorporation of Fuze Entertainment on January 30, 2015:

	Since incorporation of Fuze Entertainment on January 30, 2015 to July 31, 2015 (unaudited) (RMB)
Revenue	0
Profit/(Loss) (before taxation and extraordinary items)	(5,262,405)
Profit/(Loss) (after taxation and extraordinary items)	(5,262,405)

As at July 31, 2015, the unaudited consolidated net asset value of Fuze Entertainment and its subsidiaries was approximately RMB114,697,848 (equivalent to approximately HK\$139,931,375).

LETTER FROM THE BOARD

Before its investment in Series B+ Preferred Shares of Fuze Entertainment, the Company owned approximately 37.78% interests in Fuze Entertainment through investments in Fuze Entertainment's Series A Preferred Shares, which were accounted as investments in a joint venture. Upon completion of the purchase of Series B+ Preferred Shares, the Company's ownership interests in Fuze Entertainment will be changed to 31.92%, which does not represent majority of the ownership interests in Fuze Entertainment. Further, pursuant to the shareholders' agreement of Fuze Entertainment, the Company entitles to appoint 3 out of total 6 directors of the Board of Directors of Fuze Entertainment. As a result, the Company does not control the majority of the board of directors of Fuze Entertainment. Therefore management of the Company concluded that the Company would not have control over Fuze Entertainment upon completion of purchase of Series B+ Preferred Shares, and as a result financial results of Fuze Entertainment would not be consolidated into the consolidated financial statements of the Company after such investments.

The net profits (both before and after taxation) attributable to the Purchased Shares for the two financial years immediately preceding the Purchase of Series B+ Preferred Shares is not readily available as Fuze Entertainment was incorporated in 2015.

The payment of consideration for Purchased Shares will be made in cash by the Company from internal sources of the Group.

REASONS FOR AND BENEFITS OF THE PURCHASE OF SERIES B+ PREFERRED SHARES

The Directors believe that the investment will further diversify the Company's game distribution channels by providing a new platform for the Company's gaming products. This is to enhance the Company's awareness in the gaming industry, which is in line with the Company's business development strategy.

According to the National Bureau of Statistics of China, per capita disposable income of urban residents increased from RMB17,174.7 in 2009 to RMB28,844.0 in 2014, at a CAGR of 10.9%, while per capita net income of rural residents increased from RMB5,153.2 to RMB10,489.0 in the same period, at a CAGR of 15.3%. Such improvement in living standards may stimulate demand for non-food consumption products, such as entertainment electronic products.

LETTER FROM THE BOARD

In July 2000, the General Office of the State Council of the PRC published *the Opinion on the Management of Electronic Game Centers* (《關於開展電子遊戲經營場所專項治理的意見》) which prohibited the manufacture and sale of game consoles which is targeted for sale in China. Due to the existence of the ban, there were no notable local Chinese enterprises in this business. In July 2015, the Ministry of Culture issued the Notice on the Permission of Manufacture and Sale of Gaming Equipment by Domestic and Foreign Enterprises (《關於允許內外資企業從事遊戲遊藝設備生產和銷售的通知》) which lifted the above ban. After the lift of the ban in 2015, it is expected that a sizable market of entertainment electronic products would be opened up. Fuze Entertainment is targeting this newly opened market. The Company is an online game company and a leading mobile game developer and publisher in China in recent years. Based on the Company's market position and experience in the mobile game market, the Company considers that the proposed investment in Fuze Entertainment provides the Company with an attractive opportunity to expand to the electronic game market.

At the current stage, the Company does not consider there is any disadvantage of the transaction for the Company.

In light of the aforesaid, the Directors consider that the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Being a subsidiary of a substantial shareholder of the Company, Rainbow Chaser Limited is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Rainbow Chaser Limited is a substantial shareholder of Fuze Entertainment but its shareholding in Fuze Entertainment is less than 30%. As such, Fuze Entertainment is not a connected person of the Company under Chapter 20 of the GEM Listing Rules by virtue of being an associate of a substantial shareholder of the Company. Further, while the Company is acquiring interests in a company which a connected person has shareholding interests, neither Rainbow Chaser Limited nor its holding companies is a controller of the Company as defined in Rule 20.26 of the GEM Listing Rules. On the above basis, the Purchase of Series B+ Preferred Shares does not constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

However, having regard to the nature of the Purchase of Series B+ Preferred Shares and the parties which may be involved in the transaction, the Company voluntarily complies with the reporting, announcement, and independent Shareholders' approval requirements which would otherwise apply to a connected transaction under Chapter 20 of the GEM Listing Rules.

In accordance with Rules 19.22 and 19.23 of the GEM Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related.

LETTER FROM THE BOARD

As the nature of the Purchase of Series B+ Preferred Shares is the same as the Purchase of the Series A Preferred Shares, the Purchase of Series B+ Preferred Shares shall be aggregated with the Purchase of the Series A Preferred Shares in accordance with Rules 19.22 and 19.23 of the GEM Listing Rules for the purpose of classification of the transactions.

As certain of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Purchase of Series B+ Preferred Shares when aggregated with the Purchase of Series A Preferred Shares in Fuze Entertainment and the Grant of Loan by the Company to Fuze Entertainment, are more than 5% but all the applicable percentage ratios are less than 25%, the Purchase of Series B+ Preferred Shares constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Mr. MA Ji, Mr. ZHANG Xiangdong, Mr. WANG Xiaodong and Ms. ZHAO Yifang, all being independent non-executive Directors. It has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking into consideration the Purchase of Series A Preferred Shares and the Grant of Loan.

China Investment Securities International Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking into consideration the Purchase of Series A Preferred Shares and the Grant of Loan.

EGM

A notice convening the EGM to be held on Wednesday, December 2, 2015 at 10:00 a.m. at 5/F, Qiming International Mansion, Wangjing North Road, Chaoyang District, Beijing, the People's Republic of China is set out on pages 60 to 61 of this circular for the purpose of, among other things, considering and, if thought fit, approving the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you wish.

In view of the relationship with Fuze Entertainment, Mr. QIAN Zhonghua, Starwish Global Limited, Famous Sino Limited, IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., IDG-Accel China Investors L.P., and Northern Light Venture Capital IV, Ltd. and their respective associates shall abstain from voting at the EGM in respect of the resolution to approve the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

Based on the information provided by the respective Shareholders, the shareholding interests of the above Shareholders and their respective associates in the Company and in Fuze Entertainment are as follows:

Name of Shareholder	Number of Shares held	Approximate percentage of shareholding in the Company	Approximate percentage of shareholding in Fuze Entertainment (before completion of Purchase of Series B+ Preferred Shares)	Approximate percentage of shareholding in Fuze Entertainment (after completion of Purchase of Series B+ Preferred Shares)
Mr. QIAN Zhonghua	5,000	0.00%	–	–
Starwish Global Limited (Note 1)	52,318,760	14.16%	19.83%	18.00%
Famous Sino Limited (Note 2)	1,500,000	0.41%	10.33%	9.37%
IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., IDG-Accel China Investors L.P.	29,419,000	7.96%	2.75%	2.50%
Northern Light Venture Capital IV, Ltd.	1,471,957	0.40%	1.10%	1.00%

LETTER FROM THE BOARD

Notes:

1. Rainbow Chaser Limited, an associate of Starwish Global Limited, has a 19.83% and 18.00% shareholding interest in Fuze Entertainment before and after the completion of Purchase of Series B+ Preferred Shares, respectively.
2. Wise Orient Investments Limited, an associate of Famous Sino Limited, has a 10.33% and 9.37% shareholding interest in Fuze Entertainment before and after the completion of Purchase of Series B+ Preferred Shares, respectively.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save and except the aforementioned persons, no other Shareholder has a material interest in Fuze Entertainment and hence the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, as such, no other Shareholder will be required to abstain from voting at the EGM.

An employee of the manager of Ally Bridge Group Capital Partners II, L.P. (“**ABG**”) is interested in 0.55% of the total issued capital of Fuze Entertainment immediately before the completion of the Purchase of Series B+ Preferred Shares. ABG indirectly holds less than 5% shareholding in the Company and has no shareholding interest in Fuze Entertainment. Based on their immaterial shareholdings, the Directors consider that ABG and its associates do not have any material interest in the transaction and will not be required to abstain from voting at the EGM.

Each of Mr. Wang Feng (王峰), Ms. Liao Mingxiang (廖明香) and Mr. Zhang Yuyu (張玉宇) is an original founder of the Company. In addition, they are also the original founders and registered shareholders of Linekong Entertainment Technology Co., Ltd. (“**Linekong Entertainment**”) and together hold the entire equity interest in Linekong Entertainment. Since the respective date of incorporation of the Company and Linekong Entertainment, they have always been in consensus and in agreement when exercising their voting rights a shareholder in every general meeting and when passing every shareholders’ resolutions of our Company and Linekong Entertainment, and have always been in consensus and in agreement in the management and operation of the Group.

The Core Trust Company Limited, being the RSU trustee, shall exercise the voting rights and powers in relation to the ordinary Shares underlying the in accordance with the written instruction of the authorized representative(s) appointed by the Company to administer the RSU Scheme until the ordinary Shares underlying the RSUs have been transferred outside of the trust under RSU scheme and/or Premier Selection Limited, being the RSU nominee, to the personal accounts of the relevant eligible participant(s) of RSU Scheme. The authorized representative appointed by the Company to administer the RSU Scheme is currently Ms. Liao Mingxiang.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at general meetings must be taken by poll.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder were entered into after arm's length negotiation in the ordinary course of business of the Company and the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, the Board recommends all the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Mr. QIAN Zhonghua is a managing director of Fosun Equity Investment Management Ltd. and a director of Starwish Global Limited, which subsidiaries of Fosun International. As at the Latest Practicable Date, Fuze Entertainment is owned as to approximately 19.83% by Rainbow Chaser Limited, which is an indirectly wholly-owned subsidiary of Fosun International. As such, Mr. QIAN Zhonghua abstained from voting on the Board resolution of the Company to approve the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder. Save as the Directors named above, no other Director is required to abstain from voting on the Board resolution of the Company in this regard.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder were entered into in the ordinary and usual course of business of the Company and the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are fair and reasonable and on normal commercial terms so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM for approving, among other things, the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 21 to 37 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking into consideration the Purchase of Series A Preferred Shares, the Grant of Loan and the letter from the Independent Board Committee set out on pages 19 to 20 of this circular which contains its recommendation to the Independent Shareholders in relation to the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, taking in to consideration the Purchase of Series A Preferred Shares and the Grant of Loan.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of the EGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in connection with the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder for inclusion in this circular.

LINEKONG

藍港互動

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)

November 17, 2015

To the Independent Shareholders

Dear Sir or Madam

DISCLOSEABLE AND CONNECTED TRANSACTION PURCHASE OF SERIES B+ PREFERRED SHARES

We refer to the circular issued by the Company to the Shareholders dated November 17, 2015 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings where used herein unless the context otherwise requires.

In compliance with the GEM Listing Rules, we have been appointed as the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are entered into in the ordinary and usual course of business of the Company, are fair and reasonable and on normal commercial terms and in the interest of the Company and the Independent Shareholders as a whole. China Investment Securities International Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this matter.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser, as set out on pages 1 to 18 and pages 21 to 37 of the Circular, respectively.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information set out in the letter from the Board, and the principal factors, reasons and recommendations set out in the letter from the Independent Financial Adviser, we consider that the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are fair and reasonable, on normal commercial terms or terms no less favourable to the Company than those with independent third parties in the ordinary course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

For and on behalf of the Independent Board Committee

Mr. MA Ji Mr. ZHANG Xiangdong Mr. WANG Xiaodong Ms. ZHAO Yifang

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



63th Floor
Bank of China Tower,
1 Garden Road,
Central,
Hong Kong

17 November 2015

Linekong Interactive Group Co., Ltd.

Floor 4, Willow House,
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112,
Cayman Islands

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION PURCHASE OF SERIES B+ PREFERRED SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Series B+ Framework Agreement, Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 17 November 2015 (the “**Circular**”) issued by the Company to the Shareholders, of which this letter forms apart. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The letter contains our advice to the Independent Board Committee and the Independent Shareholder as to whether or not whether (i) the terms of the Series B+ Framework Agreement, Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are ordinary and usual course of the business of the Company, and are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole; and (ii) the Independent Shareholders should vote in favour of the Series B+ Framework Agreement, Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder at the EGM.

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us. Apart from normal professional fees payable to us in connection with this appointment as the independent financial adviser to the Company, no arrangement exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our advice and recommendation, we have relied on the accuracy of the information and facts supplied, and the opinions expressed by the Company, its Directors and its management to us. We have assumed that all statements of belief and intention made by the Directors and the management of the Company in the Circular were made after due enquiry. We have also assumed that all information, representations and opinion made or referred to in the Circular are true, accurate, and complete at the time they were made and continued to be so at the Latest Practicable Date. Should there be any material changes to our opinion after the dispatch of the Circular, the Shareholders would be notified as soon as possible. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, its Directors and its management, and have been advised by the Directors and the management of the Company that no material facts have been omitted from the information provided and referred to in the Circular.

In rendering our opinions, we have researched, analysed and relied on information from independent third party sources. We have assumed such information to be accurate and reliable and have not carried out any independent verification on the accuracy of such information. Such relevant information provides us with a basis on which we have been able to formulate our independent opinion.

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conduct any form of in-depth investigation into the business affairs, financial position or future prospects of the Group or the counterparties of the Series B+ Framework Agreement and Series B+ Preferred Share Purchase Agreement nor carry out any independent verification of the information supplied, representations made or opinions expressed by the Company, its Directors and its management.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

I. Background

Background of the Purchase of Series B+ Preferred Shares

On 8 June 2015, the Company entered into a series A preferred share purchase agreement with Fuze Entertainment pursuant to which the Company conditionally agreed to purchase 61,818,182 series A preferred shares in Fuze Entertainment for the aggregate consideration of US\$17,000,000 (being approximately US\$0.275 per each series A preferred share, and in aggregate, equivalent to approximately HK\$132,600,000).

On 7 July 2015, the Company entered into a loan agreement with Fuze Entertainment pursuant to which the Company agreed to grant an unsecured loan in the amount of US\$9,000,000 (or its equivalent in other currencies) to Fuze Entertainment for a period of 12 months from the date of advance of the loan amount.

The Company entered into the Series B+ Framework Agreement with Fuze Entertainment on 2 September 2015. In addition to the Series B+ Framework Agreement, the Company entered into the Series B+ Preferred Share Purchase Agreement with various parties, among which Fuze Entertainment, on 23 September 2015.

As at the date of the Series B+ Preferred Share Purchase Agreement, Fuze Entertainment is owned by the Company as to approximately 24.98%, taking into account all the issued and outstanding ordinary shares, series A preferred shares and series B preferred shares of Fuze Entertainment.

1. Hong Kong Listing Rules' implication

As set out in the Letter from the Board, being a subsidiary of a substantial shareholder of the Company, Rainbow Chaser Limited is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Rainbow Chaser Limited is a substantial shareholder of Fuze Entertainment but its shareholding in Fuze Entertainment is less than 30%. As such, Fuze Entertainment is not a connected person of the Company under Chapter 20 of the GEM Listing Rules by virtue of being an associate of a substantial shareholder of the Company. Further, while the Company is acquiring interests in a company which a connected person has shareholding interests, neither Rainbow Chaser Limited nor its holding companies is a controller of the Company as defined in Rule 20.26 of the GEM Listing Rules. On the above basis, the Purchase of Series B+ Preferred Shares does not constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

However, having regard to the nature of the Purchase of Series B+ Preferred Shares and the parties which may be involved in the transaction, the Company voluntarily complies with the reporting, announcement, and independent shareholders' approval requirements which would otherwise apply to a connected transaction under Chapter 20 of the GEM Listing Rules.

The Company has established an Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders on the Series B+ Framework Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

2. *Background of the Group*

As set out in the Letter from the Board, the Company and its subsidiaries are principally engaged in online game and mobile game developing and publishing.

Certain financial information of the Group for the two years ended 31 December 2014, as extracted from the annual report of the Company for the year ended 31 December 2014 (the "2014 Annual Report") and unaudited interim report for the six months ended 30 June 2015.

	For the year		For the six
	ended 31 December		months ended
	2013	2014	30 June
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	514,997	678,684	300,950
Gross Profit/(Loss)	270,607	331,325	120,805
Net Profit/(Loss)	(399,420)	(154,583)	9,826
Net Asset/(Liabilities)	(681,320)	1,007,296	1,058,511

The Group's revenue increased by approximately 31.8% from approximately RMB515.0 million for the year ended 31 December 2013 to approximately RMB678.7 million for the year ended 31 December 2014. The increase was primarily due to (i) an increase in revenue generated from Sword of Heaven and an upgraded version of the game which was launched in October 2014, and (ii) an increase in revenue generated from Blade of God which was launched in March 2014.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

3. *Background of Connected Parties*

As at the date of the Series B+ Preferred Share Purchase Agreement, Starwish Global Limited holds 52,318,760 Shares. Starwish Global Limited is wholly-owned by China Momentum Fund, L.P., an exempted limited partnership in Cayman Islands. Fosun China Momentum Fund GP, Ltd. is the general partner of China Momentum Fund, L.P.. Fosun China Momentum Fund GP, Ltd. is in turn wholly owned by Fosun Momentum Holdings Limited. Fosun Momentum Holdings Limited is wholly-owned by Fosun Financial Holdings Limited which is in turn wholly-owned by Fosun International. Fosun International is approximately 71.37% owned by Fosun Holdings Limited as of the date of the Series B+ Preferred Share Purchase Agreement which is in turn wholly-owned by Fosun International Holdings Ltd.. Mr. Guo Guangchang owns approximately 64.45% in the issued share capital of Fosun International Holdings Ltd.

Rainbow Chaser Limited has purchased certain amount of series A preferred shares and series B preferred shares in Fuze Entertainment. As of June 8, 2015, being the date of purchase of series A preferred shares in Fuze Entertainment by Rainbow Chaser Limited, Fuze Entertainment is owned by Rainbow Chaser Limited as to 3.33%, taking into account all the issued and outstanding ordinary shares and series A preferred shares. As at the date of the Series B+ Preferred Share Purchase Agreement, Fuze Entertainment is owned by Rainbow Chaser Limited as to approximately 19.83%, taking into account all the issued and outstanding ordinary shares, series A preferred shares and series B preferred shares of Fuze Entertainment. Rainbow Chaser Limited is an indirect wholly-owned subsidiary of Fosun International, and also a fellow subsidiary of Starwish Global Limited, being one of the substantial shareholders of the Company. As such, Rainbow Chaser Limited is an associate of Starwish Global Limited and is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules.

Certain shareholders of Fuze Entertainment, being Wise Orient Investments Limited, IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P., IDG-Accel China Investors L.P., and Northern Light Venture Capital IV, Ltd., also hold, directly or indirectly, less than 10% shareholding in the Company, respectively.

Save as disclosed herein and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fuze Entertainment and its ultimate beneficial owner(s) is a third party independent of the Company and its Connected Persons.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

4. *Background of Fuze Entertainment*

As set out in the Letter from the Board, Fuze Entertainment is a private company incorporated in the Cayman Islands on 30 January 2015. Fuze Entertainment and its subsidiaries are gaming hardware developers being mainly involved in consumer electronic products and family interactive entertainment products. As a newly established business, Fuze Entertainment currently has two business focuses: (i) developing new models of TV gaming console under its own brand name(s); and (ii) obtaining licenses from game developers, so that Fuze Entertainment could set up and operate game servers and sell games to end users of the game consoles.

As of the Latest Practicable Date, as advised by the management of the Company, Fuze Entertainment has entered into over 30 license agreements with a number of game developers, mainly from the United States and Japan, with a total contract amount of approximately US\$11 million (with each of the contract amount ranging from US\$30,000 to US\$2 million). The revenue sources of Fuze Entertainment are expected to be sale of its game consoles and sale of games to the end users of the game consoles.

Set out below is a summary of the key unaudited consolidated financial information of Fuze Entertainment and its subsidiaries for the period ended 31 July 2015 (since the incorporation of Fuze Entertainment on 30 January 2015):

	Period ended/ as at 31 July 2015 (RMB)
Revenue	–
Profit/(Loss) (before taxation and extraordinary items)	(5,262,405)
Profit/(Loss) (after taxation and extraordinary items)	(5,262,405)
Consolidated net asset value	114,697,848
Net asset value per share	1.43

Note: unaudited consolidated net asset value of Fuze Entertainment and its subsidiaries was approximately RMB114,697,848 (equivalent to approximately HK\$139,931,375). Net asset value per share is approximately RMB1.43 (equivalent to approximately HK\$1.7446).

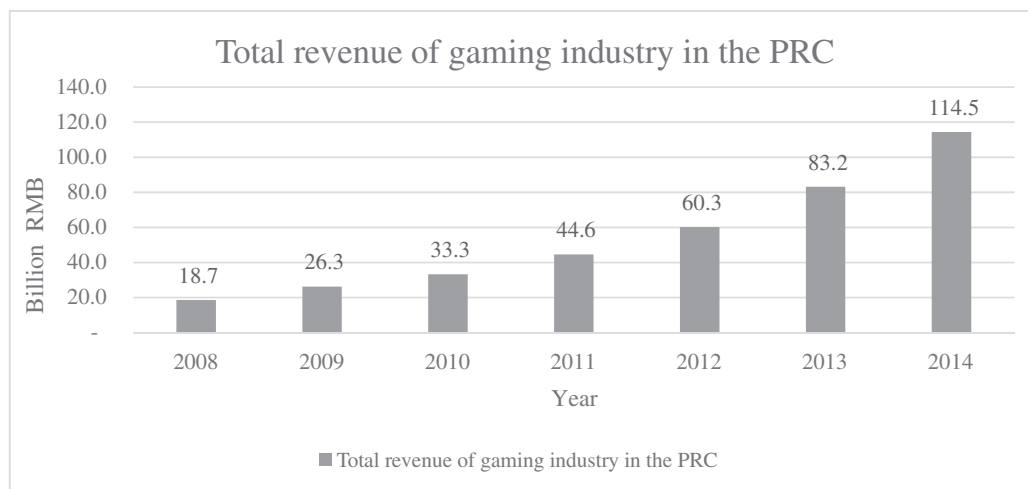
As advised by the management of the Company, the loss of approximately RMB5,262,405 (equivalent to approximately HK\$6,420,134) for the six months period from incorporation of Fuze Entertainment to 31 July 2015 was mainly attributable to research and development expense, payroll and social insurance.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

According to the unaudited account of Fuze Entertainment and representation of the management of the Company, the net asset of approximately RMB114,697,848 (equivalent to approximately HK\$139,931,375) as at 31 July 2015 was mainly attributable to the cash proceeds from the purchase of series A preferred shares.

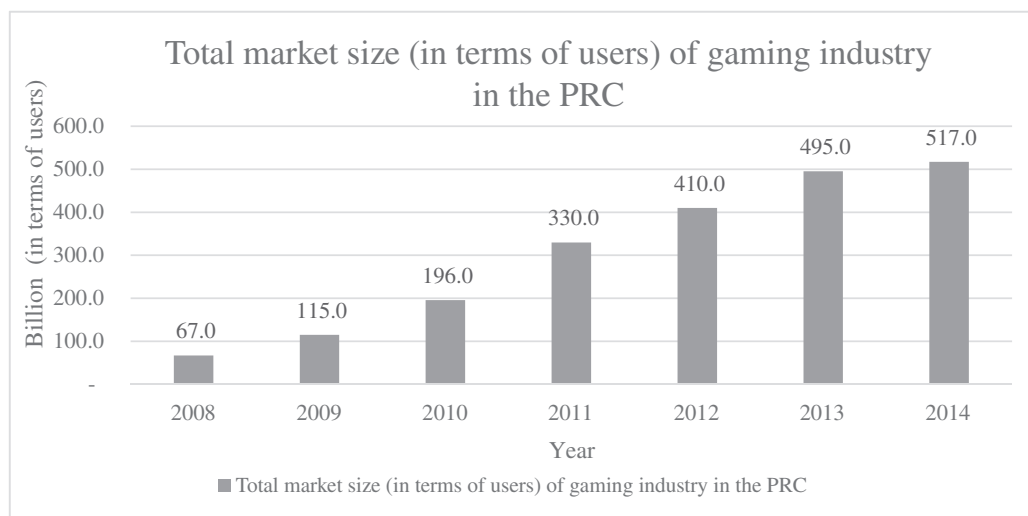
II. Overview of the gaming industry in the PRC

Set out below is the table of the total revenue of gaming industry in the PRC from 2008 to 2014:



Source: 中國音數協遊戲工委 (Game Publishers Association Publications Committee (“GPC”), 2014 China Gaming Industry Report

Based on the above table, the total revenue of gaming industry in China increased from approximately RMB18.7 billion in 2008 to approximately RMB114.5 billion in 2014 respectively, at a compound annual growth rate (“CAGR”) of 35.3%.



Source: GPC, 2014 China Gaming Industry Report

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Based on the above table, the market size (in terms of users) of gaming industry in PRC increased from approximately 67.0 million of users in 2008 to approximately 517.0 million of users in 2014 respectively, at a CAGR of 40.6%.

According to the 2014 China Gaming Industry Report published by 中國音數協遊戲工委(GPC), an organization set up in 2003 under China Audio-Video and Digital Publishing Association and provide consulting services including development plans, research and make recommendations to members and professionals, on 27 April 2015, with the improved logistic and capital construction, rapid growth of console users, a variety and creative of new products and enhanced capital market, the gaming market in China will be more comprehensive. Having considered that (i) China Audio-Video and Digital Publishing Association was established in 1994 under the permission of the General Administration of Press and Publication and the Ministry of Civil Affairs of the PRC and is the only nationwide audio-video and digital publishing organization in the PRC; and (ii) the market research performed by GPC in making the 2014 China Gaming Industry Report are supported by the State Administration of Press, Publication, Radio, Film and Television of the PRC, we are of the view that the credibility and the basis of referencing of the 2014 China Gaming Industry Report is reliable.

III. The Purchase of Series B+ Preferred Shares

I. Reasons for and benefits of the Purchase of Series B+ Preferred Shares

In line with the Company's future plans

According to the 2014 Annual Report, the Group will further explore, innovate and seek development and continue to increase investment in research and development to attract players with high quality games and satisfy players with diversified games, and retain appropriate players by conducting comprehensive market survey as well as responding promptly and accurately to changes in the industry. The Group also plans to set up more subsidiaries in different countries and region in 2015 and strive to improve our operation capacity in high growth markets and expand the localisation capacity of our games to cater for different markets and cultures.

Moreover, as stated in the section headed "Overview of the gaming industry in the PRC" above, the gaming market in China will be more comprehensive and is developing in a stable and sustainable manner.

As set out in the Letter from the Board, the Directors believe that the investment will further diversify the Company's game distribution channels by providing a new platform for the Company's gaming products and to enhance the Company's awareness in the gaming industry, which are in line with the Company's business development strategy.

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Potential growth of Fuze Entertainment

As advised by the management of the Company, we noted that Fuze Entertainment has entered into over 30 license agreements with a number of game developers, mainly from the United States and Japan, with a total contract amount of approximately US\$11 million (with each of the contract amount ranging from US\$30,000 to US\$2 million) as at the Latest Practicable Date.

As advised by the management of the Company, by entering into these license agreements, Fuze Entertainment is licensed by such game developers to (i) operate, distribute and market the Android based console games in the PRC; and (ii) share the profits with such game developers through selling games to end users of the game consoles under the license agreement, and therefore the Company is of the view that the business of Fuze Entertainment are expected to grow. Based on the above, we concurred with the view of the management of the Company that there is a potential growth of Fuze Entertainment.

In addition, as discussed with the management of the Company, we understand that the key management of Fuze Entertainment is experienced in electronic hardware development, gaming software liaison with gaming software developers. In this regard, by investing in the gaming hardware market via Fuze Entertainment, the Directors believe that the Group can reduce management resources required to manage such business.

Based on the above, we are of the view that the Purchase of Series B+ Preferred Shares is in the ordinary and usual course of business of the Company, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Independent Shareholders as a whole.

2. *Principal terms and conditions of Series B+ Preferred Share Purchase Agreement*

In addition to the Series B+ Framework Agreement, the Company entered into the Series B+ Preferred Share Purchase Agreement with various parties, among which Fuze Entertainment, on 23 September 2015. For details, please refer to the Letter from the Board. The principal terms and conditions of the Series B+ Preferred Share Purchase Agreement, together with the relevant terms of the Series B+ Framework Agreement, are set out below:

Date	23 September 2015
Parties	(i) the Company; (ii) Fuze Entertainment; (iii) HK Company; (iv) BVI Companies; (v) PRC Companies; (vi) Founders; (vii) Angel Investors; (viii) Series A Investors; and (ix) Series B Investors.

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Price	US\$0.3667 per share
Number of series B+ preferred shares	25,227,273 series B+ preferred shares
Information and inspection rights	Under the Series B+ Preferred Share Purchase Agreement, the Company has been granted information and inspection rights with respect to certain information on Fuze Entertainment.
Right of participation	The Company shall have the right of first refusal to purchase the ratio of the number of ordinary shares (calculated on a fully-diluted and as-converted basis) held by holders of series A, series B and series B+ preferred shares (“ Preferred Holders ”) and their permitted transferees to the total number of ordinary shares (calculated on a fully-diluted and as-converted basis) then outstanding immediately prior to the issuance of series A, series B and Series B+ preferred shares (“ Preferred Shares ”) and any preferred shares in other forms, of all (or any part) of any Preferred Shares and any preferred shares in other forms Fuze Entertainment may from time to time issue.
Right of first refusal	The Company will have the right, exercisable upon written notice to holder of any of Fuze Entertainment’s securities now owned or subsequently acquired by any Founders and/or BVI Companies (the “ Restricted Shares ”), Fuze Entertainment, and each other Preferred Holders within 20 days after receipt of a written notice to be given by the any holder of Restricted Shares (the “ First Refusal Period ”) of its election to exercise its right of first refusal.
Co-sale right	To the extent that Preferred Holders have not exercised their right of first refusal with respect to any or all the number of Restricted Shares to be sold or transferred (the “ Offered Shares ”), then each Preferred Holder shall have the right, exercisable upon written notice to Founders and/or BVI Companies, Fuze Entertainment and each Preferred Holder within 20 days after receipt of a written notice to be received within 10 days after expiration of the First Refusal Period to be given by Fuze Entertainment, to participate in such sale of Offered Shares on the same terms and conditions as set forth in the written notice for sale of Restricted Shares to be given by any holder of Restricted Shares.

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Drag along right If the holders of at least 66 2/3% of the outstanding Preferred Shares approve a proposed acquisition, then upon written notice from such holders each holder of ordinary shares shall (i) vote in favour of such proposed acquisition and in opposition of any proposal that could reasonably be expected to delay or impair such proposed acquisition; (ii) refrain from exercising any dissenters' rights or rights of appraisal with respect to such proposed acquisition; and (iii) take all actions reasonably necessary to consummate the proposed acquisition.

We determine to provide a general comparison of the principal terms of the Series B+ Preferred Share Purchase Agreement with other similar issuance conducted by the Hon Kong listed company. We identified, to the best of our efforts, only one comparable transaction of the listed company in Hong Kong regarding the issuance of preference shares from 1 January 2015 up to 11 November 2015 (being the Latest Practicable Date). Details of our findings as summarized in the table below:

Name of listed company (stock code)	Announcement date	Purchase price of each preference share	Number of preference shares issued	Principal terms
CITIC Limited (267)	20 January 2015	HK\$13.80	3,327,721,000	Subscriber of preference shares shall have the right to acquire additional shares or equity securities to maintain its aggregate percentage interest in the total equity capital if the company issue any new share.

Based on our review of the relevant announcement and circular of the above comparable transaction, under the principal terms of the preference shares issued by CITIC Limited, the subscriber of preference shares shall have the right to acquire additional shares or equity securities to maintain its aggregate percentage interest in the total equity capital if the Company issue any new share, which is similar to our case that the Company shall have the right of first refusal to purchase additional number of shares if Fuze Entertainment issue any new shares. Thus, we noted that the principal terms of the Series B+ Preferred Share Purchase Agreement are customary and similar to other convertible securities of this type issued by company listed in Hong Kong.

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In view of the fact that (i) only one transaction was found in the above comparison; and (ii) there may be differences in size in business operation and the market size of the Company and CITIC Limited, we consider that the above comparison might not represent a fair and representative sample and thus the findings above may only be used to provide a general reference only.

3. ***Consideration of the Series B+ Framework Agreement and Series B+ Preferred Share Purchase Agreement***

As set out in the Letter from the Board, the Company agrees to purchase 25,227,273 series B+ preferred shares in Fuze Entertainment with par value of US\$0.000025 each, at a price of US\$0.3667 per share, amounting to an aggregate purchase price of US\$9,250,000.

The price of US\$0.3667 per share is determined with reference to the market value of the series B+ preferred shares, valued by ValueLink Management Consultants Ltd. (the “**Valuer**”). In accordance with the valuation report (the “**Valuation Report**”) issued by the Valuer, the results of the valuation determined through an market approach to arrive at the market value of the 100% equity interest of Fuze Entertainment and then through a hybrid method to arrive at the market value of the series B+ preferred shares.

Valuation Report

We have discussed with the Valuer regarding the Valuer’s qualification and experience in relation to the valuation of the series B+ preferred shares. We noted that the Valuer has experience in performing valuation services for numerous sizeable enterprises covering a wide range of industries, including but not limited to, technology, media and telecommunications industry, energy industry, manufacturing industry, food industry and financing industry in the PRC, U.S. and Hong Kong markets. The Valuer has also performed valuation services for private entities and listed company in Hong Kong which are in the same industry as Fuze Entertainment.

The Valuer confirmed that it is an independent third party to the Company and all relevant material information provided by the Company had been incorporated in the Valuation Report. In addition, by reviewing the Valuer’s engagement letter and the Valuation Report, we also noted that the scope of work is appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might have an adverse impact on the degree of assurance given by the Valuation Report. Based on the above, we are of the view that the scope of work of the Valuer is appropriate and the Valuer is qualified to perform the valuation of the series B+ preferred shares.

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Selection of valuation methodology

According to the Valuation Report, the market value of the series B+ preferred shares was conducted by one of the three generally accepted valuation approaches, namely (1) asset-based approach; (2) market approach; and (3) income approach. We noted from the Valuer that it is inapplicable to adopt (i) the asset-based approach due to the fact that Fuze Entertainment does not utilize significant fixed or tangible assets for current stage; and (ii) the income approach due to the fact that income approach relies to a great extent of profit projection, and the management of the company consider profit projection is subject to high uncertainty at the current stage of operation. Therefore, the Valuer advised that the market approach is the most appropriate valuation approach for the Valuation Report and adopted the market approach for the valuation of the market value of the series B+ preferred shares.

According to the Valuation Report, the market value of series B+ preferred shares was conducted by the following three steps:

- (i) Determining market value of 100% equity interest of Fuze Entertainment by the backsolve method

As the valuation date of the to be invested series B+ preferred shares by the Company is close to the closing date of the series B preferred shares and no material changes of the business of Fuze Entertainment, the Valuer adopted the backsolve method, to derive the implied 100% equity interest for the Fuze Entertainment from a transaction involving the Fuze Entertainment's own investment.

The backsolve method is a preferable method suggested by the Valuation of Privately-Held-Company Equity Securities Issued as Compensation (the "**Guidance**") published by the American Institute of Certified Public Accountants ("**AICPA**") Accounting and Valuation Guide in valuing the enterprise that has no product revenue and little or no expense history. In application of the backsolve method, the Valuer calculated the implied 100% equity interest of Fuze Entertainment that equated actual series B preferred shares transaction price, which is a suggested valuation method by the Guidance for valuing of privately-held-company with different classes of equity securities.

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According to the Valuation Report, we understood that the basis for application of backsolve method is transactions in equity securities of the enterprise with unrelated investors or among unrelated investors themselves. On 7 August 2015, nine investors entered into a series B preferred share purchase agreement with Fuze Entertainment pursuant to which these nine investors conditionally agreed to purchase 83,863,636 series B preferred shares in Fuze Entertainment for the aggregate consideration of US\$30,750,000 (being approximately US\$0.3667 per each series B preferred share). Among these nine investors, most of which are reputable institutions or individuals but unrelated with Fuze Entertainment and some of these nine investors had a history of making investments in technology media telecommunications companies at very early stage. All these nine investors will not purchase any series B+ preferred share under the Series B+ Preferred Share Purchase Agreement. Thus, the purchase of series B preferred share are deemed independent business decisions and the investments made by these nine institutions and individuals provide a reliable indicator of the market value of the 100% equity interest of Fuze Entertainment. In application of the backsolve method, the Valuer calculated the implied 100% equity interest of Fuze Entertainment that equated actual series B preferred shares transaction price by applying the hybrid method, which is a suggested valuation method by the Guidance for valuing of privately-held-company with different classes of equity securities. According to the Guidance, the hybrid method is a hybrid between the probability-weighted expected return model (treat the series A preferred shares, series B preferred shares and ordinary shares on an as-if-fully-converted basis) and option pricing model (treat the series A preferred shares, series B preferred shares and ordinary shares as call options on the equity value). After estimating the probability-weighted value across multiple scenarios, the Valuer used the option pricing model to determine the market value of the 100% equity interest of Fuze Entertainment.

- (ii) Deriving the market value of 100% equity interest of the post series B+ preferred shares investment (the “**Market Value of Post B+**”)

In order to calculating the market value of the series B+ preferred shares, the Valuer added the proposed series B+ preferred shares financing amount to the market value of 100% equity interest of Fuze Entertainment to derive the Market Value of Post B+.

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- (iii) Calculating the market value of the series B+ preferred shares of Fuze Entertainment

In order to allocate the Market Value of Post B+ among the series A preferred shares, series B preferred shares, series B+ preferred shares and ordinary shares, according to the Valuation Report, we understood that the option-pricing method is used. Option-pricing method is widely used to allocate equity value among various classes of stockholders suggested by the Guidance and treats preferred shares and ordinary shares as call options on the equity interests with exercise prices based on the liquidation preference amount of the preferred shares. Under this method, the ordinary shares have value only if the fund available for distribution to shareholders exceeds the value of liquidation preference amount at the time of a liquidation event. Since the preferred shareholders would have priority rights to claim for the equity value over the ordinary shareholders upon occurrence of liquidation events, the Valuer has applied the option pricing method to allocate the equity interests to these different classes of shares.

In assessing the fairness and reasonableness of the Valuation Report, we noted that the Valuer has made various assumptions, including but not limited to, (i) there will be no material changes in the existing political, legal, fiscal or economic conditions in which the business of Fuze Entertainment is carried or plans to be carried on; (ii) there will be no material changes as to the management, competent personnel and technical staff to support the business of Fuze Entertainment going on; (iii) there will be no material changes, after the date of the Valuation Report, which would impact the business of Fuze Entertainment; (iv) there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the business of Fuze Entertainment; (v) there are no key matters, which would have a material impact on the value of the business of Fuze Entertainment, from the series B preferred shares closing date to the valuation date; and (vi) there are no material changes in market trend and conditions in which the business of Fuze Entertainment is carried or plans to be carried on. During the course of discussion with the Valuer, nothing unusual matter has come to our attention that would lead us to believe that the Valuation Report was not prepared on a reasonable basis. We are of the view that the methodology and assumptions which had been adopted were arrived at after due and careful consideration.

Based on the Valuation Report issued by the Valuer, the market value of the series B+ preferred shares can be reasonably and approximately stated as USD0.367 per share as at 31 August 2015.

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Based on the above, we concurred with the Company's view that the principal terms of the Series B+ Preferred Share Purchase Agreement and the price of US\$0.3667 per share, as determined with reference to the Valuation Report, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

4. *Financial effects of the Purchase of Series B+ Preferred Shares*

This section sets out various analyses on the potential financial effects of the Purchase of Series B+ Preferred Shares on the Group, which were prepared based on the audited financial statements of the Group extracted from the 2014 Annual Report, and unaudited consolidated financial information of Fuze Entertainment and its subsidiaries for the period ended 31 July 2015 (since the incorporation of Fuze Entertainment on 30 January 2015). It should be noted that the figures and financial impact shown in this section are for illustrative purposes only.

Consolidation of financial statements

Upon completion of the Purchase of Series B+ Preferred Shares, Fuze Entertainment is owned by the Company as to approximately 31.92%, taking into account all the issued and outstanding ordinary shares, series A preferred shares, series B preferred shares and series B+ preferred shares of Fuze Entertainment.

As set out in the Letter from the Board, the Company's investments in Fuze Entertainment was accounted for as investment in a joint venture in the interim condensed consolidated balance sheet of the Company as at 30 June 2015. As Fuze Entertainment is only owned by the Company as to approximately 31.92% as a result of the Purchase of Series B+ Preferred Shares, thus, we concurred the Company's view that the financial results of Fuze Entertainment will not be consolidated in the accounts of the Group.

Earnings

As the financial results of Fuze Entertainment will not be consolidated in the accounts of the Group, the completion of the Purchase of Series B+ Preferred Shares will have no material effect on the income statement of the Group.

Net asset value

As at 31 December 2014, the consolidated net asset of the Group was approximately RMB1,007.30 million. The completion of the Purchase of Series B+ Preferred Shares will have no material effect on the net asset value of the Group.

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Cash and cash equivalents

Based on the 2014 Annual Report of the Group, the cash and cash equivalents of the Group amounted to approximately RMB1,086.53 million as at 31 December 2014. As set out in the Letter from the Board, the Purchase of Series B+ Preferred Shares will be funded by the internal resources of the Group other than the proceeds from the initial public offering of the Company. We concur with the view of the Directors that the Group has sufficient internal funds regarding the Purchase of Series B+ Preferred Shares.

Gearing ratio

As set out in the Letter from the Board, the Purchase of Series B+ Preferred Shares will be funded by the internal resources of the Group other than the proceeds from the initial public offering of the Company. Therefore, it will have no material effect on the gearing ratio of the Group.

RECOMMENDATION AND CONCLUSION

Having considered the above principal factors and reasons, we are of the opinion that the Series B+ Framework Agreement, Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder are ordinary and usual course of the business of the Company, and are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders to vote in favour of the proposed resolution to approve the Series B+ Framework Agreement, Series B+ Preferred Share Purchase Agreement and the Purchase of Series B+ Preferred Shares contemplated thereunder.

Yours faithfully,

For and on behalf of

China Investment Securities International Capital Limited

Tony Wu

Managing Director and

Head of Investment Banking Department

* *For identification purpose only*

In this letter, the English names of the PRC Laws and entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

1. RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 document 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 document misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company and their respective associates in the Shares, underlying Shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would be required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (ii) entered into the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

(a) Long positions in Shares and underlying Shares

Name of Director	Nature of interest	Total number of Shares	Approximate percentage of shareholding (%)
Mr. WANG Feng (Note 1)	Interest of controlled corporation	66,576,160	20.52%
	Beneficial owner	9,246,308	
Ms. LIAO Mingxiang (Note 2)	Interest of controlled corporation	12,168,720	4.08%
	Beneficial owner	2,903,269	
Mr. QIAN Zhonghua	Beneficial owner	5,000	0.001%

Name of Director	Nature of interest	Total number of Shares	Approximate percentage of shareholding (%)
Mr. MEI Song (<i>Note 3</i>)	Interest of controlled corporation	4,217,154	1.14%
	Beneficial owner	9,000	
Mr. ZHAO Jun (<i>Note 4</i>)	Interest of controlled corporation	2,811,769	0.77%
	Beneficial owner	20,000	

Notes:

- (1) Mr. WANG Feng holds the entire issued share capital of Wangfeng Management Limited, which in turn directly holds 66,576,160 Shares. Accordingly, Mr. WANG Feng is deemed to be interested in the 66,576,160 Shares held by Wang Feng Management Limited. In addition, Mr. WANG Feng is interested in 813,000 Shares and 8,433,308 RSUs granted to him under the RSU Scheme entitling him to receive 8,433,308 Shares, and as of November 11, 2015, approximately 65.00% of the RSUs have been vested and the remaining RSUs are subject to vesting. Ms. ZHU Li is the wife of Mr. WANG Feng and is deemed to be interested in the Shares which are interested by Mr. WANG Feng under the SFO.
- (2) Ms. LIAO Mingxiang holds the entire issued share capital of Liaomingxiang Holdings Limited, which in turn directly holds 12,168,720 Shares. Accordingly, Ms. LIAO Mingxiang is deemed to be interested in the 12,168,720 Shares held by Liaomingxiang Holdings Limited. In addition, Ms. Liao Mingxiang is interested in 91,500 Shares and 2,811,769 RSUs granted to her under the RSU Scheme entitling her to receive 2,811,769 Shares, and as of November 11, 2015, approximately 65.01% of the RSUs have been vested and the remaining RSUs are subject to vesting.
- (3) Mr. MEI Song is interested in 9,000 Shares and 4,217,154 RSUs granted to him under the RSU Scheme entitling him to receive 4,217,154 Shares, and as of November 11, 2015, approximately 65.01% of the RSUs have been vested and the remaining RSUs are subject to vesting.
- (4) Mr. ZHAO Jun is interested in 22,000 Shares and 2,811,769 RSUs granted to him under the RSU Scheme entitling him to receive 2,811,769 Shares, and as of November 11, 2015, approximately 65.01% of the RSUs have been vested and the remaining RSUs are subject to vesting.

(b) Long positions in the shares in other member of the Group

So far as the Directors are aware, as at the Latest Practicable Date, the following persons (excluding the Company) are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Name of associated corporation	Name of Director	Registered Capital	Approximate percentage of shareholding (%)
Linekong Entertainment	Mr. Wang Feng	RMB7,545,000	75.45%
Linekong Entertainment	Ms. Liao Mingxiang	RMB1,364,000	13.64%
Linekong Entertainment	Mr. Zhang Yuyu	RMB1,091,000	10.91%

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which a Director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors or chief executive of the Company, as of November 11, 2015, the following persons (other than Directors or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholder	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in our Company
Wangfeng Management Limited <i>(Note 1)</i>	Beneficial owner	66,576,160	18.02%
Zhu Li <i>(Note 2)</i>	Interest of spouse	75,822,468	20.52%
China Momentum Fund, L.P.	Interest of controlled corporation	52,318,760	14.16%
Fosun China Momentum Fund GP, Ltd	Interest of controlled corporation	52,318,760	14.16%
Fosun Financial Holdings Limited	Interest of controlled corporation	52,318,760	14.16%
Fosun Holdings Limited	Interest of controlled corporation	52,318,760	14.16%
Fosun International Holdings Limited	Interest of controlled corporation	52,318,760	14.16%
Fosun International Limited	Interest of controlled corporation	52,318,760	14.16%
Fosun Momentum Holdings Limited	Interest of controlled corporation	52,318,760	14.16%
Guo Guangchang	Interest of controlled corporation	52,318,760	14.16%
Starwish Global Limited <i>(Note 3)</i>	Beneficial owner	52,318,760	14.16%
The Core Trust Company Limited <i>(Note 4)</i>	Trustee of a trust	41,895,041	11.34%

Name of Shareholder	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in our Company
Premier Selection Limited (Note 4)	Nominee for another person	41,897,541	11.34%
Ho Chi Sing	Interest of controlled Corporation	29,922,996	8.10%
IDG-Accel China Growth Fund Associates, L.P.	Interest of controlled corporation	27,774,323	7.52%
IDG-Accel China Growth Fund GP Associates Ltd. (Note 5, 6)	Interest of controlled corporation	27,774,323	7.52%
IDG-Accel China Growth Fund L.P. (Note 5, 6)	Beneficial owner	23,061,443	6.24%
Zhou Quan	Interest of controlled corporation	27,774,323	7.52%
Fubon Financial Holding Co., Ltd (Note 7)	Interest of controlled corporation	23,739,000	6.42%
Fubon Life Insurance Co., Ltd. (Note 7)	Beneficial owner	23,739,000	6.42%

Notes:

- (1) Mr. WANG Feng holds the entire issued share capital of Wangfeng Management Limited, which in turn directly holds 66,576,160 Shares. Accordingly, Mr. WANG Feng is deemed to be interested in the 66,576,160 Shares held by Wangfeng Management Limited. In addition, Mr. WANG Feng is interested in 8,433,308 RSUs granted to him under the RSU Scheme entitling him to receive 8,433,308 Shares, and as of November 11, 2015, approximately 65.00% of the RSUs have been vested and the remaining RSUs are subject to vesting.
- (2) Ms. ZHU Li is the wife of Mr. WANG Feng and is deemed to be interested in the Shares which are interested by Mr. WANG Feng under the SFO.

- (3) Starwish Global Limited is wholly-owned by China Momentum Fund, L.P., an exempted limited partnership in Cayman Islands. Fosun China Momentum Fund GP, Ltd. is the general partner of China Momentum Fund, L.P. Fosun China Momentum Fund GP, Ltd. is in turn wholly owned by Fosun Momentum Holdings Limited. Fosun Momentum Holdings Limited is wholly-owned by Fosun Financial Holdings Limited which is in turn wholly-owned by Fosun International. Fosun International is 71.37% owned by Fosun Holdings Limited which is in turn wholly-owned by Fosun International Holdings Ltd. Mr. Guo Guangchang owns approximately 64.45% in the issued share capital of Fosun International Holdings Ltd..
- (4) The Core Trust Company Limited, being the RSU Trustee, directly holds the entire issued share capital of Premier Selection Limited (the RSU Nominee), is an independent and professional trustee appointed by the Company to act as the trustee of the RSU Scheme, directly holds the entire issued share capital of the RSU Nominee, which holds original 42,161,541 underlying Shares in respect of the RSUs granted and to be granted under the RSU Scheme for the benefit of eligible participants pursuant to the RSU Scheme. As of November 11, 2015, 266,500 underlying Shares had been sold by the RSU participants and the RSU Nominee currently holds 41,895,041 underlying Shares. The 41,895,041 underlying Shares in respect of the RSUs held by the RSU Nominee includes a total of 18,274,000 underlying Shares in respect of (i) the 8,433,308 RSUs granted to Mr. WANG Feng, (ii) the 2,811,769 RSUs granted to Ms. LIAO Mingxiang, (iii) the 4,217,154 RSUs granted to Mr. MEI Song, and (iv) the 2,811,769 RSUs granted to Mr. ZHAO Jun.
- (5) The controlling structure of each of IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P. and, IDG-Accel China Growth Fund GP Associates Ltd. is as follows: (i) IDG-Accel China Growth Fund L.P. and IDG-Accel China Growth Fund-A L.P. are controlled by their sole general partner, IDG-Accel China Growth Fund Associates L.P., which in turn is controlled by its sole general partner, IDG-Accel China Growth Fund GP Associates Ltd. IDG-Accel China Growth Fund GP Associates Ltd. is held as to 35.00% by each of Mr. Zhou Quan and Mr. Ho Chi Sing; and (ii) IDG-Accel China Investors L.P. is controlled by its sole general partner, IDG-Accel China Investor Associates Ltd., which in turn is held as to 100.00% by Mr. Ho Chi Sing.
- (6) On December 30, 2014, IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P. and IDG-Accel China Investors L.P., pursuant to the stock borrowing agreement entered into on December 22, 2014, lent an aggregate of 7,766,440 Shares to the stabilising manager, Citigroup Global Markets Asia Limited, which were used to cover the over-allocation in the international offering of the Shares. On January 9, 2015, the stabilizing manager returned all the borrowed Shares to the above respective funds. On the same date, the above funds disposal an aggregate of 7,262,444 Shares at the average price of HK\$9.80.
- (7) Fubon Life Insurance Co., Ltd. is 100% owned by Fubon Financial Holding Co., Ltd..

Save as disclosed above, as of November 11, 2015, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

4. DIRECTORS' DISCLOSURE OF INTEREST

As at the Latest Practicable Date:

- (a) save as disclosed in this circular, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.
- (b) none of the Directors had any direct or indirect interest in any assets which have been since December 31, 2014, being the date to which the latest published audited annual financial statements of the Company were made up to, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or lease to any member of the Group.
- (c) Mr. Wang Feng holds approximately 4.02% of the total equity interest in Beijing Locojoy Technology Co., Ltd (“**Locojoy**”), an internet company operating in the PRC, which is primarily engaged in developing and publishing online games. Mr. Wang does not hold any directorship, nor is he entitled to any special shareholder’s rights (such as information right or management right) in Locojoy. As at September 21, 2015, Mr. Wang Feng completed the disposal of all of his equity interests in Locojoy. As at the Latest Practicable Date, Mr. Wang Feng did not hold any equity interests in Locojoy.

Mr. Qian Zhonghua, a non-executive Director, is a managing director of Fosun Equity Investment Management Ltd. Fosun Equity Investment Management Ltd. and a director of Starwish Global Limited (a substantial shareholder of the Company), which are subsidiaries of Fosun International (together with Fosun International, the “**Fosun Group**”). Fosun Group is an investment group taking roots in China with a global foothold. It has established two business engines comprising comprehensive finance (insurance, investment, capital management and banking and other financial services) and industrial operation (health, life, iron and steel, real estate development and sales and resources). The Fosun Group has an interest in a portfolio of online and mobile game companies with headquarters and/or operations in the PRC, including private mobile game companies including Joyme.com, Shanghai MUYOU Internet Technology Co., Ltd. and LL Games Pte Ltd. Fosun Group does not hold a controlling interest in any of the portfolio companies.

In addition, Fosun Group has nominated its representatives to hold board seats in the above companies after appointments. On the other hand, though Fosun Group has the right to nominate one of its representatives to act as a non-executive director in each of the private portfolio companies, the Fosun Group does not control any of the board of directors of the private portfolio companies.

Save as aforementioned, 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 as of November 11, 2015.

- (d) there was no existing or proposed service contract between any Director and any member of the Group which is not determinable within one year without payment of compensation other than by statutory compensation.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since December 31, 2014, being the date to which the latest published audited financial statements of the Company were made up.

6. EXPERTS' QUALIFICATION AND CONSENT

China Investment Securities International Capital Limited and ValueLink Management Consultants Ltd. has given and has not withdrawn its respective written consent to the issue of this circular with the inclusion of its opinion and letter, as the case may be, and reference to its name included herein in the form and context in which they appear.

The following are the qualifications of the experts who have given their opinion or advice which are contained in this circular:

Name	Qualification
China Investment Securities International Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
ValueLink Management Consultants Ltd.	Independent business valuer

- (a) China Investment Securities International Capital Limited and ValueLink Management Consultants Ltd. are not beneficially interested in the share capital of any member of the Group and none of them has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (b) As at the Latest Practicable Date, China Investment Securities International Capital Limited and ValueLink Management Consultants Ltd. did not have any direct or indirect interest in any assets which have been since December 31, 2014, being the date to which the latest published audited annual financial statements of the Company were made up to, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or lease to any member of the Group.

7. INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance advisor, REORIENT Financial Markets Limited (the "**Compliance Advisor**"), save as the compliance adviser agreement entered into between the Company and the Compliance Advisor dated August 20, 2014, none of the Compliance Advisor or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

8. GENERAL

- (a) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.
- (b) Ms. Leung Wing Han Sharon is the company secretaries of the Company.
- (c) The registered office of the Company is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.
- (d) The principal place of business of the Company in Hong Kong is 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong during normal business hours on any business day (Saturdays excluded) from the date of this circular up to any including December 1, 2015 (14 days after the date of this circular):

- (a) the memorandum and articles of association of the Company;
- (b) the series A preferred share purchase agreement dated June 8, 2015 entered into between the Company and Fuze Entertainment;
- (c) the loan agreement dated July 7, 2015 entered into between the Company and Fuze Entertainment;
- (d) the Series B+ Framework Agreement;
- (e) the Series B+ Preferred Share Purchase Agreement;
- (f) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (g) the letter of advice issued by China Investment Securities International Capital Limited, the text of which is set out on pages 21 to 37 of this circular;
- (h) the written consent of China Investment Securities International Capital Limited referred to in paragraph 6 of this Appendix;
- (i) the letter issued by ValueLink Management Consultants Ltd., the text of which is set out on pages 48 to 59 of this circular;
- (j) the written consent of ValueLink Management Consultants Ltd. referred to in paragraph 6 of this Appendix; and
- (k) this circular.

APPENDIX II LETTER FROM THE INDEPENDENT BUSINESS VALUER

The following is the text of a letter prepared for inclusion in this circular, received from ValueLink Management Consultants Ltd., an independent business valuer, in connection with the valuation as at September 23, 2015 of the market value in Fuze Entertainment Co., Ltd..

ValueLink

We Are Worthy of Your Trust

◆ Accounting ◆ Valuation ◆ Transaction

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info@ValueLink.cn

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November 17, 2015

Linekong Interactive Group Co., Ltd.
18/F, Tesbury Centre, 28 Queen's Road East, Wanchai
Hong Kong

Dear Madam/Sir,

Re: Valuation of the Market Values in connection with the Series B+ Preferred Shares invested by Linekong Interactive Group Co., Ltd. in Fuze Entertainment Co., Ltd.

EXECUTIVE SUMMARY LETTER

In accordance with the instructions from Linekong Interactive Group Co., Ltd. (hereinafter referred to as the “**Company**” or “**you**”), we, ValueLink Management Consultants Ltd. (“**ValueLink**” or “**we**”), have carried out a valuation of the market value of the series B+ preferred shares (hereinafter referred to as the “**Series B+ Preferred Shares**”) invested by the Company in Fuze Entertainment Co., Ltd. (hereinafter referred to as the “**Target**”) as at September 23, 2015 (the “**Valuation Date**”). The purpose of our analysis is to assist the Company to determine the market value of the Series B+ Preferred Shares invested in the Target for internal reference purpose. We understand this valuation may be referenced and included in the circular of the Company in respect of the Series B+ Preferred Shares invested in the Target. The responsibility for determining the transaction price rests solely with the Company.

APPENDIX II LETTER FROM THE INDEPENDENT BUSINESS VALUER

The opinion of value was based on generally accepted appraisal procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

The information used by ValueLink in preparing this valuation report (“**Report**”) has been obtained from a variety of sources as indicated within the Report. Business profiles, historical financial data, historical investment agreements and Series B+ Preferred Shares investment documentations used in our analysis and as set out in the Report are the responsibility of the management of the Company and/or their representative(s) (hereinafter referred to as the “**Management**”). We were furnished with limited financial information and other documents germane to the valuation. Please note that the procedures and enquiries undertaken by us in preparing this Report do not include any verification work, nor do they constitute an examination made in accordance with generally accepted auditing standards. Accordingly we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, except where otherwise stated herein, and no assurance is given.

Unless stated otherwise, information furnished by others, upon which all of this Report are based, is believed reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.

We understand that you will not rely solely on our Report and your use of the results of our analysis shall not supplant other analyses and inquiries which you should conduct. We are not required to make specific purchase or sale recommendations.

The valuation procedure did not require us to conduct legal due diligence on the legality and formality of the Target and its related legal documents, and it should be the responsibility of the legal advisor to the Management. Thus, no responsibility or liability is assumed from our report to the origin and continuity of the Target. We have not inspected the original documents filed in the relevant authorities to verify ownership of the Target.

APPENDIX II LETTER FROM THE INDEPENDENT BUSINESS VALUER

We need to state that we are not legal professional and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the Target. No responsibility or liability is assumed in relation to those opinions or copies of document provided (if any). In accordance with our standard practice, this Report is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of the contents of this Report. We hereby certify that we have neither present nor prospective interests in the assets or the value reported.

Yours faithfully,

For and on behalf of

ValueLink Management Consultants Ltd.

William Chen

CFA, CPA, ABV, MBA

Senior Partner

Note: William has over 15 years' experience in financial service industry and over 10 years dedicated to the business valuation. He started his career as an accountant in a Fortune 500 multi-national company. Later he joined China office of a reputable international business valuation firm as a practitioner, where he conducted a series of valuation projects for a number of corporations, most of which are NASDAQ, NYSE, HK and China listed, or candidates for such listing. His areas of specialty include merger and acquisition, spin-off, project financing, reorganization, IPO, financial reporting and fairness opinion, etc.

William has a MBA degree from Tsing Hua University. He is also a member of ASA, CFA and CPA/ABV.

1. PURPOSE OF VALUATION

This Report is prepared solely for the use of the directors and management of the Company and public documentation in the circular of the Company in respect of the Series B+ Preferred Shares invested in the Target. This Report is not used for any purpose other than that mentioned above, including issue to third parties, without our prior approval of use, form, context in which it is released. ValueLink assumes no responsibility whatsoever to any person other than the Company in respect of, or arising out of, the contents of this Report. If others choose to rely in any way on the contents of this Report they do so entirely at their own risk.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and information provided by the Management. In preparing this Report, we have had discussions with the Management in relation to the rights of the Company as holder of Series B+ Preferred Shares (hereinafter referred to as the “**Rights of the Company as Holder of Series B+ Preferred Shares**”) and other relevant information concerning the Series B+ Preferred Shares. Business profiles, historical financial data, historical investment agreements and Series B+ Preferred Shares investment documentations used in our analysis and as set out in the Report are the responsibility of the Management. We were furnished with limited financial information and other documents germane to the valuation. As part of our analysis, we have reviewed the Rights of the Company as Holder of Series B+ Preferred Shares and other pertinent data concerning the Series B+ Preferred Shares provided to us by the Management and have considered such information and data as accurate and reasonable. We have no reason to believe that any material facts have been withheld from us. However, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose. Should the executed terms and conditions be different with the Rights of the Company as Holder of Series B+ Preferred Shares, there will be differences between our predicted and actual results, and those differences may be material. We take no responsibility for the achievement of predicted results.

3. RIGHTS OF THE COMPANY AS HOLDER OF SERIES B+ PREFERRED SHARES

Please see the key Rights of the Company as Holder of Series B+ Preferred Shares provided by the Management below:

(1) Liquidation rights:

- The holders of the series B preferred shares and the Series B+ Preferred Shares shall be entitled to receive for each series B preferred share and each Series B+ Preferred Share, prior and in preference to any distribution of any of the assets or surplus funds of the Target to the holders of series A preferred shares, ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to 100% of the series B preferred shares issue price and the Series B+ Preferred Shares issue price (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to such shares), plus all accrued or declared but unpaid dividends on the series B preferred shares and the Series B+ Preferred Shares.

(2) Conversion rights

- Each preferred share conversion price shall initially equal to each preferred shares issue price (the initial conversion ratio shall be 1:1), and shall be adjusted from time to time for share splits, combinations, ordinary shares dividends and distributions, reclassifications, etc. (the “**Conversion Price**”).
- Optional conversion: unless converted earlier pursuant to article below (i.e. Automatic conversion), each preferred share may, at the option of the holder, be converted at any time into fully-paid and non-assessable ordinary share based on the then-effective Conversion Price.
- Automatic conversion: each of the preferred shares shall respectively automatically be converted, based on the then-effective Conversion Price, into ordinary shares upon the earlier of (i) the closing of a qualified public offering or (ii) the written consent of holders of more than fifty (50%) of the outstanding preferred shares.

(3) Dividend

- No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Target, with respect to any other class or series of shares of the Target, unless and until dividends have been paid in full on each preferred shares in accordance with the number of ordinary shares issuable upon conversion of preferred shares on the date on which the payment of dividends is approved by the board of directors of the Target.
- In the event the Target shall declare a distribution other than in cash, the holders of each preferred shares shall be entitled to a proportionate share of any such distribution as though the holders of preferred shares were holders of the number of ordinary shares into which their preferred shares are convertible as of the record date fixed for the determination of the holders of ordinary Shares entitled to receive such distribution.

4. MARKET VALUE OF THE SERIES B+ PREFERRED SHARES

We have valued Series B+ Preferred Shares on the basis of market value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

5. THE TARGET BACKGROUND

Based on the information provided to us, the Target is an internet entertainment company that focus on game console designing, developing and gaming operation. According to the Management, the Target’s goal is to build one of the best Chinese domestic console game brand which brings perfect gaming experience to Chinese players. The Target is now developing a console product based on Android system.

6. INFORMATION REVIEWED

As part of our research and analysis, we have considered information prepared by the Target, and they include, but not limited to, the following:

- History, background, business nature, operating environment and other relevant information on the Target.
- Market information on the Target’s industry.

- Product information on the Target's product.
- Series A preferred shares Share Purchase Agreement ("SPA") and the Amended and Restated Memorandum Of Association ("MA&A").
- Series B preferred shares SPA and the Second MA&A.
- Series B+ preferred shares SPA and the Third MA&A.

We have reviewed the information required, which is considered sufficient for the issue of the valuation report of the type in question and we believe no material factor has been intentionally omitted or withheld from the given information in order to reach an informed view. We have also assumed the reasonableness of the information provided and have relied to a considerable extent on such information in arriving at our opinion of value.

7. ASSUMPTIONS

The major assumptions adopted are as follows:

- There will be no material changes in the existing political, legal, fiscal or economic conditions in which the Target business is carried or plans to be carried on.
- There will be no material changes as to the management, competent personnel and technical staff to support the Target business going on.
- There will be no material changes, after the date of this report, which would impact the Target business.
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target business.
- There are no key matters, which would have a material impact on the value of the Target business, from the Series B preferred shares closing date to the Valuation Date.
- There are no material changes in market trend and conditions in which the Target business is carried or plans to be carried on.

We have assumed the reasonableness of the information provided and relied to a considerable extent on such information in arriving at our opinion of value.

8. VALUATION METHODOLOGY**8.1 Valuation Methodology in deriving the 100% equity value of the Target.**

There are three commonly used valuation approaches: the Market Approach, the Income Approach and the Cost Approach. The most appropriate valuation approaches would be determined based on the purpose of valuation, basis of value, nature, fact and circumstances of the Target, the availability of relevant data and information, the market condition and the valuers' judgment.

In this particular valuation exercise, and based on our communication with the Management, our understanding of the Target's business model, revenue composition, financial conditions and business plan, we have adopted the Market Approach in performing the 100% equity value of the Target. We consider the Cost Approach to be inadequate given that this approach fails to consider the going concern of the Target. We consider the Income Approach to be inadequate given that Income Approach relies to a great extent of profit projection, and the management consider profit projection is subject to high uncertainty at the current stage of operation.

We understand from the Management that the Target has commenced operations in early 2015 and therefore does not possess sufficient financial track records for the preparation of a sale, profit or cash flow forecast. Since the profitability and sales multiple cannot be determined, the use of the multiples on sales or earning basis, such as net profit or earnings before interest, tax, depreciation and amortization, will have limitation in this exercise. Moreover, it is noted that the Target does not utilize significant fixed or tangible assets for current stage, but rely upon intangibles to operate the business, therefore the price to book multiples may not carry much meaning.

In this valuation exercise, we have been provided the information of the latest investment, i.e. series B preferred shares, documentations as of 7 August 2015. As investment date of the Series B+ Preferred Shares is close to the closing date of the series B preferred shares and no material changes of the Target business during these period according to the Management, we thus consider a version of the guideline transactions method under the Market Approach, the backsolve method, to derive the implied equity value for the Target from a transaction involving the Target's own investment. The backsolve method is a preferable method suggested by the Valuation of Privately-Held-Company Equity Securities Issued as Compensation (the "**Guidance**") published by the American Institute of Certified Public Accountants ("**AICPA**") Accounting and Valuation Guide in valuing the enterprise that has no product revenue and little or no expense history (please see paragraphs 4.16-4.18 of the Guidance for detail for this method).

The basis for application of this method is transactions in equity securities of the enterprise with unrelated investors or among unrelated investors themselves. According to the series B preferred shares SPA, there were 9 investors invested in the Target. Among the 9 investors, most of which are reputable institutions or individuals but unrelated with the Target. Moreover, according to our due diligent, some of these 9 investors have a history of making investments in technology media telecommunications (“TMT”) companies at very early stage. Thus the series B preferred share transactions are deemed independent business decisions and the investments made by these 9 institutions and individuals provide a reliable indicator of the market value of the 100% equity interest of the Target.

In application of the backsolve method, we calculated the implied 100% equity interest of the Target that equates actual series B preferred shares transaction price by applying the hybrid method, which is a suggested valuation method by the Guidance for valuing of privately-held-company with different classes of equity securities (please see paragraphs 6.48-6.54 of the Guidance for detail for this method). According to the Guidance, the hybrid method is “a hybrid between the probability-weighted expected return method¹ and option pricing model², estimating the probability-weighted value across multiple scenarios but using the option pricing method to estimate the allocation of value within one or more of those scenarios”.

In considering the equity value of the Target from the latest round (i.e. series B preferred shares) of financing for the backsolve method, the financing price has already reflected the appropriate degree of control and marketability for the primary investors’ shares, and hence, no adjustment is reflected as an input to the backsolve method.

1. According to the Guidance, under a probability-weighted expected return method, the value of the various equity securities are estimated based upon an analysis of future values for the enterprise, assuming various future outcomes, which might include an IPO, a merger or sale, a dissolution, or continued operation as a private enterprise until a later exit date (Please see paragraphs 6.23-6.29 of the Guidance for detail for this method).
2. According to the Guidance, the option pricing model treats common stock and preferred stock as call options on the enterprise’s equity value, with exercise prices based on the liquidation preferences of the preferred stock (Please see paragraphs 6.30-6.41 of the Guidance for detail for this method).

8.2 Valuation Methodology in deriving the market value of Series B+ Preferred Shares of the Target.

In calculating the market value of the Series B+ Preferred Shares, we firstly add the Series B+ Preferred Shares financing amount to the market value of 100% equity interest of the Target from paragraph 8.1 above to derive post-money of the market value of 100% equity interest of the Target (the “**Market Value of Post B+**”) and secondly allocate the Market Value of Post B+ among the series A preferred shares, series B preferred shares, Series B+ Preferred Shares and ordinary shares by using the hybrid method under the following two scenarios (the preferred shareholders do not have any redemption preference):

- (a) IPO Scenario: treat the series A preferred shares, series B preferred shares, Series B+ Preferred Shares and ordinary shares on an as-if-fully-converted basis; and
- (b) Liquidation Scenario: use the option pricing model to treat the series A preferred shares, series B preferred shares, Series B+ Preferred Shares and ordinary shares as call options on the equity value.

Under the IPO Scenario, the equity value is allocated to the preferred shares and ordinary shares on as-if-fully-converted basis. Under the Liquidation Scenario, since the preferred shareholders would have priority rights to claim for the equity value over the ordinary shareholders upon occurrence of liquidation events, we has applied the option pricing method to allocate the equity interests to these different classes of shares. Option pricing method treats preferred shares and ordinary shares as call options on the equity interests, which uses the Black-Scholes model to price, with exercise prices based on the liquidation preference amount of the preferred shares. Under this method, the ordinary shares have value only if the fund available for distribution to shareholders exceeds the value of liquidation preference amount at the time of a liquidation event.

8.2.1 Key parameters adopted in the option-pricing method.

Risk free rate: the risk-free rate is based on the yield of US Treasury Notes/Bonds with terms close to the expected terms to the liquidation according to the Rights of the Company as Holder of Series B+ Preferred Shares.

Expected volatility: the volatilities are estimated based on the annualized standard deviation of the daily return of the historical stock prices of the comparable companies with time horizon close to the expected terms to the liquidation according to the Rights of the Company as Holder of Series B+ Preferred Shares.

9. OPINION OF VALUE

Based on the results from the analysis set out above, the market value of the Series B+ Preferred Shares can be reasonably and approximately stated as USD ZERO POINT THREE SIX SEVEN PER SHARE ONLY (USD0.367 per share) as at September 23, 2015.

10. GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This Report has been prepared with the following assumptions and limiting conditions:

- No investigation has been made of, and no responsibility is assumed for, the legal description of the assets being valued or legal matters, including title or encumbrances. Title to the assets is assumed to be good and marketable unless otherwise stated. The assets are assumed to be free and clear of any liens, easements, encroachments, or other encumbrances unless otherwise stated.
- We have not performed any audit, due diligence or verification procedures to satisfy ourselves with respect to the accuracy and validity of the information provided, and accordingly make no representations as to the reliability and accuracy of such information. Our reliance on and use of such information should not be considered as an expression of our opinion on it.
- Information furnished by others, upon which all or portions of this Report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
- Full compliance with all applicable national, provincial, and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed unless otherwise stated.
- No responsibility is taken for changes in market conditions and no obligation is assumed to revise this Report to reflect events or conditions which occur subsequent to the date hereof.
- Neither ValueLink nor any individual signing or associated with this Report shall be required to give further consultation, provide testimony, or appear in court or at other legal proceedings unless specified arrangements have been made.
- Our value is based on the purchasing power of the local currency as of the Valuation Date set forth in this Report.

APPENDIX II LETTER FROM THE INDEPENDENT BUSINESS VALUER

- No opinion is intended to express for matters that require legal or other specialized expertise or knowledge, beyond that customarily employed by valuers.
- This Report is solely for the use of the addressee. ValueLink accepts no responsibility for its use by any party contrary to these provisions.

Yours faithfully,

For and on behalf of

ValueLink Management Consultants Ltd.

William Chen

CFA, CPA, ABV, MBA

Note: William has over 15 years' experience in financial service industry and over 10 years dedicated to the business valuation. He started his career as an accountant in a Fortune 500 multi-national company. Later he joined China office of a reputable international business valuation firm as a practitioner, where he conducted a series of valuation projects for a number of corporations, most of which are NASDAQ, NYSE, HK and China listed, or candidates for such listing. His areas of specialty include merger and acquisition, spin-off, project financing, reorganization, IPO, financial reporting and fairness opinion, etc.

William has a MBA degree from Tsing Hua University. He is also a member of ASA, CFA and CPA/ABV.

NOTICE OF EXTRAORDINARY GENERAL MEETING

LINEKONG

藍港互動

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Linekong Interactive Group Co., Ltd. (the “**Company**”) will be held on Wednesday, December 2, 2015 at 10:00 a.m. at 5/F, Qiming International Mansion, Wangjing North Road, Chaoyang District, Beijing, the People’s Republic of China for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Series B+ Framework Agreement dated September 2, 2015 (the “**Series B+ Framework Agreement**”) entered into between the Company and Fuze Entertainment and the Series B+ Preferred Share Purchase Agreement dated September 23, 2015 entered into by the Company and, among others, Fuze Entertainment (the “**Series B+ Preferred Share Purchase Agreement**”), in relation to the purchase of 25,227,273 series B+ preferred shares in Fuze Entertainment with par value of US\$0.000025 at a price of US\$0.3667 per share, amounting to an aggregate purchase price of US\$9,250,000 (the “**Purchase of Series B+ Preferred Shares**”), be and is hereby confirmed, approved and ratified;
- (b) any director(s) or authorized person(s) of the Company be and are hereby authorised for and on behalf of the Company to, amongst others, do all such further acts and things and execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to, the terms of the Series B+ Framework Agreement, the Series B+ Preferred Share Purchase Agreement, and the Purchase of Series B+ Preferred Shares contemplated thereunder.”

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

Beijing, PRC, November 17, 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Principal place of business in Hong Kong:

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Notes:

1. Each Shareholder entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote on his/her/its behalf at the Meeting. A proxy need not be a Shareholder.
2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting, you are encouraged to complete and return the enclosed proxy form in accordance with the instructions printed thereon. The completion and return of a form of proxy will not preclude a Shareholder from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish.
3. In order to be valid, the form of proxy must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong, together with the power of attorney or other authority, if any, under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof.
4. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined as that one of the persons so present whose name stands first on the register of shareholders in respect of such Share shall alone entitled to vote in respect thereof.
5. Shareholders (in person or by proxy) attending this Meeting are responsible for their own transportation and accommodation expenses.
6. As at the date of this notice, the board of directors of the Company comprises Mr. WANG Feng as the chairman and executive director; Mr. LIAO Mingxiang as the president and executive director; Mr. MEI Song and Mr. ZHAO Jun as executive directors; Mr. QIAN Zhonghua as non-executive director; and Mr. MA Ji, Mr. ZHANG Xiangdong, Mr. WANG Xiaodong and Ms. ZHAO Yifang as independent non-executive directors.