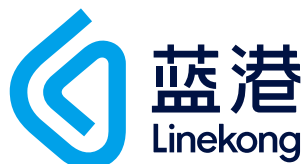


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Linekong Interactive Group Co., Ltd.
藍港互動集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8267)

**CONNECTED TRANSACTION IN RELATION
TO PROVISION OF GUARANTEE**

The Board hereby announces that on September 27, 2021, Linekong Online, a subsidiary of the Company, entered into the Guarantee Agreement in favour of Bank of Beijing, pursuant to which Linekong Online has agreed to provide guarantee against the Guaranteed Mortgage of maximum principal amount of RMB4.4 million drawn by Ms. Liao, the chief executive officer and executive Director of the Company.

The Guaranteed Mortgage has been fully repaid on March 16, 2022 and the Facility Agreement has been terminated with the Guarantee being released.

The Guarantee Agreement

The principal terms of the Guarantee Agreement are as follows:

Date:	September 27, 2021
Parties:	Linekong Online and Bank of Beijing
Guarantee:	Linekong Online has agreed to provide guarantee against the Guaranteed Mortgage in favour of Bank of Beijing, including the principal amount (subject to a maximum of RMB4.4 million and only to the extent of the amount being drawn down between September 27, 2021 and September 27, 2026), interests, penalty interests, compound interest, damages, compensations and other expenses incurred by the Bank of Beijing in relation to recovery of the Guaranteed Mortgage
Guarantee Period:	Until three years after the last scheduled payment date under the Guaranteed Mortgage

In relation to the Guarantee, Ms. Liao has undertaken to Linekong Online on September 27, 2021 that she will use her best endeavor to avoid the enforcement of the Guarantee and to compensate Linekong Online any loss incurred as a result of entering the Guarantee Agreement.

The Guaranteed Mortgage

The details of the Guaranteed Mortgage are as follows:

Date of Facility Agreement:	September 27, 2021
Borrower:	Ms. Liao
Lender:	Bank of Beijing
Facility maximum limit:	RMB4.4 million
Nature of facility:	Revolving
Drawdown period:	90 days from date of the Facility Agreement
Maximum credit utilisation period:	September 27, 2021 to September 27, 2026, with no amount shall remain outstanding after September 27, 2026
Guarantors:	Linekong Online and the spouse of Ms. Liao
Collateral:	A residential property owned by Ms. Liao in Beijing, with LTV (loan-to-value) ratio not exceeding 70%

During the term of the Guaranteed Mortgage, the actual amount drawn by Ms. Liao was RMB3.0 million notwithstanding the maximum limit of the facility is RMB4.4 million. The Guaranteed Mortgage has been fully repaid on March 16, 2022 and the Facility Agreement has been terminated.

GEM Listing Rules Implications

As the Guarantee is provided against the Guaranteed Mortgage drawn by Ms. Liao, the chief executive officer and executive Director of the Company, provision of the Guarantee constitutes financial assistance given by the Group to Ms. Liao and thus a connected transaction of the Company. Accordingly, provision of the Guarantee is subject to the circular, independent shareholders' approval, announcement and annual reporting requirements under Chapter 20 of the GEM Listing Rules.

However, as the highest applicable percentage ratio in relation to the grant of the Guarantee is less than 5%, provision of the Guarantee does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Considering that the Guarantee has been released and the Guaranteed Mortgage has been fully repaid on March 16, 2022, the Company considers that it would not be meaningful and therefore does not intend to despatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the transaction. Nevertheless, the Company has complied with the announcement requirement by publishing this announcement and will comply with the annual reporting requirement in its annual reports.

Reasons for and Benefit of Provision of the Guarantee and Reasons for Non-compliance with the GEM Listing Rules

Due to the misunderstanding and misinterpretation of the GEM Listing Rules, the Company has mistakenly believed that provision of the Guarantee is fully exempted from the announcement, annual reporting, circular and independent shareholders' approval requirements pursuant to Rule 20.74 of the GEM Listing Rules as no consideration was involved in the transaction. The Company deeply regrets such failure and would like to stress that it has no intention to withhold any information relating to the transaction from disclosure to the Shareholders and the public.

The Directors (including the independent non-executive Directors) recognise that provision of the Guarantee is not in the ordinary and usual course of business of the Group. Given the Guaranteed Mortgage was secured by a residential property of Ms. Liao with loan-to-value (LTV) ratio not exceeding 70% and that the Guarantee is now released with the Guaranteed Mortgage fully repaid, the Directors (including the independent non-executive Directors) are of the view that such provision of the Guarantee did not undermine the interests of the Company and its Shareholders as a whole.

Remedial Measures

In the course of its internal review, it has come to the attention of the Company that the Guarantee may constitute a connected transaction of the Company and the Company immediately consulted its professional adviser for advice. Upon understanding that the Guarantee constitutes a non-exempted connected transaction of the Company, Ms. Liao has promptly repaid the Guaranteed Mortgage in order to release Linekong Online from the Guarantee and the Company has arranged the publication of this announcement to inform the Shareholders and prospective investors the details of the Guarantee.

To ensure full compliance with the GEM Listing Rules in the future, the Company plans to take the following measures:

- (i) the Company will enhance its internal control system on any banking related transaction as well as any arrangement between the Group and the connected persons of the Company;
- (ii) the Company will circulate a detailed guideline relating to provision of financial assistance to its finance and compliance staff;
- (iii) the Company will engage its legal adviser to provide training on notifiable transaction and connected transactions under the GEM Listing Rules to the Directors, senior management and relevant employees;

- (iv) the Directors will revisit the e-learning on Connected Transaction Rules published by the Stock Exchange; and
- (v) the Company will consult its professional advisers before entering into any significant or unusual transaction. If necessary, the Company will also consult the Stock Exchange on the proper treatment of the proposed transaction.

Information of the Group and the parties

The Group

The Company and its subsidiaries are principally engaged in the development and distribution of online games and mobile games, as well as the production and distribution of movies and drama series.

Linekong Online

Linekong Online is a subsidiary of the Company controlled through contractual arrangement pursuant to which the Company is able to assert management control over the operations of Linekong Online and to enjoy all economic benefits of Linekong Online.

Linekong Online is principally engaged in the development and operation of self-developed mobile games as well as the distribution of licensed games on behalf of cooperative game developers.

Bank of Beijing

Bank of Beijing is a company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601169). To the best knowledge of the Directors, Bank of Beijing is a city commercial bank based in Beijing, PRC and is principally engages in banking business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Bank of Beijing and its controlling shareholder (if any) are third parties independent of the Company and its connected persons.

Ms. Liao

Ms. Liao is the chief executive officer and executive Director of the Company. Ms. Liao is also the beneficial owner of 17,973,889 Shares, representing 4.88% of the issued Shares and holder of 275,000 Share options and 1,546,600 restricted share units of the Company, entitling Ms. Liao to receive an aggregate of 1,821,600 Shares upon exercise, subject to vesting.

Definitions

In this announcement, the following expressions shall have the following meanings:

“Bank of Beijing”	Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company incorporated in the PRC
“Board”	the board of Directors
“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 24 May 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
“Facility Agreement”	the facility agreement entered into between Ms. Liao and Bank of Beijing dated September 27, 2021 in relation to the Guaranteed Mortgage
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee given by Linekong Online under the Guarantee Agreement
“Guarantee Agreement”	the Guarantee Agreement entered into between Linekong Online and Bank of Beijing dated September 27, 2021 which is further described under the paragraph headed “The Guarantee Agreement” in this announcement
“Guaranteed Mortgage”	the mortgage under the Facility Agreement given by Bank of Beijing to Ms. Liao which is further described under the paragraph headed “The Guaranteed Mortgage” in this announcement

“Linekong Online”	Linekong Online (Beijing) Technology Co., Ltd (藍港在線(北京)科技有限公司) , a company established with limited liability in the PRC and a subsidiary of the Company controlled through contractual arrangement
“Ms. Liao”	Ms. Liao Mingxiang, the chief executive officer and executive Director of the Company
“PRC”	the People’s Republic of China which for the purpose of this announcement shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Beijing, PRC, March 18, 2022

As at the date of this announcement, the executive Directors of the Company are Mr. WANG Feng, Ms. LIAO Mingxiang, Mr. CHEN Hao and Mr. WANG Jin (also known as YAN Yusong); the non-executive Director of the Company is Mr. JI Xuefeng; and the independent non-executive Directors of the Company are Mr. ZHANG Xiangdong, Ms. WU Yueqin and Mr. KONG Yi.

This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.linekong.com.