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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)

**(1) DISCLOSEABLE TRANSACTION
IN RELATION TO THE SUBSCRIPTION OF 30.3% EQUITY INTEREST
IN ECOPOWX TECHNOLOGY LIMITED
(2) CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING**

THE SHARE SUBSCRIPTION

The Board is pleased to announce that on January 7, 2024, the Company entered into the Share Subscription Agreement with EcoPowX, pursuant to which the Company has conditionally agreed to subscribe for, and EcoPowX has conditionally agreed to allot and issue the Subscription Shares, representing 30.3% equity interest in EcoPowX at the Consideration of USD1.26 million. EcoPowX is a newly incorporated company and it will focus on the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally friendly flare gas power generation facilities and premises. EcoPowX intends to cooperate with large oilfields and natural gas processing equipment providers in West Africa to promote the environmentally friendly processing of flare gas in oilfields. As part of its cryptocurrency mining and GPU computing provision business, the overall operation of EcoPowX centers on power sources for AI computing and Bitcoin mining, providing sustainable green solutions and technical support. The financial results of EcoPowX will not be consolidated into the accounts of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Share Subscription Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Share Subscription Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of a number of conditions precedent. Accordingly, the Share Subscription may or may not materialise. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to the Prospectus, the announcements of the Company dated March 29, 2016 and June 29, 2021 (the “**Announcements**”) and the interim report of the Company published on August 14, 2023 in relation to the use of the Net IPO Proceeds. As at the date of this announcement, the Unutilised Net IPO Proceeds amounted to approximately HKD8.9 million.

On January 7, 2024, the Board resolved to reallocate the Unutilised Net IPO Proceeds to funding the settlement of the Consideration for the reasons set out in the section headed “**IV. Reasons for and Benefits of Entering into the Share Subscription Agreement and Change in Use of Proceeds from the Global Offering**”.

I. INTRODUCTION

The Board is pleased to announce that on January 7, 2024, the Company entered into the Share Subscription Agreement with EcoPowX, pursuant to which the Company has conditionally agreed to subscribe for, and EcoPowX has conditionally agreed to allot and issue the Subscription Shares, representing 30.3% equity interest in EcoPowX at the Consideration of USD1.26 million. EcoPowX is a newly incorporated company and it will focus on the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally friendly flare gas power generation facilities and premises. EcoPowX intends to cooperate with large oilfields and natural gas processing equipment providers in West Africa to promote the environmentally friendly processing of flare gas in oilfields. As part of its cryptocurrency mining and GPU computing provision business, the overall operation of EcoPowX centers on power sources for AI computing and Bitcoin mining, providing sustainable green solutions and technical support. The financial results of EcoPowX will not be consolidated into the accounts of the Company.

II. THE SHARE SUBSCRIPTION AGREEMENT

Date: January 7, 2024

Parties: (i) the Company; and
(ii) EcoPowX Technology Limited

To the best knowledge, information and belief of the Company and after making all reasonable enquiries, EcoPowX and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject matter: Pursuant to the Share Subscription Agreement, EcoPowX conditionally agrees to allot and issue and the Company conditionally agrees to subscribe the Subscription Shares at the Consideration of USD1.26 million. The Subscription Shares represent 30.3% of the enlarged share capital of EcoPowX.

Consideration: The subscription price is USD1 per Subscription Share for the Consideration of USD1.26 million. The subscription price of the Subscription Shares and the Consideration were determined and agreed between the parties to the Share Subscription Agreement after arm's length negotiations and in particular, with reference to the total capital required for the commencement of operations and the commitment of each shareholder in proportion to their respective shareholdings upon completion.

Upon fulfillment of the conditions precedent, the Company shall pay the Consideration in cash to EcoPowX upon Completion.

The Consideration will be satisfied by the Unutilised Net IPO Proceeds and the Group's internal resources.

Conditions precedent: The Completion is conditional upon:

- (a) the Company having conducted and completed due diligence of EcoPowX and all such other matters as deemed necessary to its reasonable satisfaction;
- (b) the director of EcoPowX having been duly authorised by the shareholder of EcoPowX to issue and allot the Subscription Shares in accordance with the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);

- (c) all necessary approvals from the relevant governmental or regulatory authorities of either EcoPowX or the Company for the consummation of the transactions contemplated under the Share Subscription Agreement having been obtained; and
- (d) all the warranties undertaken by EcoPowX remaining true and accurate in all respects at all times up to Completion.

Completion: Completion shall take place on the Completion Date when the conditions precedent above are satisfied or waived. Upon Completion, EcoPowX will be owned as to 30.3% by the Company.

III. CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to the Prospectus, the announcements of the Company dated March 29, 2016 and June 29, 2021 (the “**Announcements**”) and the interim report of the Company published on August 14, 2023 in relation to the use of the Net IPO Proceeds. As at the date of this announcement, the Unutilised Net IPO Proceeds amounted to approximately HKD8.9 million.

On January 7, 2024, the Board resolved to reallocate the Unutilised Net IPO Proceeds to funding the settlement of the Consideration for the reasons set out in the section headed “IV. Reasons for and Benefits of Entering into the Share Subscription Agreement and Change in Use of Proceeds from the Global Offering”.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT AND CHANGE IN USE OF THE PROCEEDS FROM THE GLOBAL OFFERING

The Board believes that the Web3 industry and blockchain technology have the potential to impact both existing financial and technology industries. Since the second quarter of 2023, the Group has continuously purchased Bitcoins on the open market as part of the Group’s business development and asset allocation strategy. To further expedite the Group’s expansion in the Web3 industry and to diversify the risks arising from the acquisition of Bitcoins, the Board considers that the businesses of EcoPowX would be a viable option and therefore resolved to change the use of Unutilised Net IPO Proceeds to funding the settlement of the Consideration.

EcoPowX will be engaged the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally friendly flare gas power generation facilities and premises. EcoPowX will cooperate with large oilfields and natural gas processing equipment providers in West Africa to promote the environmentally friendly processing of flare gas in oilfields. As part of its cryptocurrency mining and GPU computing provision business, the overall operation of EcoPowX centers on power sources for AI computing and Bitcoin mining, providing sustainable green solutions and technical support.

In light of the above, the Directors have reviewed the Share Subscription Agreement and are of the view that (i) the entering into of the Share Subscription Agreement is in line with the Group's Web3 business development strategy; (ii) the terms and conditions of the Share Subscription Agreement are fair and reasonable; and (iii) the transaction contemplated thereunder are entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Board considers that the aforesaid change in the use of Unutilised Net IPO Proceeds is fair and reasonable and in the best interest of the Company and its shareholders as a whole, and will not have any material adverse effect on the existing business and operations of the Group.

V. INFORMATION OF THE PARTIES

The Company

The Company was incorporated in the Cayman Islands on May 24, 2007 as an exempted company with limited liability with its Shares listed on GEM since December 30, 2014. The Group is principally engaged in developing and publishing online games in the PRC and other countries and regions, and the film business in the PRC.

EcoPowX

EcoPowX is a newly incorporated company in Hong Kong on October 26, 2023 and its principal business is the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally friendly flare gas power generation facilities and premises. As at the date of this announcement, EcoPowX was owned as to 100% by Mr. Peng Tao. Upon Completion, EcoPowX shall be owned as to 30.3%, 20%, 19.9%, 19.8% and 10% by each of the Company, Mr. Zhang Tao, Mr. Peng Tao, Mr. Zhang Hongliang and Ms. Zhao Li, respectively.

To the best knowledge, information and belief of the Company and after making all reasonable enquiries, each of the remaining shareholders of EcoPowX upon completion are third parties independent of and not connected with the Company and its connected persons.

As EcoPowX is newly incorporated in October 26, 2023 and does not carry any actual operations as at the date of this announcement no financial information for the past two financial years is available as at the date of this announcement. EcoPowX has no business operation and other material assets and liabilities since its incorporation.

Upon Completion, the Company shall hold 30.3% of the enlarged issued share capital of EcoPowX. The financial results of EcoPowX will not be consolidated into the accounts of the Company.

VI. GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Share Subscription Agreement and the transaction contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Share Subscription Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

VII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Bitcoins”	a type of digital currency in which a record of transactions is maintained and new units of currency are generated by the computational solution of mathematical problems, and which operates independently of a central bank
“Board”	the board of Directors of the Company
“Company”	Linekong Interactive Group Co., Ltd. (藍港互動集團有限公司), an exempted company incorporated under the laws of the Cayman Islands on May 24, 2007 with limited liability
“Completion”	completion of the Share Subscription in accordance with the terms and conditions of the Share Subscription Agreement

“Completion Date”	the date on which the conditions precedent of the Share Subscription Agreement are satisfied or waived
“Consideration”	the total consideration of the Share Subscription, being USD1.26 million
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EcoPowX”	EcoPowX Technology Limited, a company incorporated in Hong Kong with limited liability on October 26, 2023 that will be principally engaged in the provision of computing solutions for AI computing and Bitcoin network through establishing more environmentally friendly flare gas power generation facilities and premises
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Global Offering”	has the meaning ascribed thereto under the Prospectus
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Net IPO Proceeds”	the net proceeds amounted to approximately HK\$686.2 million in connection with the Global Offering
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated December 9, 2014
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of nominal value of US\$0.000025 each in the capital of the Company

“Share Subscription”	the injection of capital in the amount of USD1.26 million into EcoPowX by the Company in accordance with the Share Subscription Agreement
“Share Subscription Agreement”	the Share Subscription agreement dated January 7, 2024 entered into between the Company and EcoPowX
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Subscription Share(s)”	the 1,260,000 ordinary share(s) of EcoPowX to be allotted and issued by the EcoPowX to the Company pursuant to the Share Subscription Agreement
“Unutilised Net IPO Proceeds”	the unutilised Net IPO Proceeds of approximately HKD8.9 million as at the dated of this announcement

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

Beijing, PRC, January 7, 2024

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

This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.linekong.com.