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ARCHOSAUR GAMES INC.

祖 龙 娱 乐 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9990)

(1) VOLUNTARY ANNOUNCEMENT SHARE REPURCHASE

AND

(2) SUPPLEMENTARY ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION LICENSING AGREEMENT IN RELATION TO GAME ADAPTATION RIGHTS

SHARE REPURCHASE

The board (the “**Board**”) of directors (the “**Directors**”) of Archosaur Games Inc. (the “**Company**”) wishes to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of share repurchase of the Company on a voluntary basis.

Pursuant to the repurchase mandate granted to the Directors by the ordinary resolution of the Shareholders passed on 17 June 2022 (the “**Repurchase Mandate**”), the Directors were granted a general mandate to repurchase such number of shares as would represent up to 10% of the total number of issued shares of the Company as at the date of passing of the ordinary resolution (i.e. a total of 81,186,300 shares of the Company (the “**Shares**”)).

The Board hereby announces that it will utilize the Repurchase Mandate to repurchase up to 8,118,630 Shares on the open market at its discretion during the period from 20 June 2022 to 20 October 2022 (the “**Share Repurchase Plan**”). The Company will finance the repurchase from its existing available cash reserves and free cash flow.

The implementation of the Share Repurchase Plan will be conducted in compliance with the Repurchase Mandate, the memorandum and articles of association of the Company, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Law of the Cayman Islands and all applicable laws and regulations which the Company is subject to.

The Board considers that the current trading price of the Shares does not reflect their intrinsic value and business prospects of the Company. The Share Repurchase Plan reflects the confidence of the Board and the management team in the long-term strategy and growth of the Company. The Board considers that the Share Repurchase Plan is in the best interest of the Company and its Shareholders as a whole.

Shareholders and potential investors should note that the share repurchase will be subject to market conditions and at the Board's absolute discretion. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

LICENSING AGREEMENT IN RELATION TO GAME ADAPTATION RIGHTS

Reference is made to the announcement of the Company dated 20 June 2022 in relation to continuing connected transactions under the Licensing Agreement (the “**Announcement**”). Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the Announcement.

Except for the information contained in the Announcement, the Company hereby provides the Shareholders and potential investors with further information on the internal control measures of the continuing connected transactions under the Licensing Agreement.

Internal Control Measures

The Company has adopted the following internal control measures to ensure that the terms of the transactions under the Licensing Agreement are fair and reasonable and in compliance with the annual caps of the transactions under the Licensing Agreement:

- (i) The finance department of the Company, which is responsible for overseeing the connected transactions of the Group, will regularly monitor and collect detailed information on the connected transactions, including but not limited to the payment arrangements and the actual transaction amounts, to ensure that the continuing connected transactions are conducted in accordance with the Licensing Agreement. In addition, the finance department of the Company is responsible for monitoring and reviewing the balance of annual caps of the continuing connected transactions on a monthly basis. If the annual caps for the continuing connected transactions are expected to be exceeded in a particular year, the finance department of the Company will report to the management of the Company and take appropriate actions in accordance with the relevant requirements of the Listing Rules.
- (ii) The senior management of the Company is responsible for overseeing and monitoring the internal control procedures adopted by the Group to ensure that the actual transaction amounts fall within the relevant annual caps. The senior management of the Company also monitors the utilization of the annual caps on an annual basis.

- (iii) The external auditors of the Company will review the continuing connected transactions under the Licensing Agreement on an annual basis to check and confirm, among other things, whether the relevant annual caps have been exceeded.
- (iv) The independent non-executive Directors and the risk management committee of the Company will review the continuing connected transactions under the Licensing Agreement on an annual basis to check and confirm whether the continuing connected transactions are conducted in the ordinary and usual course of business of the Group, on normal or better commercial terms and on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole in accordance with the Licensing Agreement.

By order of the Board
Archosaur Games Inc.
Mr. Li Qing
Chairman and Executive Director

Beijing, China, 30 June 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Li Qing as Chairman and an Executive Director, Mr. Bai Wei as an Executive Director, Ms. Liu Ming and Mr. Lu Xiaoyin as Non-executive Directors, and Mr. Bai Kun, Mr. Zhu Lin and Mr. Ding Zhiping as Independent Non-executive Directors.