ARCHOSAUR GAMES INC.
祖龙娱乐有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9990)

PROFIT WARNING
IN RESPECT OF THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

This announcement is made by Archosaur Games Inc. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary assessment of the Company's unaudited consolidated management accounts for the year ended 31 December 2020 (the "**Period**") and information currently available to the Group, it is expected that the adjusted net profit of the Group for the Period would decrease by approximately 35% to 40% as compared with that for the year ended 31 December 2019 (the "**Comparable Period**"). Such decrease in the adjusted net profit was primarily attributable to the increase in research and development expenses due to the Company's endeavor to continuously develop high-quality games for the benefit of the long-term business expansion by committing significant investments in talent resources, research and development, game technology and network infrastructure to enhancing the development capabilities of the Group. The Company is confident that such continued investment in research and development as well as its business expansion initiatives will lay a solid foundation for the long-term development and healthy growth in the long run.

The Company believes that expected adjusted net profit for the Period disclosed in this announcement provides more useful information to Shareholders and potential investors in understanding and evaluating the operating results of the Group for the Period. For details, please refer to the announcement of the Company dated 12 August 2020.

As the Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on a preliminary assessment by the management of the Company using information currently available to the Group, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been audited nor reviewed by the independent auditor or the audit committee of the Company and may be subject to adjustment or amendment. The annual results of the Group for the year ended 31 December 2020 is expected to be published by the end of March 2021 in compliance with the Listing Rules.

The presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure stated in this announcement has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and read the annual results announcement of the Company for the Period carefully when it is published by the end of March 2021 in compliance with the Listing Rules.

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

Beijing, China, 21 January 2021

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. Ge Xuan, Mr. Zhu Lin and Mr. Ding Zhiping as Independent Non-executive Directors.