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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)

RENEWAL OF AND NEW CONTINUING CONNECTED TRANSACTIONS AND SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

The Board hereby announces that, as each of (i) the Tencent Game Cooperation Framework Agreement entered into between the Group and the Tencent Group in relation to (1) promotion and advertising services provided by the Tencent Group; (2) publishing of games on Tencent platforms; (3) exclusive publishing and operation of the Group's games by the Tencent Group; (ii) the Cloud Services Agreement entered into between the Tianjin Loong and Tencent Cloud in relation to cloud services provided by the Tencent Cloud; and (iii) the Perfect World Game Cooperation Framework Agreement entered into between the Group and the Perfect World Group in relation to (1) certain game(s) cooperation in the development and operation with Perfect World Group; and (2) graphic design services provided by the Perfect World Group will expire on 31 December 2022, the parties renewed such agreements on 4 November 2022, each for a term of three years from 1 January 2023 to 31 December 2025, and set the annual caps for the aforesaid transactions contemplated under each of the CCT Framework Agreements for the three years ending 31 December 2025.

NEW CONTINUING CONNECTED TRANSACTIONS

Pursuant to the renewed Tencent Game Cooperation Framework Agreement entered into between the Group and the Tencent Group, the Tencent Group shall (i) license certain IP rights to the Group to adapt and develop such IP to games and use the related contents for advertising, promotion and operation of such games; and (ii) license the Group to advertise, promote and operate games developed by the Tencent Group or of which the Tencent Group owns the IP rights in designated regions for the three years ending 31 December 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Tencent and Perfect World is a substantial shareholder of the Company holding approximately 17.09% and 16.46% of the total issued shares of the Company respectively through their wholly-owned subsidiaries and Tencent Cloud is a wholly-owned subsidiary of Tencent. Therefore, each of the Tencent Group, Tencent Cloud and the Perfect World Group is a connected person of the Company, and the renewed Tencent Game Cooperation Framework Agreement, the renewed Cloud Services Agreement and the renewed Perfect World Game Cooperation Framework Agreement, and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to exclusive publishing and operation of the Group's games by the Tencent Group exceeds 5%, such transaction contemplated thereunder is subject to circular and independent shareholders' approval requirement in addition to reporting, annual review and announcements under Chapter 14A of the Listing Rules.

Save as disclosed above, as each of the highest applicable percentage ratios in respect of other transactions contemplated under the CCT Framework Agreements exceeds 0.1% but is less than 5%, the other transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but are exempt from the requirement of circular and independent shareholders' approval under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting of the Company will be convened to seek the approval of the transaction contemplated under the renewed Tencent Game Cooperation Framework Agreement and the proposed annual caps for 2023, 2024 and 2025 in relation to exclusive publishing and operation of the Group's games by the Tencent Group by the Independent Shareholders. Tencent and its associates will abstain from voting in respect of the relevant resolutions at the extraordinary general meeting.

An Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in relation to the renewed Tencent Game Cooperation Framework Agreement for the transaction contemplated thereunder in relation to exclusive publishing and operation of the Group's games by the Tencent Group (including the proposed annual caps), and Somerley Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, details of the renewed Tencent Game Cooperation Framework Agreement for the transactions contemplated thereunder in relation to exclusive publishing and operation of the Group's games by the Tencent Group (including the proposed annual caps), a letter from the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders, together with a notice convening the extraordinary general meeting of the Company, will be despatched to the Shareholders within 15 business days upon the publication of this announcement.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to (i) the "Connected Transactions" section in the prospectus of the Company dated 30 June 2020; and (ii) the announcement of the Company dated 28 August 2020 in relation to revision of annual caps for the continuing connected transactions contemplated under the Perfect World Game Cooperation Framework Agreement.

The Board hereby announces that, as each of (i) the Tencent Game Cooperation Framework Agreement entered into between the Group and the Tencent Group in relation to (1) promotion and advertising services provided by the Tencent Group; (2) publishing of games on Tencent platforms; (3) exclusive publishing and operation of the Group's games by the Tencent Group; (ii) the Cloud Services Agreement entered into between the Tianjin Loong and Tencent Cloud in relation to cloud services provided by the Tencent Cloud; and (iii) the Perfect World Game Cooperation Framework Agreement entered into between the Group and the Perfect World Group in relation to (1) certain game(s) cooperation in the development and operation with Perfect World Group; and (2) graphic design services provided by the Perfect World Group will expire on 31 December 2022, the parties renewed such agreements on 4 November 2022, each for a term of three years from 1 January 2023 to 31 December 2025, and set the annual caps for the aforesaid transactions contemplated under each of the CCT Framework Agreements for the three years ending 31 December 2025.

(A) Tencent Game Cooperation Framework Agreement

Renewal date: 4 November 2022

Parties: (i) the Company (for itself and on behalf of the Group)

(ii) Tencent Computer (for itself and on behalf of the Tencent Group)

Term of the agreement: Subject to the approval by the Independent Shareholders, the renewed Tencent Game Cooperation Framework Agreement is for a term of three years from 1 January 2023 to 31 December 2025

1. Tencent Promotion and Advertising Services

Subject matter: Pursuant to the renewed Tencent Game Cooperation Framework Agreement, the Tencent Group shall provide promotion and advertising services, including but not limited to user traffic acquisition, marketing, promotion and advertising which may be digital advertising on social media platforms operated by the Tencent Group, such as QQ, QZone, and Weixin; or out-of-home advertising, such as on transportation media, and the Group agreed to pay service fees to the Tencent Group.

Fee arrangement and settlement: The services fees to be incurred by the Group to the Tencent Group may be calculated based on CPC, CPT or CPM, which shall be agreed in separate underlying orders.

Pricing policy: The service fees to be incurred by the Group to the Tencent Group shall be determined after arm's length negotiation between the parties with reference with the prevailing market rate for similar promotion and advertising activities and campaigns. Based on the fee quotes provided by other independent third-party service providers, the Company will be able to ensure that the fees to be incurred by the Group represents the prevailing market rate and on normal commercial terms that are no less favorable to the Group.

Annual Caps

Historical Transaction Amount

There is no historical transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to game-related promotion and advertising services.

Historical Annual Caps

The annual caps for the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to game-related promotion and advertising services for the three years ending 31 December 2022 are below HK\$3,000,000.

For the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to game-related promotion and advertising services has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to game-related promotion and advertising services for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	15.00	5.00	2.00

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the Group's expected investment in marketing and advertising activities to expand the game player base; and
- (ii) the Group's expected game pipeline in the coming years and thus the projected demand for marketing and promotion campaigns on Tencent platforms.

Reasons for and benefits of the transaction

The Group typically engage promotion and advertising services at the early growth stage of a game, where the Group organises comprehensive marketing and promotion campaigns to increase the exposure of such game and to attract new game players right after its launch. Tencent is one of the top advertising platforms in the PRC. Taking into account the wide spectrum of platforms operated by the Tencent Group, the Company believes that obtaining such services from the Tencent Group will be able to enhance the marketing exposure of the Group's games extensively.

2. *Publishing of Games on Tencent Platforms*

Subject matter:	Pursuant to the renewed Tencent Game Cooperation Framework Agreement, the Group shall engage the Tencent Group as a distribution channel, such that the Group's games are published on platforms operated by the Tencent Group, such as Tencent MyApp (騰訊應用寶). The Group has the right to determine the pricing of the virtual items in the games it publishes.
Fee arrangement and settlement:	The expenses of the Group arising out of the games as the game developer and publisher shall be calculated based on monthly commissions at a fixed proportion, which shall be agreed in separate underlying agreements.
Pricing policy:	The commissions to be incurred by the Group to the Tencent Group in relation to the publishing of games on Tencent platforms shall be determined after arm's length negotiation between the parties with reference to (i) the prevailing market rate; and (ii) the standard commission rates of the Tencent Group for game publishers, including the Group. Based on the fee quotes provided by other independent third-party game publishers, the Company will be able to ensure that the commissions to be incurred by the Group to the Tencent Group represents the prevailing market rate and on normal commercial terms that are no less favorable to the Group.

Annual Caps

Historical Transaction Amount

Historical transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the publishing of the Group's games on various platforms operated by the Tencent Group as distribution channels for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 is set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Nine months ended 30 September 2022 <i>(RMB million)</i>
Historical transaction amount	0.73	0.26	0.10

Historical Annual Caps

The annual caps for the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the publishing of the Group's games on various platforms operated by the Tencent Group as distribution channels for the three years ending 31 December 2022 are set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Year ending 31 December 2022 <i>(RMB million)</i>
Historical annual caps	1.90	0.90	0.40

The Directors have been monitoring the transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the publishing of the Group's games on various platforms operated by the Tencent Group as distribution channels, and for the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the publishing of the Group's games on various platforms operated by the Tencent Group as distribution channels has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to the publishing of the Group's games on various platforms operated by the Tencent Group as distribution channels for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	27.23	22.73	18.09

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the anticipated gross billing of the existing transactions given the popularity and life cycles of the games; and
- (ii) the projected gross billings of new transactions given the expected game pipeline.

Reasons for and benefits of the transaction

Where the Group publish its own games, the Group typically engages different distribution channels to achieve a better market penetration in the publishing process, enabling the Group's games to reach the paying players. Tencent MyApp (騰訊應用寶) is one of the largest first-tier game distribution channels in China. As Tencent MyApp (騰訊應用寶) is a leading market player in this regard, the Group can take advantage of Tencent's extensive reach to android users in the PRC and game player base via its Tencent MyApp (騰訊應用寶), so as to reach out to and attract an enormous number of paying players, thereby enhancing the monetization capabilities of the Group's games.

3. *Exclusive Publishing and Operation of Games*

Subject matter: Pursuant to the renewed Tencent Game Cooperation Framework Agreement, the Group shall engage the Tencent Group to publish, operate and promote certain games self-developed by the Group in designated regions. The Tencent Group shall have the exclusive rights to publish and operate the Group's games in designated regions. The Group agreed to participate in certain aspects of the operation of the games licensed to the exclusive publishing and operation of the Tencent Group, which includes external maintenance, customer service (such as, attending to game enquiries, in-game speech and image reviews), production of graphics, theme songs and advertising images, operation of the users' community, marketing and public relations.

Fee arrangement and settlement: The fees incurred by the Tencent Group for the exclusive publishing and operation of games shall be calculated by the following basis:

- fixed licensing fees;
- revenue/profit sharing;
- prepaid revenue/profit sharing between the parties; and/or
- game performance bonus.

Pricing policy: The pricing of the transactions will be determined with reference to (i) the test results of the Group's games based on Tencent's internal evaluation system with regards to the nature, quality and the expected popularity in the market; (ii) potential user traffic and gross billings arising from the platforms operated by the Tencent Group; and (iii) the fee arrangements at the prevailing terms in the market. Based on the fee quotes provided by other independent third-party service providers, the Company will be able to ensure that the fees and revenue to be incurred by the Tencent Group to the Group represent the prevailing market price and on normal commercial terms that are no less favorable to the Group.

The fee arrangements of such transactions may consist of any of the following: (i) fixed licensing fees that may be paid by separate instalments that are hedged against the progression of the commercial operation of the game; (ii) revenue sharing at a fixed proportion; and (iii) initial prepaid fees that shall be deductible for the subsequent revenue sharing.

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the exclusive publishing and operation of the Group's games by the Tencent Group for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 is set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Nine months ended 30 September 2022 <i>(RMB million)</i>
Historical transaction amount	490.00	397.79	138.13

Historical Annual Caps

The annual caps for the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the exclusive publishing and operation of the Group's games by the Tencent Group for the three years ending 31 December 2022 are set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Year ending 31 December 2022 <i>(RMB million)</i>
Historical annual caps	967.00	1,356.50	1,617.90

The Directors have been monitoring the transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the exclusive publishing and operation of the Group's games by the Tencent Group, and for the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Tencent Game Cooperation Framework Agreement in relation to the exclusive publishing and operation of the Group's games by the Tencent Group has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to the exclusive publishing and operation of the Group's games by the Tencent Group for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	814.21	494.09	308.68

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the anticipated gross billings of the existing games in operation given the popularity and life cycles of such games that have been signed with the Tencent Group; and
- (ii) the anticipated gross billings of the new games, including a game adapted from a globally well-known IP, based on (a) the evaluation in relation to the respective projected performance in gross billings of the games; and (b) an expected growth in the aggregate gross billings of games operated and published by the Tencent Group, given the assumed growth in the Group's business and operational capacity.

Reasons for and benefits of the transaction

Publishing the Group's games in cooperation with third-party game publishers is the Group's main means of game publishing, and the Group has the commercial liberty to engage third-party publishers to maximise the Group's earnings from each game that the Group self-developed. As Tencent is a leading mobile game publisher in the PRC that operates a game platform to a large number of high-paying game players, the collaborations allow the Group to leverage on the current market information provided by Tencent and adapt the Group's games to the prevailing preference of the market. As a result, the Group have been able to enhance the popularity and the commercial potential of the games.

Games that are published and operated by the Tencent Group typically demonstrate Tencent's strong confidence and endorsement of the games. The Group generally enters into such agreements with game publishers, including the Tencent Group at an early stage of game development process in order to optimize marketing effectiveness of the Group's games. As a result, it is expected that the Group's games will be better received by players from such collaboration with the Tencent Group, which facilitates word-of-mouth marketing. As at the date of this announcement, the Group had collaborated with the Tencent Group to publish a wide range of games, most of which had achieved widespread acceptance among game players in the PRC and overseas.

(B) Cloud Services Agreement

Renewal date: 4 November 2022

Parties: (i) Tianjin Loong (for itself and on behalf of the Group)
(ii) Tencent Cloud

Term of the agreement: The renewed Cloud Services Agreement is for a term of three years from 1 January 2023 to 31 December 2025

4. Cloud Services of Tencent

Subject matter: Pursuant to the renewed Cloud Services Agreement, Tencent Cloud shall provide cloud services to the Group in the PRC and the Group shall pay fees for such services provided by Tencent Cloud. The provision of services include (i) cloud services ranging from cloud computing, data storage and CDN (Content Delivery Network) services, cloud security services, domain name services, mobility and communications services, video services and artificial intelligence products and/or services; and (ii) 24-hour/7 days per week after-sales services as well as assistance in addressing issues encountered during the use of Tencent Cloud services by the Group. The precise scope shall be agreed in separate underlying orders to be placed by the Group depending on the Group's business needs through the online platform of Tencent Cloud.

Fee arrangement and settlement: Service fees may be in the form of monthly or annual fixed fees or calculated by traffic volume; and method of payment may be pre-payment or invoicing, which shall be agreed in separate underlying orders. Volume discount on a progressive basis has been agreed between Tencent Cloud and the Group.

Pricing policy: Before entering into any separate underlying orders under the renewed Cloud Services Agreement, the Group will assess its needs, evaluate the quality of cloud services of different service providers and compare the rates of services fees proposed by Tencent Cloud with the rates offered by other independent competent service providers. Based on the fee quotes provided by other independent third-party service providers, the Company will be able to ensure that the services fees to be incurred by the Group to Tencent Cloud represents the prevailing market price and on normal commercial terms that are no less favorable to the Group. Based on this agreement, the Group has enjoyed and will continue to enjoy a volume discount for the cloud services that are engaged in a calendar month on a progressive basis. The Group will only place an underlying order with Tencent Cloud when such order is in the best interests of the Company and Shareholders as a whole.

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Cloud Services Agreement in relation to the cloud services for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 is set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Nine months ended 30 September 2022 <i>(RMB million)</i>
Historical transaction amount	3.31	3.01	2.85

Historical Annual Caps

The annual caps for the transactions contemplated under the Cloud Services Agreement in relation to the cloud services for the three years ending 31 December 2022 are set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Year ending 31 December 2022 <i>(RMB million)</i>
Historical annual caps	4.30	4.40	4.80

The Directors have been monitoring the transaction amount of the transactions contemplated under the Cloud Services Agreement in relation to the cloud services, and for the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Cloud Services Agreement in relation to the cloud services has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Cloud Services Agreement in relation to the cloud services for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	33.43	34.21	34.55

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the anticipated procurement needs for cloud services given the assumed growth in the Group's business and operational capacity; and
- (ii) the usage allocated to Tencent Cloud among the Group's cloud services suppliers.

Reasons for and benefits of the transaction

The Group has migrated part of the servers and computing infrastructure to the Group's suppliers of cloud services since 2015 and became one of the few game publishers in the PRC integrating cloud technology into proprietary cloud-based server architecture. Through such cloud-based infrastructure, the Group can utilize diversified resources of the Group's suppliers of cloud services, including Tencent Cloud for games the Group published through the Group's distribution channels which offers unparalleled data storage reliability and stability in China. Leveraging on cloud services, part of the Group's servers have become cloud-based, allowing a high degree of flexibility in managing the number of the Group's servers on an as needed basis, which has largely saved the Group's game infrastructure costs. In addition, the Group has substantial flexibility in game operating capacities by scaling up or down the number of the Group's servers effortlessly through cloud, as well as reliable data storage through establishing three sets of data backups, and enhanced batch processing capabilities in computing large amounts of user data at one time.

Tencent Cloud is a leading integrated service provider for a wide range of cloud services in the PRC and is able to provide reliable and cost-efficient services. Taking into account the wide spectrum of cloud services required for the Group's operations, the Company believes that procuring such services from Tencent Cloud among the Group's other suppliers of cloud services will be able to diversify the Group's supplier base of cloud services.

(C) Perfect World Game Cooperation Framework Agreement

Renewal date: 4 November 2022

Parties: (i) the Company (for itself and on behalf of the Group)

(ii) Perfect World Games (for itself and on behalf of the Perfect World Group)

Term of the agreement: The renewed Perfect World Game Cooperation Framework Agreement is for a term of three years from 1 January 2023 to 31 December 2025

5. Game Cooperation with Perfect World Group

Subject matter: Pursuant to the renewed Perfect World Game Cooperation Framework Agreement, the Perfect World Group shall license certain IP rights on a non-exclusive basis to the Group to adapt and develop such IP to mobile or PC version of games, grant publishing rights of such games to the Group on an exclusive basis, and cooperate in the operation of such games.

Fee arrangement and settlement: The fees payable by the Group for the cooperation in the development and operation of game(s) shall be calculated by the following basis:

- fixed licensing fees;
- revenue/profit sharing between the parties;
- prepaid royalty between the parties; and/or
- game performance bonus.

Pricing policy: The licensing fees and/or revenue sharing to be incurred by the Group to the Perfect World Group shall be determined upon arm's length negotiation between the parties with reference to (i) the quality and popularity of the original IP; (ii) the prevailing fee structure and pricing terms of comparable IPs in the market; and (iii) the potential revenue and profitability from the game. Based on the historical licensing fees paid for original IPs from independent licensors and the fee quotes provided by other independent licensors of similar IPs, the Company will be able to ensure that the fees to be incurred to the Perfect World Group by the Group represents the prevailing market price and on normal commercial terms that are no less favorable to the Group.

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to game cooperation for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 is set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Nine months ended 30 September 2022 <i>(RMB million)</i>
Historical transaction amount	15.31	9.26	5.08

Historical Annual Caps

The annual caps for the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to game cooperation for the three years ending 31 December 2022 are set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Year ending 31 December 2022 <i>(RMB million)</i>
Historical annual caps	17.70	10.00	7.20

The Directors have been monitoring the transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to game cooperation, and for the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to game cooperation has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Perfect World Game Cooperation Framework Agreement in relation to game cooperation for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	6.58	6.10	5.47

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the anticipated gross billing of the cooperative games given their popularity in different stages; and
- (ii) the trend of the anticipated gross billing of the cooperative games, which is in line with the normal game life cycles.

Reasons for and benefits of the transaction

The Perfect World Group owns certain exclusive IP rights which are suitable to be adapted into mobile or PC games and has a proven track record of producing top turn-based game with a loyal following of game players in the PRC. It was expected that and the Group could leverage on each other's competitive advantages in game development.

6. *Perfect World Graphic Design Services*

Subject matter: Pursuant to the renewed Perfect World Game Cooperation Framework Agreement, the Perfect World Group shall provide graphic design services to the Group in return for service fees.

Fee arrangement and settlement: The fees payable by the Group for the graphic design services of the Group's game(s) shall be calculated by the following basis:

- hourly rate; and
- quotation by items.

Pricing policy: The service fees to be incurred by the Group to the Perfect World Group shall be determined after arm's length negotiation between the parties with reference to (i) the complexity of the design requirements; and (ii) the prevailing fee structure and pricing terms for similar services in the market. Based on fee quotes provided by other independent third-party service providers, the Company will be able to ensure that the fees to be incurred to the Perfect World Group by the Group represents the prevailing market price and on normal commercial terms that are no less favorable to the Group.

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to graphic design services for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 is set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Nine months ended 30 September 2022 <i>(RMB million)</i>
Historical transaction amount	10.57	14.03	–

Historical Annual Caps

The annual caps for the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to graphic design services for the three years ending 31 December 2022 are set out below:

	Year ended 31 December 2020 <i>(RMB million)</i>	Year ended 31 December 2021 <i>(RMB million)</i>	Year ending 31 December 2022 <i>(RMB million)</i>
Historical annual caps	19.40	15.80	14.20

The Directors have been monitoring the transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to graphic design services, and for the two years ended 31 December 2021, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2022, the annual cap for the transaction amount of the transactions contemplated under the Perfect World Game Cooperation Framework Agreement in relation to graphic design services has not been and is not expected to be exceeded.

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the renewed Perfect World Game Cooperation Framework Agreement in relation to graphic design services for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	3.02	2.80	2.46

The above proposed annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- (i) the scale of graphic design work the Group is nurturing together with the Perfect World Group; and
- (ii) the number of graphic design work that may have adaptation potentials.

Reasons for and benefits of the transaction

The Group outsources certain labor-intensive production and processing tasks, such as graphic, animation and motion design, to third-party studios during game development process. The Perfect World Group has a specialized and stable team in design and graphic production, which can complement the Group's in-house graphic design team in managing mass production work for the Group's games. The Company believes that obtaining such services from the Perfect World Group will enhance the Group's production efficiency and manage the production cost in game development process.

NEW CONTINUING CONNECTED TRANSACTIONS

Reference is made to (i) the announcement of the Company dated 20 June 2022 in relation to entering into the Licensing Agreement; and (ii) the announcement of the Company dated 26 August 2022 in relation to entering into the Exclusive Agency and Operation Agreement.

In view of the expected future cooperation opportunities with the Tencent Group, pursuant to the renewed Tencent Game Cooperation Framework Agreement entered into between the Group and the Tencent Group as disclosed above, the Tencent Group will (i) license certain IP rights to the Group to adapt and develop such IP to games and use the related contents for advertising, promotion and operation of such games; and (ii) license the Group to advertise, promote and operate games developed by the Tencent Group or of which the Tencent Group owns the IP rights in designated regions for the three years ending 31 December 2025.

7. *IP Right Licensing*

Subject matter:	Pursuant to the renewed Tencent Game Cooperation Framework Agreement, the Tencent Group shall license certain IP rights to the Group to adapt and develop such IP to games and use the related contents for advertising, promotion and operation of such games.
Fee arrangement and settlement:	<p>The fees payable by the Group to the Tencent Group for the licensing of certain IP rights shall comprise the following:</p> <ul style="list-style-type: none">• fixed licensing fees; and• revenue sharing between the parties.
Pricing policy:	<p>The licensing fees and/or revenue sharing to be incurred by the Group to the Tencent Group shall be determined upon arm's length negotiation between the parties with reference to (i) the quality and popularity of the original IP(s); (ii) the prevailing fee structure and pricing terms of comparable IPs in the market; and (iii) the potential revenue and profitability from the game. Based on the historical licensing fees paid for original IPs from independent third-party licensors and the fee quotes provided by other independent third-party licensors of similar IPs, the Company will be able to ensure that the fees to be incurred to the Tencent Group by the Group represents the prevailing market price and on normal commercial terms that are no less favorable to the Group.</p>

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Licensing Agreement in relation to IP right licensing for the period from the date of Licensing Agreement to 30 September 2022 was RMB11.79 million.

Proposed Annual Caps

The aggregate annual caps of the annual caps previously proposed for the Licensing Agreement and the proposed annual caps for the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to IP right licensing for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	8.62	39.74	42.96

The above proposed annual caps were determined after taking into consideration the following factors:

- (i) the payment terms of the fee payable under the renewed Tencent Game Cooperation Framework Agreement in relation to IP right licensing, including fixed licensing fee and the revenue sharing;
- (ii) the annual caps previously proposed for the Licensing Agreement;
- (iii) the projected demand for the games considering the quality and popularity of the original IP(s); and
- (iv) the revenue sharing arrangement and prevailing licensing fees payable by the Group to the independent third parties in respect of licensing for similar and comparable IP rights in the market.

Reasons for and benefits of the transaction

The Tencent Group owns certain IP rights which are suitable to be adapted into mobile or PC games. The animations and videos related to these IPs will be published on Tencent platforms from time to time to attract more potential players and thus drive traffic to the relevant games. It is expected that Tencent Group and the Group could leverage on each other's competitive advantages in game development.

8. *Agency and Operation of Games*

Subject matter:	Pursuant to the renewed Tencent Game Cooperation Framework Agreement, the Tencent Group shall license the Group to advertise, promote and operate games developed by the Tencent Group or of which the Tencent Group owns the IP rights in designated regions.
Fee arrangement and settlement:	<p>The fees payable by the Group for agency and operation of games to the Tencent Group shall comprise the following:</p> <ul style="list-style-type: none">• fixed licensing fees; and• revenue sharing between the parties.
Pricing policy:	The licensing fees and/or revenue sharing to be incurred by the Group to the Tencent Group shall be determined upon arm's length negotiation between the parties with reference to (i) the nature, quality and the expected popularity of the game(s) in the market; (ii) potential user traffic and gross billings arising from the platforms operated by the Group; and (iii) the fee arrangements at the prevailing terms in the market. Based on the fee arrangements with other independent third-party licensors, the Company will be able to ensure that the fees to be incurred to the Tencent Group by the Group represents the prevailing market price and on normal commercial terms that are no less favorable to the Group.

Annual Caps

Historical Transaction Amounts

Historical transaction amount of the transactions contemplated under the Exclusive Agency and Operation Agreement in relation to agency and operation of a mobile game for the period from the date of the Exclusive Agency and Operation Agreement to 30 September 2022 was RMB0.05 million.

Proposed Annual Caps

The aggregate annual caps of the annual caps previously proposed for the Exclusive Agency and Operation Agreement and the proposed annual caps for the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to agency and operation of games for the three years ending 31 December 2025 are set below:

	Year ending 31 December 2023 <i>(RMB million)</i>	Year ending 31 December 2024 <i>(RMB million)</i>	Year ending 31 December 2025 <i>(RMB million)</i>
Proposed annual caps	37.90	32.99	20.96

The above proposed annual caps were determined after taking into consideration the following factors:

- (i) the payment terms of the fee payable under the renewed Tencent Game Cooperation Framework Agreement in relation to agency and operation of games, including fixed licensing fee and the revenue sharing;
- (ii) the annual caps previously proposed for the Exclusive Agency and Operation Agreement;
- (iii) the projected demand for the games considering the quality and popularity of the games; and
- (iv) the revenue sharing arrangement and prevailing licensing fees payable by the Group to the independent third parties in respect of agency and operation agreement for similar and comparable games in the market.

Reasons for and benefits of the transaction

As a pioneer in China's mobile game industry focusing on developing mobile MMORPGs, SLGs, female-oriented games and other genres, the Group has also been making progress in game publishing and operation with remarkable results. The Directors consider that cooperation with Tencent on the operation of games would be an important impetus for the Group to deepen its expansion into PRC and overseas markets. The Directors also believe that engaging in the operation of games will further consolidate and strengthen the Group's advantages in game publishing and operation field.

INTERNAL CONTROL MEASURES

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

- (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 CCT Framework Agreements. 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 contemplated under the CCT Framework Agreements 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 CCT Framework Agreements 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 CCT Framework Agreements.

INFORMATION ON THE PARTIES

The Group and Tianjin Loong

The Group is a pioneer in China's mobile game industry with more than twenty years of research and development experience focusing on developing high-quality mobile MMORPGs, SLGs, and other genres. Tianjin Loong is a consolidated affiliated entity of the Company and is primarily engaged in mobile game operation.

The Tencent Group

The Tencent Group principally provides value-added services, online advertising and FinTech and business services to users.

Tencent Cloud

Tencent Cloud is a wholly-owned subsidiary of Tencent and principally provides cloud services in the PRC.

The Perfect World Group

The Perfect World Group is principally engaged in game development and publishing, and film production.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Tencent and Perfect World is a substantial shareholder of the Company holding approximately 17.09% and 16.46% of the total issued shares of the Company respectively through their wholly-owned subsidiaries and Tencent Cloud is a wholly-owned subsidiary of Tencent. Therefore, each of the Tencent Group, Tencent Cloud and the Perfect World Group is a connected person of the Company, and the renewed Tencent Game Cooperation Framework Agreement, the renewed Cloud Services Agreement and the renewed Perfect World Game Cooperation Framework Agreement, and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the renewed Tencent Game Cooperation Framework Agreement in relation to exclusive publishing and operation of the Group's games by the Tencent Group exceeds 5%, such transaction contemplated thereunder is subject to circular and independent shareholders' approval requirement in addition to reporting, annual review and announcements under Chapter 14A of the Listing Rules.

Save as disclosed above, as each of the highest applicable percentage ratios in respect of other transactions contemplated under the CCT Framework Agreements exceeds 0.1% but is less than 5%, the other transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but are exempt from the requirement of circular and independent shareholders' approval under Chapter 14A of the Listing Rules.

Ms. Liu Ming, a non-executive Director, is an employee of the Tencent Group and therefore has abstained from voting on the relevant Board resolutions approving the renewed Tencent Game Cooperation Framework Agreement and the renewed Cloud Services Agreement. Mr. Lu Xiaoyin, a non-executive Director, is an employee of the Perfect World Group and therefore has abstained from voting on the relevant Board resolutions approving the renewed Perfect World Game Cooperation Framework Agreement. Save as disclosed above, none of the other Directors has or is considered to have material interests in the transactions contemplated under the CCT Framework Agreement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the CCT Framework Agreements were determined after arm's length negotiation and are fair and reasonable, and the transactions contemplated thereunder (including the proposed annual caps within the term of the CCT Framework Agreements) are conducted in the ordinary and usual business of the Group, are on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting of the Company will be convened to seek the approval of the transaction contemplated under the renewed Tencent Game Cooperation Framework Agreement and the proposed annual caps for 2023, 2024 and 2025 in relation to exclusive publishing and operation of the Group's games by the Tencent Group by the Independent Shareholders. Tencent and its associates will abstain from voting in respect of the relevant resolutions at the extraordinary general meeting.

An Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in relation to the renewed Tencent Game Cooperation Framework Agreement for the transaction contemplated thereunder in relation to exclusive publishing and operation of the Group's games by the Tencent Group (including the proposed annual caps), and Somerley Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, details of the renewed Tencent Game Cooperation Framework Agreement for the transactions contemplated thereunder in relation to exclusive publishing and operation of the Group's games by the Tencent Group (including the proposed annual caps), a letter from the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders, together with a notice convening the extraordinary general meeting of the Company, will be despatched to the Shareholders within 15 business days upon the publication of this announcement.

SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the annual report of the Company for the year ended 31 December 2021 (“**2021 Annual Report**”). In addition to the information disclosed in the section headed “Connected Transaction” in the 2021 Annual Report, the Company would like to supplement the following information pursuant to Rule 14A.71 of the Listing Rules in relation to the continuing connected transactions conducted during the year ended 31 December 2021.

Transaction	Agreement	Date
Publishing of Games on Tencent Platforms Exclusive Publishing and Operation of Games	Tencent Game Cooperation Framework Agreement	22 June 2020
Cloud Services of Tencent	Cloud Services Agreement	30 March 2016 (as supplemented by two supplemental agreements on 13 June 2016 and on 1 January 2020 respectively)
Game Cooperation with Perfect World Group Perfect World Graphic Design Services	Perfect World Game Cooperation Framework Agreement	10 June 2020

The supplemental information provided in this announcement do not affect other information contained in the 2021 Annual Report and, save as disclosed above and in the announcement of the Company dated 4 November 2022 in relation to, inter alia, proposed adoption of restricted share unit scheme of the Company and proposed amendments to the share option scheme of the Company, the contents of the 2021 Annual Report remain unchanged.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CCT Framework Agreements”	the renewed Tencent Game Cooperation Framework Agreement, the renewed Cloud Services Agreement, and the renewed Perfect World Game Cooperation Framework Agreement
“China” or “PRC”	the People’s Republic of China
“Cloud Services Agreement”	a cloud services agreement entered into between Tianjin Loong and Tencent Cloud on 30 March 2016 (as supplemented by three supplemental agreements on 13 June 2016, 1 January 2020 and 4 November 2022 respectively)

“Company”	Archosaur Games Inc. 祖龙娱乐有限公司, an exempted company incorporated under the laws of the Cayman Islands with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 9990)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“CPC”	cost per click, a pricing model where advertising is paid on the basis of each click of the advertisement
“CPM”	cost per mille, a pricing model where advertising is paid on the basis of thousand impressions
“CPT”	cost per time, a pricing model where advertising is paid on the basis of a fixed period of time
“Director(s)”	the director(s) of the Company
“Exclusive Agency and Operation Agreement”	the exclusive agency and operation agreement dated 26 August 2022 entered into between the Group and the Tencent Group with respect to, among others, the grant of an exclusive and non-transferable right to advertise, promote and operate a mobile game in South Korea to the Agents by the Tencent Group to the Group
“Group”	the Company and all of its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of the Company by virtue of certain contractual arrangements, or, where the context so requires, in respect of the period before the Company became the holding company of our current subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors, namely Mr. Bai Kun, Mr. Zhu Lin and Mr. Ding Zhiping, which was established to advise the Independent Shareholders in relation to the renewed Tencent Game Cooperation Framework Agreement, as well as the proposed annual caps for the continuing connected transactions contemplated thereunder in relation to exclusive publishing and operation of the Group’s games

“Independent Financial Adviser” or “Somerville Capital”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the renewed Tencent Game Cooperation Framework Agreement for the transaction contemplated thereunder in relation to exclusive publishing and operation of the Group’s games by the Tencent Group (including the proposed annual caps)
“Independent Shareholders”	Shareholders other than Tencent and its associates
“IP”	intellectual property
“Licensing Agreement”	the licensing agreement dated 18 June 2022 entered into between the Group and the Tencent Group with respect to, among others, the grant of an exclusive and non-transferable right to adapt and develop an online based on the literary work Dragon Raja (龍族) series in the form of novel by the Tencent Group to the Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“MMORPG”	massively multiplayer online role-playing game, a genre of games that combine role-playing games and massively multiplayer online games in which a large number of players interact with one another within a virtual world
“Perfect World”	Perfect World Co., Ltd.* (完美世界股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002624)
“Perfect World Game Cooperation Framework Agreement”	a game cooperation framework agreement entered into between the Group and the Perfect World Group on 10 June 2020 and renewed on 4 November 2022
“Perfect World Games”	Perfect World Games Co., Ltd.* (完美世界遊戲有限責任公司), a company established under the laws of the PRC with limited liability on 14 November 2008
“Perfect World Group”	Perfect World and/or its respective affiliate(s) and/or subsidiaries
“RMB”	Renminbi, legal currency of the PRC
“Shareholders”	holder(s) of share(s) of the Company
“SLG”	simulation games, a genre of games that attempt to emulate various activities from real life in the game format

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tencent”	Tencent Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700)
“Tencent Cloud”	Tencent Cloud Computing (Beijing) Company Limited* (騰訊雲計算(北京)有限責任公司), a company established in the PRC and a wholly-owned subsidiary of Tencent
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a company established in the PRC and a wholly-owned subsidiary of Tencent
“Tencent Game Cooperation Framework Agreement”	a game cooperation framework agreement entered into between the Group and the Tencent Group on 22 June 2020 and renewed by the parties on 4 November 2022, which is still subject to the approval by the Independent Shareholders
“Tencent Group”	Tencent and/or its subsidiaries from time to time
“Tianjin Loong”	Tianjin Loong Technology Co., Ltd.* (祖龍(天津)科技股份有限公司), a company established under the laws of the PRC with limited liability on 15 April 2015, and by virtue of some contractual arrangements, accounted for as a subsidiary of the Company
“%”	per cent

* For identification purpose only

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

Beijing, China, 4 November 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.