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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE RENEWAL OF THE PROPERTY LEASE AGREEMENT

RENEWAL OF THE PROPERTY LEASE AGREEMENT

The Board announces that on 14 August 2025, Tianjin Loong (as the lessee), a subsidiary of the Company, and Beijing Hangxing (as the lessor) entered into the Property Lease Agreement to renew the property lease under the Previous Property Lease Agreement. Pursuant to the Property Lease Agreement, the Property will be used by the Group for office purposes with a term of five years from 15 August 2025 to 14 August 2030.

LISTING RULES IMPLICATIONS

Pursuant to IFRS Accounting Standards 16 "Leases", the Group recognises the right to use the leased Property as a right-of-use asset. Pursuant to the definition of transaction under Rule 14.04(1)(a) of the Listing Rules, the transaction contemplated under the Property Lease Agreement is regarded as an acquisition of assets.

As the highest applicable percentage ratio in respect of the value of the right-of-use asset relating to the lease of the Property under the Property Lease Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Property Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

I. BACKGROUND

The Board announces that on 14 August 2025, Tianjin Loong (as the lessee), a subsidiary of the Company, and Beijing Hangxing (as the lessor) entered into the Property Lease Agreement to renew the property lease under the Previous Property Lease Agreement. Pursuant to the Property Lease Agreement, the Property will be used by the Group for office purposes with a term of five years from 15 August 2025 to 14 August 2030.

II. PRINCIPAL TERMS OF THE PROPERTY LEASE AGREEMENT

Date:	14 August 2025
Parties:	(i) Beijing Hangxing (as the lessor), an Independent Third Party (ii) Tianjin Loong (as the lessee), a subsidiary of the Company
Property:	The Property is located on 4th Floor of Building No. 8, 5th Floor West of Building No. 8 and 7th Floor of Building No. 8, Hangxing Science and Technology Park, No. 11 Hepingli East Street, Dongcheng District, Beijing.
Term:	For a term of five years from 15 August 2025 to 14 August 2030.
Purpose:	For office purposes of the Group.
Rent and its increment:	The annual rent from the first lease year is RMB31,013,401.76 (inclusive of tax). The rent will increase by 3% starting from the fourth lease year, with only one-time increment during the lease term. The annual rent from the fourth lease year is RMB31,943,803.80 (inclusive of tax). *Note: the current tax rate is 5% and is implemented according to the government-stipulated value-added tax ("VAT") rate, and the tax rate may be re-determined in accordance with changes in the national VAT rate, while the total annual rent remains unchanged.* The rental payments will be financed by the Group's own funds.
Payment method:	Three months' deposit and three months' rent in advance: the lessee shall pay three months' rent as deposit and three months' rent as advance rental payment in a lump sum, and subsequently pay rent once every three months. The lessee has previously paid a deposit of RMB7,529,321.38 to the lessor during the term of the Previous Property Lease Agreement. Upon mutual agreement, it is confirmed that the lessor shall retain this deposit as part of the lease deposit for this agreement, and the lessee shall make up the remaining deposit separately. The supplementary deposit shall be paid together with the first rent payment. Upon expiration of the Property Lease Agreement, if the lessee faithfully performs all terms and conditions of the agreement, and there are no outstanding fees stipulated in the Property Lease Agreement including but not limited to unpaid rent, water fees, electricity fees, etc., the lessor shall, within 30 days after the lessee returns the leased premises and the lessor confirms in writing that it is qualified, return the deposit to the lessee, without interest.

III. RIGHT-OF-USE ASSET

Pursuant to IFRS Accounting Standards 16 "Leases", the Group recognises the right to use the leased Property as a right-of-use asset. The right-of-use asset recognised under the Property Lease Agreement is initially measured at cost, and its unaudited amount is approximately RMB136.8 million, which is calculated as the present value of the lease payment to be paid under the Property Lease Agreement.

IV. REASONS FOR AND BENEFITS OF THE PROPERTY LEASE AGREEMENT

The Board is of the view that, pursuant to the Previous Property Lease Agreement, the Group has leased certain properties from Beijing Hangxing for office purposes since 2015. The entering into of the Property Lease Agreement to renew the lease of the Property will allow the Group to continue its office operations at the Property without incurring additional costs and expenses for identifying, renovating and relocating to alternative properties, thereby ensuring the continuity of the Group's operations, business and growth.

The terms of the Property Lease Agreement were determined through arm's length negotiation, and the rent was determined after taking into account the prevailing market prices of comparable properties in the vicinity of the Property and the rent under the Previous Property Lease Agreement.

Accordingly, the Directors (including the independent non-executive Directors) consider that the transaction contemplated under the Property Lease Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms arrived at after arm's length negotiation between the parties, and the terms of the transaction contemplated under the Property Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. INFORMATION ON THE PARTIES

The Group

The Group is a pioneer in China's mobile game industry with more than 20 years of research and development experience, focusing on developing high-quality mobile MMORPGs, female-oriented, strategy card games, SLGs and other genres.

Tianjin Loong

Tianjin Loong is a joint stock company established under the laws of the PRC, which is accounted for as a subsidiary of the Company by virtue of certain contractual arrangements. Tianjin Loong is principally engaged in mobile game operations.

Beijing Hangxing

Beijing Hangxing is a company with limited liability established under the laws of the PRC and is directly 100% owned by Aviation Technology Research Institute of China Aerospace Science and Industry (中國航天科工飛航技術研究院). Aviation Technology Research Institute of China Aerospace Science and Industry is one of the core scientific research and production units of China Aerospace Science and Industry Corporation Limited (中國航天科工集團有限公司), a central state-owned enterprise managed by the State-owned Assets Supervision and Administration Commission of the State Council. Beijing Hangxing is a large state-owned enterprise integrating the research and production of aerospace products, high-end equipment manufacturing, security equipment research and development, electronic information product research and development, and modern service industries.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Beijing Hangxing and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

VI. LISTING RULES IMPLICATIONS

Pursuant to IFRS Accounting Standards 16 "Leases", the Group recognises the right to use the leased Property as a right-of-use asset. Pursuant to the definition of transaction under Rule 14.04(1)(a) of the Listing Rules, the transaction contemplated under the Property Lease Agreement is regarded as an acquisition of assets.

As the highest applicable percentage ratio in respect of the value of the right-of-use asset relating to the lease of the Property under the Property Lease Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Property Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company confirms that it is required to publish announcements for all discloseable transactions of the Group under the Listing Rules as soon as practicable in order to comply with Rule 14.34 of the Listing Rules. A subsidiary of the Company entered into the Property Lease Agreement to renew the property lease under the Previous Property Lease Agreement for office purposes of the Group. Although the principal terms of the agreement had been initially agreed upon, the Company was unable to disclose this transaction in a timely manner due to the prolonged negotiations over specific terms of the agreement by both parties during its execution and the late confirmation of the finalised terms and late receipt of the signed legal documents. At the same time, based on the Company's comprehensive review and self-inspection, the Directors believe that the delay in the publication of the announcement regarding the discloseable transaction related to the Property Lease Agreement is an isolated incident. The Group has recently re-examined the transactions related to IFRS Accounting Standards 16 "Leases" and the terms of the Property Lease Agreement, and after seeking advice from the Board and professional advisors, the management immediately decided to fulfill the timely disclosure obligations for the discloseable transaction under the Property Lease Agreement. Therefore, the Company issues this announcement to inform the Shareholders as soon as reasonably practicable.

VII. REMEDIAL MEASURES

To prevent similar incidents from occurring in the future, and to promote and ensure the Company's continuous compliance with the Listing Rules, on which it has always put emphasis, the Company has adopted the following remedial measures:

(i) The Company has conducted a comprehensive review and self-inspection of the property lease agreements, including but not limited to any agreements regarding property lease that the Company has signed, renewed or terminated in recent years, as well as that the Company plans to sign, renew or terminate, and issued this announcement as soon as reasonably practicable to inform its Shareholders of the circumstances that should have been disclosed but were not disclosed in a timely manner previously;

(ii) The Company will enhance the coordination and reporting procedures for property lease agreements and notifiable transactions within the Group, shortening the time for communication with parties;

(iii) The Company will work closely with its company secretaries and professional advisors, and provide the responsible employees within the Group, the Company's senior management and the Directors with the latest guidance materials and trainings on Hong Kong securities regulations; and

(iv) The Company will, when appropriate, consult other professional advisors before entering into any potential notifiable transactions.

VIII. DEFINITIONS

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

"Beijing Hangxing"	Beijing Hangxing Machinery Manufacturing Co., Ltd. (北京航星機器製造有限公司), a company with limited liability established under the laws of the PRC, and an Independent Third Party
"Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China
"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)
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of our Company by virtue of certain contractual arrangements, or, where the context so requires, in respect of the period before our 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"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party"	any person or company and their respective ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MMORPG"	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
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"Previous Property Lease Agreement"	certain property lease agreements entered into between the Group (as the lessee) and Beijing Hangxing (as the lessor) for office purposes since 2015, which expired on 14 August 2025
"Property"	4th Floor of Building No. 8, 5th Floor West of Building No. 8 and 7th Floor of Building No. 8, Hangxing Science and Technology Park, No. 11 Hepingli East Street, Dongcheng District, Beijing
"Property Lease Agreement"	the property lease agreement entered into between Tianjin Loong (as the lessee) and Beijing Hangxing (as the lessor) on 14 August 2025 regarding the lease of the Property
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with par value of US$0.00001 each in the issued share capital of the Company
"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
"Tianjin Loong"	Tianjin Loong Technology Co., Ltd., a joint stock company established under the laws of the PRC on 15 April 2015, which is accounted for as a subsidiary of the Company by virtue of certain contractual arrangements
"%"	per cent

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

Beijing, China, 25 September 2025

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, Mr. Li Nachuan and Mr. Lu Xiaoyin as Non-executive Directors, and Ms. Wang Jing, Mr. Zhu Lin and Mr. Ding Zhiping as Independent Non-executive Directors.