OVERVIEW

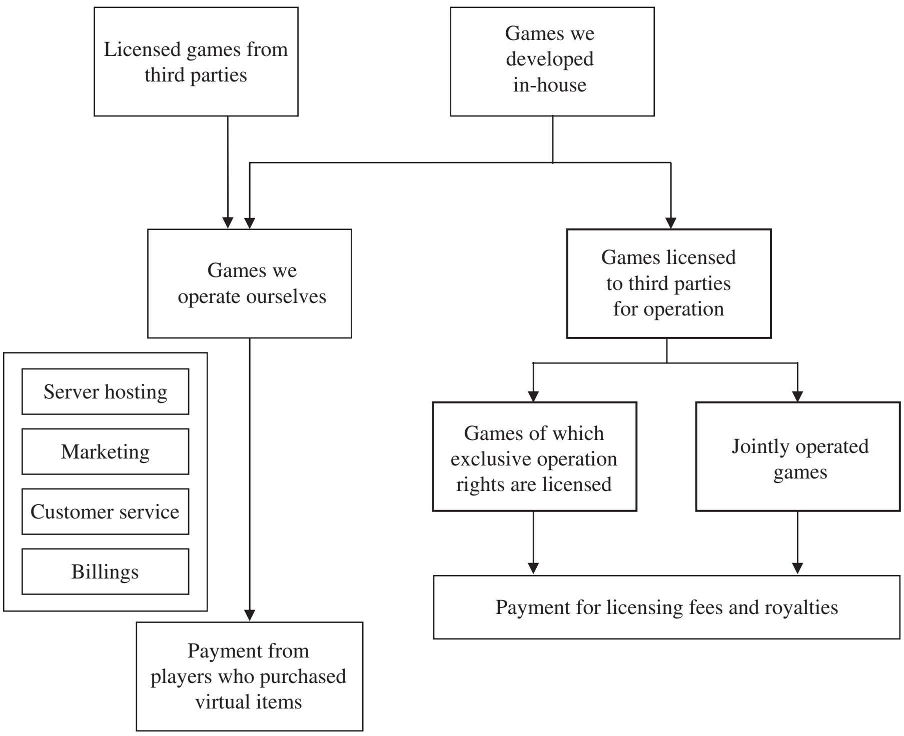
We are a fast-growing global online games developer and operator with headquarters in Singapore and regional offices in the United States, China, and the Philippines. We offer multi-language browser games, client-based games and mobile games to players around the world. We target our games to mid-core and hard-core players who usually spend not less than one hour per day for game playing. We place most of our development personnel in China, which allows us to leverage our cost advantage and develop our games in a cost-effective manner. We operate our online games under the F2P model, which encourages players to experience our games and facilitates the growth of our gamer communities. Under this model, our players can download and play our games for free. Our revenue is generated by selling virtual items to players, which could be purchased by virtual currency sold by us, to enhance their game-playing experience. Once the players have purchased such virtual currency through our payment channel partners, including PayPal, Facebook Payments, Skrill, MOL, Amazon Payments and Google Checkout, among others, they are able to charge items directly to their accounts.

While we traditionally focused on the development and operation of client-based games and browser games, we have recently shifted our attention to developing and operating browser games and mobile games in response to the evolving market trend. According to Distimo.com, an independent third party provider of mobile application analytics, we were ranked in the top ten mobile game publishers globally, top three in Hong Kong and Singapore, top five in Taiwan and Australia, top six in the United States and Canada, and top seven in Russia and United Kingdom, in terms of weekly gross sales generated by our mobile games on Google Play for the week ended 22 September 2013.

During the Track Record Period, we generated a substantial portion of our revenue from sales of virtual items in our proprietary online games to a large and diversified user bases around the world. Development and distribution of these games was facilitated by our strong game development capability and successful multi-language game design and marketing strategy. Our player community consisted of over 70 million player accounts around the world, including a total MAU of approximately 6.1 million as at 31 May 2013. For the five months ended 31 May 2013, 40.2%, 23.2% and 26.2% of our total revenue was generated from players with IP addresses in North America, Europe and Asia, respectively. Our largest customer for each of the two years ended 31 December 2011 and 31 December 2012 and for the five months ended 31 May 2013 accounted for 0.3%, 1.5% and 2.5% of our revenue during those periods, respectively. Our five largest customers for each of the two years ended 31 December 2011 and 31 December 2012 and for the five months ended 31 May 2013 accounted for 1.1%, 2.8% and 4.7% of our revenue during those periods. Please refer to the section headed "Business — Customers" on page [●] of this document for more details.

OUR OPERATIONS

We develop games in-house and operate games we develop and games we license from third party licensors. For the five months ended 31 May 2013, 95.1% of our total revenue was generated from games operated by us. In addition, we license some of the games we develop to third party licensees to operate in certain designated countries and regions, and we jointly operate several of the games we develop with third party game operators. As at 31 May 2013, three of the games we developed were licensed to certain third party licensees located in the PRC and overseas, who paid us upfront licensing fees and royalties. Another six of the games we developed were jointly operated by us and other third party game operators. We generally obtain royalties in amounts between 50% to 70% of the revenue generated pursuant to these arrangements. The payment we received from players who purchase virtual items accounted for 95.1% of our total revenue for the five months ended 31 May 2013 and license fees and royalties accounted for 4.9% of our total revenue for the period. Please see "Business — Our Operations — Licensing" of this document for more information. The following chart illustrates our business operations:



For the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, most of the revenue we earned from various games was collected and held by a number of payment channels. At the end of each month, we settle with these payment channels after deducting applicable services fees and directly record revenue generated from our operation of these games in the account of the relevant subsidiary that owns the IP right of that game. Payment is generally made upfront by our players directly to the payment channels when purchasing virtual currency and we do not provide users with any right of refund once payment is made. Our user agreements also stipulate that we have no obligation to continue hosting games although we agree to provide one-month concessionary service period after payment is made by the players. Because IGG Singapore owns most of the intellectual property rights for the games we operate, 91.0%, 94.5% and 94.2% of our revenue was recorded by IGG Singapore for the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, respectively.

OUR GAMES

As at the Latest Practicable Date, we offered a total of 30 games, among which, 13 were browser games, eight were client-based games and nine were mobile games. Of these 30 games, 25 were developed in-house and five were licensed from third parties. In addition, 17 of these games were MMORPGs, one was a card game, two were tower defense games, four were casino games, and six were strategy games. The following table sets forth the details of our most popular proprietary online games in terms of revenue generated or revenue growth during the Track Record Period:

	Godswar			Texas HoldEm Poker Deluxe			Galaxy Online II			Wing of Destiny		
Game type	MMORPG			Casino			Strategy			MMORPG		
Platform	Browser and client-based			Browser and mobile			Browser and mobile			Browser		
	As at 31 December		**As at 31 May**	**As at 31 December**		**As at 31 May**	**As at 31 December**		**As at 31 May**	**As at 31 December**		**As at 31 May**
	2011	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**
Total revenue (US$'000)	6,358	6,728	2,424	1,432	4,727	4,387	14,108	21,319	8,180	—	1,487	4,199
MAU(1)	434,321	146,858	127,550	520,600	1,904,071	2,280,313	675,363	494,225	359,677	—	1,258,394	803,460

Note:

(1) MAU is the number of individuals who login to a particular game during a 30-day period ending at the measured date.

As at the Latest Practicable Date, we had six online games in development. These new games will run on mobile phone platforms and offer different themes and gaming experience to attract various types of players. We expect most of these new online games will be available for open beta testing in the fourth quarter of 2013. For the details of our online games in development, please refer to "Business — Our Games — Our pipeline" on page [●] of this document.

SUPPLIERS

Our primary suppliers include advertising service providers, payment service providers, licensors of games, and server, data center and bandwidth providers. Our largest supplier for the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013 was Facebook, which provided us both advertising services and payment channel services. Further details of our payment channels and methods are set out in "Business — Our Operations — Payment" of this document. For the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, Facebook accounted for 47.7%, 44.0% and 20.0%, respectively, of our total purchases during those periods. Purchases from our five largest suppliers for the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013 accounted for 56.2%, 52.6% and 41.5%, respectively, of our total purchases during those periods. For the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, revenue generated by users we paid to acquire from Facebook, our largest advertising and promotion platform for browser games, accounted for 34.4%, 35.6% and 23.7% of our total revenue, respectively. Revenue generated by users we paid to acquire from our five largest advertising and promotion platforms for browser games for the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013 accounted for 36.4%, 37.8% and 30.6% of our total revenue, respectively.

MARKETING STRATEGY

Our marketing strategy focuses on cooperation with leading Internet platforms, such as Facebook, Apple App Store and Google Play. In addition, we have established business relationships with more than 40 other game promotional platforms. As at 31 May 2013, we provided 36 payment channels for players to purchase virtual currency to be used in our games.

COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows, each of which is discussed in detail in the section headed "Business — Competitive Strengths" beginning on page [●] in this document

- Our large and multifarious player base affords us access to clients worldwide and decreases the risks associated with operating in a single market;
- We have a strong development team with diverse backgrounds, most of whom are located in China, which enables us to design games in a cost effective manner, broaden our market appeal and keep us aligned with trends in the online game industry;
- Our effective marketing strategy and our broad relationships with other leading Internet companies worldwide help us to target and attract more potential clients and to build brand recognition;
- We develop most of our games in-house, which allows us to create different versions of the same game in an efficient manner to keep up with our global player preferences;
- Our global service platform and various regional offices allow us to conduct our international operations more efficiently; and
- Our skilled management team possesses the extensive overseas operational experience and industry knowledge necessary to continue leading us to success.

OUR STRATEGIES

Our objective is to create popular online games for players around the world and promote them globally to enhance our profitability and expand into new game markets. We will focus on the following strategies, each of which is discussed in details in the section headed "Business — Our Strategies" beginning on page [●] in this document:

- Expand and diversify our game portfolio;
- Enhance and diversify our game development and localization capabilities;
- Enhance our corporate image and effectively promote our games on a variety of platforms; and
- Pursue potential outsourcing or acquisition opportunities.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected historical financial information during the Track Record Period. The financial information as of and for the years ended December 31, 2011 and 2012 and the five months ended 31 May 2012 and 2013 is derived from and should be read in conjunction with our consolidated audited financial statements, including the accompanying notes, set forth in the accountants' report included as Appendix I to this document. Our financial statements for each of these periods are prepared and presented in accordance with International Financial Reporting Standards, or IFRS.

	Year ended 31 December		**Five months ended 31 May**	
	2011	**2012**	**2012**	**2013**
Key income statement information	*US$'000*	*US$'000*	*US$'000*	*US$'000*
			(Unaudited)	
Revenue	31,080	43,154	16,989	24,258
Cost of sales	(7,745)	(10,358)	(3,873)	(5,642)
Gross profit	23,335	32,796	13,116	18,616
Fair value loss of the Preferred Shares(1)	(11,571)	(20,612)	(8,460)	(14,167)
Total expenses(2)	(27,852)	(35,488)	(12,381)	(17,969)
Loss before tax	(8,343)	(12,946)	(3,836)	(7,858)
Income tax expense	(346)	(163)	(192)	(396)
Loss for the year/period from continuing operations	(8,689)	(13,109)	(4,028)	(8,254)
Loss for the year/period from a discontinued operation	(12)	(326)	(58)	—
Loss for the year/period	(8,701)	(13,435)	(4,086)	(8,254)
Adjusted profit for the year/period(3)	2,870	7,177	4,374	5,913
Adjusted profit per Share for the year/period(4)	0.0054	0.0134	0.0083	0.0108

Note:

(1) We issued Series A and Series A-1 Preferred Shares on 30 November 2007 and Series B Preferred Shares subsequently on 12 November 2008 to certain corporate investors, which were measured at fair value. The Preferred Shares have been classified as financial liability at fair value. The initial carrying value of the Series A and Series B Preferred Shares is their issuance price at their respective issuance dates. The initial carrying value of the Series A-1 Preferred Shares is the fair value of the warrants on the exercise date plus the cash proceeds from the exercise. While we incurred losses on changes in fair value of the Preferred Shares and such loss negatively impacted our income statement, such losses had no impact on the cash flows of our Group. Furthermore, the Preferred Shares were converted to ordinary Shares on 31 May 2013 in accordance with the then applicable Articles of Association and have been transferred to equity. Please refer to the section headed "Financial Information — Principal Income Statement Components — Fair value loss of the Preferred Shares" beginning on page [●] for more details.

(2) Total expenses include cost of sales, selling and distribution expenses, administrative expenses, research and development costs and other expenses.

(3) Adjusted profit for the year/period is derived by excluding the fair value loss of the Preferred Shares from loss for the year/period. Adjusted profit for the year/period is not a calculation based on IFRS. The amounts included in the adjusted profit for the year/period calculation, however, are derived from amounts included in the consolidated income statement data. We have presented adjusted profit for the year/period data in this document as we believe that adjusted profit for the year/period is a useful supplement to income statement data because it enables us to measure our profitability without taking into consideration of fair value loss of the Preferred Shares, which were converted to our ordinary Shares on 31 May 2013. We believe adjusted profit for the year/period is a more accurate indication of our profitability and operating performance for the Track Record Period and beyond. However, adjusted profit for the year/period should not be considered in isolation or construed as an alternative to net income or operating income, or as an indicator of our operating performance or other consolidated operations or cash flow data prepared in accordance with IFRS, or as an alternative to cash flow as a measurement of liquidity. Potential investors should be aware that the adjusted profit for the year measure presented in this document may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

(4) Adjusted profit per Share for the year/period is calculated using adjusted profit for the year/period divided by the weighted average number of Shares in issue.

	As at 31 December		**As at 31 May**
	2011	**2012**	**2013**
Key financial position information	*US$'000*	*US$'000*	*US$'000*
Non-current assets	2,717	2,186	2,112
Current assets	9,368	19,340	25,912
Total current liabilities[1]	(54,399)	(77,117)	(11,030)
Total assets less current liabilities	(42,314)	(55,591)	16,994
Non-current liabilities	(205)	(250)	(235)
Net (liabilities)/assets	(42,519)	(55,841)	16,759

Note:

(1) The main components of our current liabilities as at 31 December 2011 and 2012 included the Preferred Shares, deferred revenue and other payables and accruals. These Preferred Shares were converted to ordinary Shares on 31 May 2013 in accordance with the then applicable Articles of Association. In spite of our net liabilities position as at 31 December 2011 and 2012, our Directors do not regard our Group as having any going concern issue. As at 31 May 2013, we had net assets after the conversion of the Preferred Shares to ordinary Shares. Please see the section headed "Financial Information — Net Current Liabilities/Assets" beginning on page [●] for detailed information.

KEY OPERATING DATA

The following table sets out the breakdown of our revenue by operating segment and game type during the Track Record Period:

	Year ended 31 December				**Five months ended 31 May**			
	2011		**2012**		**2012**		**2013**	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*	*US$'000*	*%*
					(Unaudited)			
Games operated by us								
Browser games	22,118	71.2	32,627	75.6	13,319	78.4	16,661	68.7
Client-based games	8,496	27.3	6,991	16.2	3,064	18.0	2,803	11.6
Mobile games	12	0.0	2,192	5.1	303	1.8	3,598	14.8
Games licensing	454	1.5	548	1.3	303	1.8	131	0.5
Joint operation	—	0.0	794	1.8	—	0.0	1,065	4.4
Total	31,080	100.0	43,154	100.0	16,989	100.0	24,258	100.0

For each of the two years ended 31 December 2011 and 2012, over 70% of our revenue was derived from our three most popular games, Galaxy Online II, Godswar and Texas HoldEm Poker Deluxe. For the five months ended 31 May 2013, Wings of Destiny became our third popular game in terms of revenue, and we derived 79.1% of our revenue from these four most popular games. The following table sets out a breakdown of our revenue by major games during the Track Record Period:

	Year ended 31 December				**Five months ended 31 May**			
	2011		**2012**		**2012**		**2013**	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*	*US$'000*	*%*
					(Unaudited)			
Galaxy Online II	14,108	45.4	21,319	49.4	9,288	54.7	8,180	33.7
Godswar	6,358	20.5	6,728	15.6	2,839	16.7	2,424	10.0
Wings of Destiny	—	—	1,487	3.4	17	0.1	4,199	17.3
Texas HoldEm Poker Deluxe (browser)	1,420	4.6	2,649	6.1	1,097	6.5	1,454	6.0
Texas HoldEm Poker Deluxe (mobile)	12	0.0	2,078	4.8	279	1.6	2,933	12.1
Others	9,182	29.5	8,893	20.7	3,469	20.4	5,068	20.9
Total	31,080	100.0	43,154	100.0	16,989	100.0	24,258	100.0

The following table sets forth the ARPDAU, MAU and DAU of our browser games, client-based games and mobile games as at 31 December 2011 and 2012 and 31 May 2013. Unless otherwise indicated, these metrics are based on internally-derived measurements across all platforms on which our games are played. In addition, the metrics we have developed or those available from third parties regarding our industry and the performance of our games, including ARPDAU, MAU and DAU, may not be indicative of our financial performance.

Game	As at 31 December 2011			As at 31 December 2012			As at 31 May 2013		
	ARPDAU (US$)	*MAU*	*Average DAU*	*ARPDAU (US$)*	*MAU*	*Average DAU*	*ARPDAU (US$)*	*MAU*	*Average DAU*
Browser games	0.18	1,859,665	341,493	0.26	2,747,064	338,636	0.31	2,450,243	360,553
Client-based games	0.21	442,182	109,405	0.24	361,026	80,330	0.27	269,310	69,364
Mobile games	0.55	4,399	468	0.07	1,459,093	84,665	0.08	3,379,331	317,497

RECENT DEVELOPMENT

Based on our unaudited consolidated financial statements prepared by our management for the nine months ended 30 September 2013, we recorded gross billings of approximately US$52.2 million, which increased from approximately US$32.0 million for the nine months ended 30 September 2012, primarily as a result of the rapid expansion of our mobile game business. Gross billings is a non-GAAP financial measure that is equal to revenue recognised during the period plus the change in deferred revenue and provision for charge backs during the period. Accordingly, our gross billings was generally slightly more than our revenue during the Track Record Period. For the three months ended 30 September 2013, our gross billings was approximately US$22.9 million and the gross billings for our mobile games accounted for over 50% of our total gross billings for the period. As at 31 August 2013, we had net current assets of US$12.0 million primarily consisting of cash generated from our business operations. Our net current assets decreased from US$14.9 million as at 31 May 2013 primarily due to an increase in total current liabilities as a result of a dividend we declared in July 2013.

In July 2013, we launched three mobile games, among which, Castle Clash, which is a fast-paced tower defense game, quickly rose in popularity to become a top ten most popular game in nine countries, including Singapore, the United Kingdom and Canada, and a top five game in terms of revenue in seven countries, including Singapore, Hong Kong and the Netherlands, according to Appannie.com, an independent third party provider mobile application analytics. For the nine months ended 30 September 2013, gross billings generated from Castle Clash was approximately US$7.2 million, and the MAU for this game was approximately 5.2 million as at 30 September 2013. Please refer to the section headed "Business — Our Games — Our pipeline" of this document for details. As at 30 September 2013, our player community consisted over 90 million player accounts globally, including a total MAU of approximately 9.3 million.

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial and trading position or prospects since 31 May 2013, and since that date, there has been no event up to the date of this document that would materially affect the information shown in our consolidated financial statements included in the accountants' report set out in Appendix I to this document, in each case as otherwise disclosed in this document.

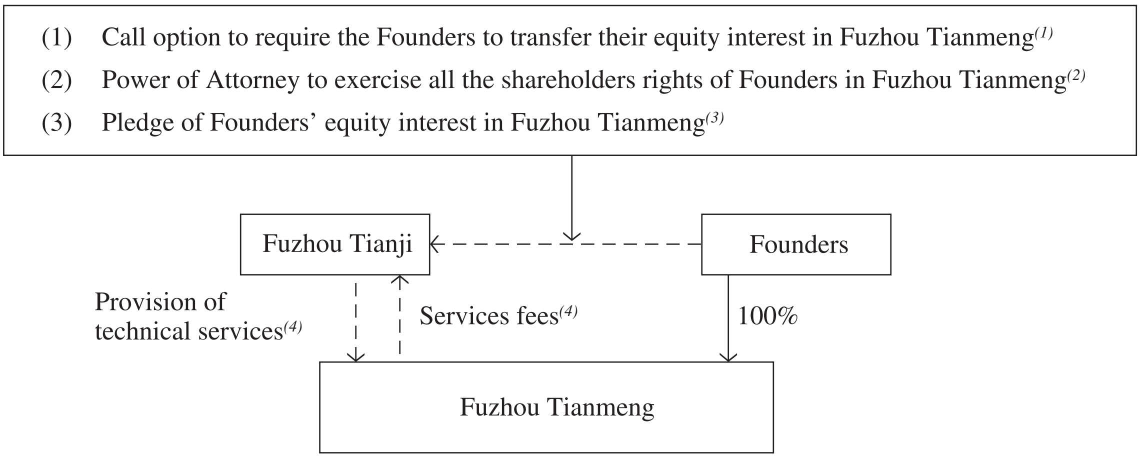
STRUCTURED CONTRACTS

Structured contract arrangement

The existing PRC laws and regulations restrict foreign investment in value-added telecommunication, Internet content and information services, and online games in the PRC. Our wholly-owned subsidiary, Fuzhou Tianji, being a foreign owned enterprise, does not have the requisite licenses to provide services regarding value-added telecommunication, Internet content and information services, and online games in the PRC.

In order to comply with PRC laws restricting foreign ownership in the value-added telecommunication, in China, or foreign ownership prohibitions on Internet content and information services, we historically operated our licensing and publishing of self-developed browser games and client-based games in China through Fuzhou Tianmeng, whose equity interests are owned as to 50% by Mr. Zongjian Cai and 50% by Mr. Yuan Chi. The principal business operation of Fuzhou Tianmeng includes (i) designing and developing browser games, client-based games and mobile games; (ii) providing online customer support services to end users in the PRC; (iii) operating and ongoing maintenance of Chinese versions of developed games in the PRC, which includes (a) uploading and maintaining the self-developed games for download and play by players in the PRC; (b) licensing games to third party licensees in the PRC; and (c) co-operating games our Group developed in-house with third party game operators in the PRC; and (iv) Fuzhou Tianmeng holds certain number of intellectual property rights in relation to the operation of our Chinese version of the online games. Fuzhou Tianmeng, as a domestic company, holds an ICP license, Internet Culture Operating License and Internet Publishing License, which are required to carry out the above-described operation and ongoing maintenance of developed games in the PRC, which licenses, PRC laws currently restrict or prohibit foreign-invested companies from obtaining. Therefore, despite the fact that the revenue contribution by Fuzhou Tianmeng was only 4.8%, 3.2% and 3.7% of our Group's total revenue during the Track Record Period, by maintaining Fuzhou Tianmeng and the Structured Contracts arrangement, our Group retains the flexibility to expand our online games business in the PRC if and when an opportunity emerges in the future.

The following chart illustrates the arrangement stipulated under the Structured Contracts:



Note:

(1) Please refer to the paragraph headed "Call Option Agreement" in the section headed "History and Corporate Structure" of this document for further details.

(2) Please refer to the paragraph headed "Power of Attorney" in the section headed "History and Corporate Structure" of this document for further details.

(3) Please refer to the paragraph headed "Equity Pledge Agreement" in the section headed "History and Corporate Structure" of this document for further details.

(4) Please refer to the paragraph headed "Exclusive Service Agreement" in the section headed "History and Corporate Structure" of this document for further details.

Through the Structured Contracts, Fuzhou Tianji has effective control over and (to the extent permitted by the PRC laws) the right to acquire the equity interests in and/or assets of Fuzhou Tianmeng. Pursuant to the Structured Contracts, our Group was also able to recognise and receive the economic benefits of the business and operation of Fuzhou Tianmeng. We intend to exercise such right and unwind the Structured Contracts as soon as possible, if and when the relevant PRC laws permit majority foreign ownership in the value-added telecommunication or foreign ownership in Internet content and information services which we operate. For the two years ended 31 December 2012, Fuzhou Tianmeng did not pay any technical service fee to Fuzhou Tianji. Please see "Risk Factors — Risks Relating to our Contractual Arrangements — There is no assurance that the contractual arrangements between Fuzhou Tianji and Fuzhou Tianmeng are in compliance with existing or future PRC laws and regulations and if the relevant regulations or their interpretations change in the future, we could be forced to relinquish our interests in our PRC operation company" of this document. However, during the five months ended 31 May 2013, Fuzhou Tianji began to provide technical service to Fuzhou Tianmeng and Fuzhou Tianmeng paid technical service fees to Fuzhou Tianji in the aggregate amount of US$0.8 million and is expected to continue to do so in accordance with the terms of the Structured Contracts.

In the opinion of Jingtian & Gongcheng, our PRC legal advisers, (i) Fuzhou Tianmeng has been duly incorporated and is validly existing, and its establishment is valid, effective and complies with the relevant PRC laws, and Fuzhou Tianmeng has also obtained all necessary approvals and finished all registration as required by PRC laws and regulations and has the capacity to carry out business operations in accordance with its licence; (ii) each of the Structured Contracts among Fuzhou Tianji, Fuzhou Tianmeng, Mr. Zongjian Cai and Mr. Yuan Chi is valid and binding on the parties thereto; (iii) each of the Structured Contracts complies with provisions of the articles of association of Fuzhou Tianmeng and Fuzhou Tianji; and (iv) each of the Structured Contracts does not violate any compulsory requirements of any PRC laws, administrative regulations or the articles of association of Fuzhou Tianmeng and Fuzhou Tianji. For the details of the Structured Contracts, please refer to the section headed "History and Corporate Structure — Structured Contracts" beginning on page [●] in this document.

However, with regard to the Structured Contracts, we are exposed to substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. According to an article published on 2 June 2013 in the New York Times, there has been one recent court decision involving a dispute on the validity of contractual arrangements for obtaining control on certain foreign-restricted company(ies) incorporated in the PRC through a trust and lending structure, and two arbitration decisions purportedly involving disputes on the validity of contractual arrangement for obtaining control on certain foreign-restricted companies incorporated in the PRC through the use of variable interest entities. For details of risks relating to our Contractual Arrangements, please refer to "Risk Factors — Risks Relating to Our Contractual Arrangements" beginning on page [●] of this document.

Our PRC legal adviser, Jingtian & Gongcheng, has taken all possible actions and steps to enable it to reach the said conclusion. To reach its legal conclusions, our PRC legal adviser has conducted due diligence on our interests in the PRC, studied relevant PRC legal issues, and through anonymous telephone interviews, consulted the market management department under the information bureau of MIIT, which is responsible for supervising and administrating the value-added telecommunications business in the PRC, as well as GAPP. In the verbal consultations, the relevant authorities have confirmed that they have not rendered or claimed any of the Structured Contracts as void, or requested for confirmation on the validity and legality of any Structured Contracts. As (i) each of the Structured Contracts has been duly authorized, executed and delivered by the parties to the Structured Contracts and does not contravene any compulsory provision of applicable PRC laws as promulgated by the National People's Congress and administrative regulations; (ii) Fuzhou Tianmeng complies with the provisions in the MIIT Notice, including but not limited to the requirements on Fuzhou Tianmeng relating to its ownership of domain names, trademarks and operating facilities; and (iii) according to our PRC legal adviser's consultation, the relevant and competent authorities have not requested for confirmation on the validity and legality of the Structured Contracts since the issuance of the MIIT Notice or the "Three Determinations", our PRC legal adviser has advised that no confirmation on the validity and legality of the Structured Contracts was required to be obtained from any authorities in the PRC under the PRC Contract Law. Our Directors confirmed that the Structured Contracts had not been challenged by the relevant authorities in the PRC as at the Latest Practicable Date. In addition, the Directors confirmed that as at the Latest Practicable Date, our Group had not encountered any interference or encumbrance from any PRC governing bodies in operating their business through Fuzhou Tianmeng under the Structured Contracts. Taking the abovementioned into account, our PRC legal adviser is of the view that each of the Structured Contracts is enforceable under the PRC Contract Law.

Key potential risks

Our business and operations are exposed to several tax-related risks. Currently we enjoy preferential tax treatment in both Singapore and the PRC. Through IGG Singapore, which entity recorded 91.0%, 94.5% and 94.2% of our total revenue in each of the two years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, respectively, we have been granted preferential income tax rate and royalties tax rate by Singapore Economic Development Board. In the PRC, Fuzhou Tianmeng, which was certified as Software Enterprise, is exempted from corporate income tax in the year ending 31 December 2013. We cannot guarantee that we will continue to enjoy such preferential tax treatment in the future. Further details of the risks relating to our preferential tax treatment are set forth in "Risk Factors—Risks Related to Our Business—We cannot guarantee that we will continue to enjoy preferential tax treatment in the future". In addition, during the Track Record Period, IGG Singapore, IGG USA, IGG HK, Fuzhou Tianmeng and Fuzhou Tianji were all involved in intra-group transactions, the transfer prices of which, we believe, were decided at arm's length. However, there can be no assurance that tax authorities reviewing such arrangements would agree that we were in compliance with transfer pricing laws and could require our relevant subsidiaries to re-determine the transfer prices and thereby reallocate the income or adjust the taxable income, which could increase our consolidated tax liability. Further details of the risk relating to intra-group transfer pricing are set forth in "Risk Factors — Risks Related to Our Business — Taxation authorities could challenge our allocation of taxable income which could increase our consolidated tax liability". In addition, we are also exposed to the risk of being treated as a PRC resident enterprise. As a large percentage of our personnel, including some of our management, is currently based in the PRC and will likely remain in the PRC in the future, relevant PRC authorities could decide to treat us as a PRC resident enterprise for tax purposes, which will make us to be subject to PRC EIT at the rate of 25% on our worldwide income. Further details of the risk of being treated as a PRC resident enterprise are set forth in "Risk Factors—We may be deemed to be a PRC resident enterprise under the EIT Law and be subject to the PRC taxation on our worldwide income".