

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



IGG Inc

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

ADOPTION OF SHARE AWARD SCHEME

The board of directors of the Company is pleased to announce that it has approved the adoption of the Scheme on 24 December 2013. The purpose of this Scheme is to recognise the contributions by certain Selected Grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules.

The Board of Directors of the Company is pleased to announce that it has approved the adoption of the Scheme on 24 December 2013. A summary of the principal terms of the Scheme is set out in this announcement.

PURPOSE OF THE SCHEME

The purpose of this Scheme is to recognise the contributions by certain Selected Grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

DURATION

Subject to any early termination as may be determined by the Board pursuant to the terms of the Scheme, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

ADMINISTRATION

The Scheme shall be subject to the administration of the Board in accordance with the terms stated in the Scheme. The Trustee will hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

STRUCTURE OF THE SCHEME

The Awarded Shares (where the Board has determined such number pursuant to the terms of the Scheme) shall be either (i) allotted and issued by the Company, by using the general mandate granted to the Board by the shareholders of the Company in the annual general meeting of the Company from time to time, unless separate shareholders' approval is obtained in a general meeting of the Company, or (ii) acquired by the Trustee from the open market by utilising the Company's resources provided to the Trustee, subject to the absolute discretion of the Board. The Company will grant loan to the Trustee to enable the Scheme to operate with necessary funds to purchase and / or subscribe for Shares.

The Scheme will operate in parallel with the Company's Pre-IPO Share Option Scheme adopted by the Company on 12 November 2008, as amended on 16 September 2013 pursuant to the shareholders' resolutions and the Share Option Scheme adopted on 16 September 2013 pursuant to the shareholders' resolutions. All options granted under the Pre-IPO Share Option Scheme will continue to be valid and exercisable subject to and in accordance with the terms of such scheme. As at the date of this announcement, no options under the Share Option Scheme have been granted and the outstanding options exercisable under the Pre-IPO Share Option Scheme are 86,208,000 Shares.

It is intended that the Awarded Shares under the Scheme will be offered to the Selected Grantees to take up the relevant Awarded Shares for no consideration subject to the compliance with the relevant laws and regulations, and certain conditions to be decided by the Board at the time of grant of the Awarded Shares under the Scheme. Details of the grant of the Awarded Shares under the Scheme will be provided in the letters of grant to be issued by the Company to the Selected Grantees and also in the instructions to the Trustee, subject always to compliance with the GEM Listing Rules, Takeovers Code and any other applicable laws and regulations.

OPERATION OF THE SCHEME

Eligibility

Under the Scheme, except for the Excluded Grantees, any employee or director of the Group is eligible to be granted an Award or Awards.

The Board may, from time to time, at their absolute discretion select any Eligible Person (excluding any Excluded Grantee) for participation in the Scheme as a Selected Grantee. However, until so selected, no Eligible Person shall be entitled to participate in the Scheme.

Grant of Awarded Shares

Subject to terms of the Scheme, the Board shall select Selected Grantee(s) and determine the number of Awarded Shares, and the terms and conditions of the Awarded Shares, including the vesting schedule and inform the relevant Selected Grantee accordingly by a letter of grant, and such Award shall be deemed to be accepted by the Selected Grantee when the Company receives a duplicate of the letter of grant signed by such Selected Grantee within 28 days after the granting.

The Board shall immediately inform the Trustee of, among others, (i) the name of the Selected Grantee(s) and whether they are Connected Persons, (ii) the number of Shares to be awarded; (iii) whether the Shares should be acquired by subscription as stipulated in the GEM Listing Rules from time to time or purchase from the market by the Trustee; and (iv) the Vesting Date and the conditions for vesting, once the grant of Awards to the Selected Grantee(s) has been approved by the Board.

Subscription or Acquisition of Awarded Shares by the Trustee

These Awarded Shares shall be either (i) allotted and issued by the Company, by using the general mandate granted to the Board by the shareholders of the Company in the annual general meeting of the Company from time to time, unless separate shareholders' approval is obtained in a general meeting of the Company, or (ii) acquired by the Trustee from the open market by utilising the Company's resources provided to the Trustee, subject to the absolute discretion of the Board.

Subject to the black-out period under the Scheme, the Board shall, either before or after identification of the Selected Grantee(s), cause to be paid sufficient funds, for the subscription and/or acquisition of the Awarded Shares by the Trustee (or as it shall direct) as soon as practicable (the "**Reference Amount**") prior to the date that

these Awarded Shares vest in according to the Scheme. The Company shall issue to the Trustee or the Trustee shall arrange for the acquisition of the maximum number of board lots of Shares as soon as practicable (but in any event within 30 calendar days) after receipt of any cash.

Vesting of Awarded Shares

Awarded Shares held by the Trustee upon the Trust and which are referable to a Selected Grantee shall vest to that Selected Grantee in accordance with a vesting schedule determined at the discretion of the Board, provided that the Selected Grantee remains at all times after the Reference Date and on each relevant vesting date(s) an Eligible Person (for this purpose, the date or each such date on which the Awarded Shares are to vest being hereinafter referred to as a “**Vesting Date**”). The Board may also, in its absolute discretion, determine the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Grantee before the Awarded Shares can vest. For these purposes the Trustee may treat the vesting schedule (which shall show the Awarded Shares prospectively vesting and actually vesting) as conclusive of the matters shown in that schedule and that, in the case of vested entitlements, the Selected Grantee in question remains a Grantee on the applicable Vesting Date (or any earlier deemed date under the terms of the Scheme).

Death or Retirement of the Selected Grantee

Notwithstanding above paragraph, in respect of a Selected Grantee who has died or retired at his normal retirement date or earlier by agreement with the Company or a Subsidiary (as the case may be) at any time prior to a Vesting Date, all the Awarded Shares of a Selected Grantee (or rights thereto) shall be deemed to be vested on the day immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Company or a Subsidiary (as the case may be).

Lapse of Awarded Shares

Save as provided in this announcement, in the event (i) a Selected Grantee who is an Employee ceases to be an Employee, or (ii) the Subsidiary by which a Selected Grantee is employed ceases to be a Subsidiary of the Company (or of a member of the Group), or (iii) a Selected Grantee who is a director of the Company or a Subsidiary ceases to be a director of the same; or (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking,

assets and liabilities of the Company pass to a successor company, (each of these, an event of “**Total Lapse**”), the Award shall, unless the Board otherwise agrees, lapse and all the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

In the event a Selected Grantee is found to be an Excluded Grantee (“**Partial Lapse**”), the relevant part of an Award made to such Selected Grantee shall, unless the Board otherwise agree, lapse and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

Non-Transferrable

Any Award made hereunder shall be personal to the Selected Grantee to whom it is made and shall not be assignable and no Selected Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to either the Reference Amount or the Awarded Shares referable to him pursuant to such Award or the Related Income or any of the Returned Shares under the Scheme.

Notices and Communications

Any notice (including the vesting notice) or other communication among the Company, any Selected Grantee and the Trustee may also be given by any electronic means.

Right of Participants before Vesting

A Selected Grantee will have no rights in respect of any Shares subject to an Awarded Share (including any income, dividends, other distributions or voting rights) until the Shares are vested in him pursuant to the Scheme on the relevant Vesting Date.

Returned Shares

The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Selected Grantees (including future Selected Grantees but excluding any Excluded Grantee) and may allocate such Returned Shares as Awarded Shares to any Selected Grantees upon instructions by the Company.

Black-out Period

No payment shall be made to the Trustee pursuant to the Scheme and no instructions to acquire or subscribe for Shares shall be given to the Trustee under the Scheme and the Trustee shall not sell the Awarded Shares for the relevant Selected Grantees:-

- (A) where the Company is in possession of unpublished inside information (as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) in relation to the Company;
- (B) where dealings by Directors are prohibited under any code or requirement of the GEM Listing Rules, all applicable laws from time to time. Such requirement also applies to Directors' Associates, any Eligible Person who can get access to inside information of the Group through his or her position or responsibility in the Group; or
- (C) within the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's quarterly, interim or annual results; and
 - (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement under the GEM Listing Rules,and ending on the date of the results announcement.

Awards to Connected Persons

In respect of any proposed Award to a Selected Grantee who is also regarded as a Connected Person of the Company or any of his Associates, must be:

- (i) approved by all independent non-executive Directors; and
- (ii) if required under Chapter 20 of the GEM Listing Rules, be separately approved by shareholders of the Company in general meeting, with such Connected Person and his Associates abstaining from voting, and shall comply with all other requirements of Chapter 20 of the GEM Listing Rules applicable to such Award from time to time.

VOTING RIGHT OF THE TRUSTEE

The Trustee shall not exercise any voting right attached in respect of any Shares held by it under the Trust (including but not limited to the Awarded Shares and any bonus Shares and script Shares derived therefrom).

SCHEME LIMIT

The Board shall not make any further award of Awarded Shares which will result in the number of Shares awarded by the Board under the Scheme would represent in excess of ten (10) per cent. of the issued share capital of the Company as at the Adoption Date.

The maximum number of Shares which may be subject to an Award or Awards to a Selected Grantee at any one time shall not in aggregate exceed one (1) per cent. of the issued share capital of the Company as at the Adoption Date.

The number of Awarded Shares (if comprising of new Shares) shall be allotted and issued by the Company using the general mandate granted to the Board by the shareholders of the Company unless separate shareholders' approval is obtained in a general meeting of the Company.

The maximum number of Shares to all controlling shareholders (as defined in the GEM Listing Rules) which may be subject to an Award or Awards in any of the 12 months shall not in aggregate exceed two (2) per cent. of the issued share capital of the Company from time to time.

The Awarded Shares held by the Trustee from time to time shall be less than 5% of the issued share capital of the Company.

AMENDMENT TO THE SCHEME

The Scheme may be altered in any respect by a resolution of the Board, including alterations to the terms and conditions of the Scheme which are of material nature, or any change to the terms of Awarded granted, provided that the Scheme so altered must comply with the GEM Listing Rules.

Written notice of any amendment to the Scheme shall be given to all Selected Grantees.

TERMINATION

The Scheme shall terminate on the earlier of:

- (i) on the 10th anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board of Directors of the Company

provided that such termination shall not affect any subsisting rights of any Selected Grantee hereunder.

OTHER INFORMATION

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules.

Given the Eligible Persons also include the Group's employees resident in California, to the extent required by California Securities Laws, continuance of the Scheme shall be subject to approval by the holders of capital stock of the Company within 12 months before or after the date the Scheme is adopted or, to the extent required by applicable laws, any date the Scheme is amended. A resolution to confirm and ratify the adoption of the Scheme will be proposed during the upcoming annual general meeting. A circular containing, among other things, details of the Scheme will be despatched to the shareholders in due course.

DEFINITIONS AND INTERPRETATION

In this Scheme, save where the context otherwise requires, the following expressions have the respective meanings set opposite them:

“Adoption Date”	the date on which this Scheme is approved and adopted by the Board;
“Articles”	the articles of association of the Company from time to time;
“Award”	an award of Shares by the Company to a Selected Grantee;
“Associates”	means the meaning ascribed thereto in the GEM Listing Rules;

“Awarded Shares”	in respect of a Selected Grantee, such number of Shares determined by the Board and subscribed for and/ or purchased by the Trustee out of cash arranged to be paid by the Company out of the Company’s funds to the Trustee, pursuant to the terms of the Scheme;
“Board”	for the purpose of the Scheme, the board of Directors or any executive Director delegated with the power and authority by the Board of Directors of the Company to administer the Scheme;
“Business Day”	any day on which the Stock Exchange is open for the business of dealings in securities;
“Company”	IGG Inc, a public company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8002);
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules;
“Director(s)”	the directors of the Company;
“Dividend”	means, in respect of the Awarded Shares, all monetary dividends and other monies or sums (but net of any interest accrued) which are or may become payable to the shareholders of the Company and includes: <ul style="list-style-type: none"> (i) the right to receive any and all such sums and all claims in respect of any default in paying such sums (net of any interest accrued); and (ii) all forms of remittance of such sums and any bank or other account to which such sums may be paid or credited (but net of any interest accrued); and after deduction of all charges (bank or administration charges or otherwise) incurred in relation to the receipt and payment of such sums by the Trustee;

“Eligible Person”	any Employee or director (including, without limitation, any executive, non-executive or independent non-executive directors) of any member of the Group;
“Employee”	any employee (whether full time or part time) of the Company or any Subsidiary;
“Excluded Grantee”	any grantee who is resident in a place where the settlement of the Reference Amount and the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such grantee;
“Group”	the Company and its Subsidiaries and “member of the Group” shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange as amended, modified or supplemented from time to time;
“Pre-IPO Share Option Scheme”	the share option scheme adopted by the Company on 12 November 2008 and amended by written resolutions of all Shareholders passed on 16 September 2013;
“Reference Date”	the date of final approval by the Board of the total number of Shares to be awarded to the Selected Grantees in a single occasion pursuant to the Scheme or the date of an Award by the Trustee pursuant to the Trust Deed;
“Related Income”	all income derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust in the form of Shares (including but not limited to, any bonus Shares or scrip Shares received in respect of the Share) in money. For the avoidance of doubt, excluding any nil paid right, bonus warrant, or Residual Cash;

“Residual Cash”	being cash remaining in the trust fund (including interest income derived from deposits maintained with licensed banks in Hong Kong which have not been applied in the acquisition and/or subscription of Shares);
“Returned Shares”	such Awarded Shares and Related Income which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares;
“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2013;
“Scheme”	the share award scheme constituted by the terms hereof, in its present form or as amended from time to time in accordance with the provisions hereof;
“Selected Grantee(s)”	Eligible Person(s) selected by the Board pursuant to the terms of the Scheme
“SFC”	the Securities and Futures Commission of Hong Kong
“Shares”	shares of US\$0.0000025 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed in relation to the Scheme for the Company to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time); and

“Trustee”

Computershare Hong Kong Trustees Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed.

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 24 December 2013

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zongjian Cai and Mr. Yuan Chi; two non-executive Directors, namely, Mr. Xiaojun Li and Mr. Kee Lock Chua; and three independent non-executive Directors, namely, Dr. Horn Kee Leong, Mr. Dajian Yu and Ms. Zhao Lu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.igg.com>.