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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

CONNECTED TRANSACTION — SHARE SUBSCRIPTION AGREEMENT

PROPOSED ADOPTION OF TAPCASH SUBSIDIARY SHARE OPTION SCHEME

Share Subscription Agreement

On 9 March 2015, the Company and the New Individual Shareholders entered into the Share Subscription Agreement, pursuant to which the Company and the New Individual Shareholders agreed to subscribe for further 250,000 shares in Tapcash Cayman by contributing US\$600,000 in aggregate, as a capital increase in the Group's advertising business.

Among all the New Individual Shareholders, Mr. Guo Wu is a director of Tapcash Canada and Tapcash Cayman, subsidiaries of the Company and holds 12% of shareholding in Tapcash Cayman as at the date of this announcement, therefore a connected person of the Company under the GEM Listing Rules. As such, the transaction under the Share Subscription Agreement constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

Since the Share Subscription Agreement and the Shareholders' Agreement are related with each other, and they together lead to substantial involvement by the Company in advertising business which did not previously form part of the Company's principal business activities, therefore, the transactions under the Shareholders' Agreement and the Share Subscription Agreement shall be aggregated pursuant to Rule 20.79 and Rule 20.80 of the GEM Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions under the Share Subscription Agreement, as aggregated with those under the Shareholders' Agreement is more than 0.1% but less than 5%, therefore the Share Subscription Agreement is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Tapcash Subsidiary Share Option Scheme

On 9 March 2015, the Board of the Company unanimously resolved to adopt the Tapcash Subsidiary Share Option Scheme for Tapcash Cayman and its subsidiaries, subject to, amongst others, approval by the Shareholders of the Company.

Shareholders should note that the proposed Tapcash Subsidiary Share Option Scheme is subject to, amongst others, approval by the Shareholders at a general meeting of the Company and as such, may or may not proceed.

CONNECTED TRANSACTION — SHARE SUBSCRIPTION AGREEMENT

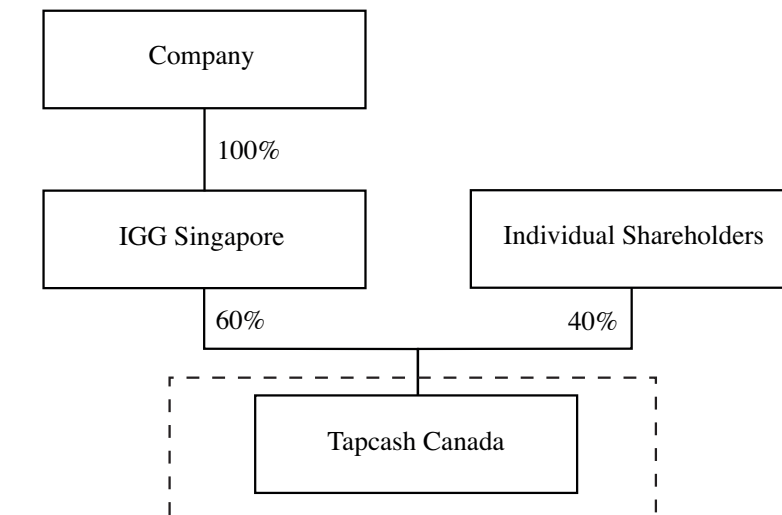
Background

Reference is made to the Announcement in relation to the incorporation of Tapcash Canada.

After the incorporation of Tapcash Canada, the Group went through the restructuring in relation to the advertising business to set up an investment holding company, being Tapcash Cayman, to hold advertisement business companies, including Tapcash Canada, in preparation for further expansion of the Group's advertisement business in different countries as and when appropriate. Such restructuring did not involve any capital commitment or cash flow.

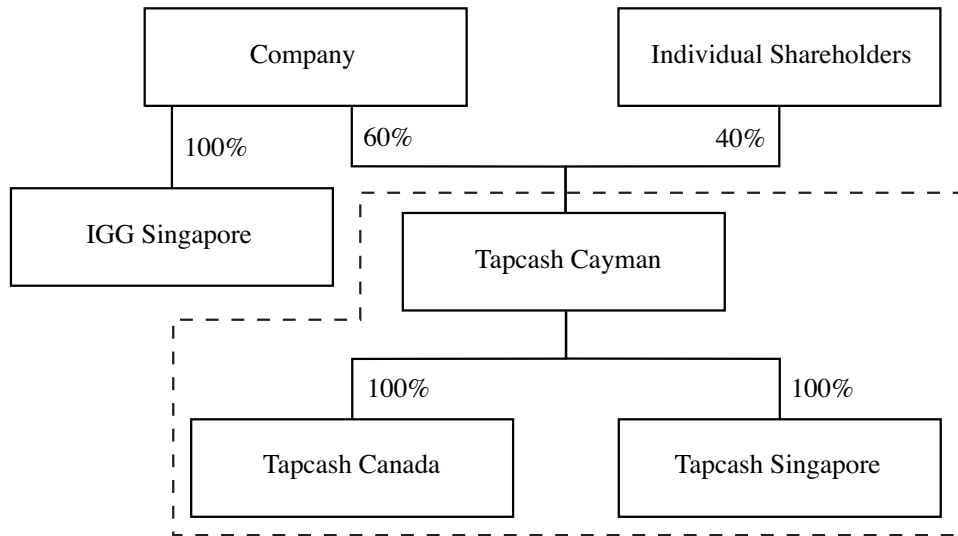
Details of such restructuring are set forth as below.

Prior to the restructuring



the Group's advertising business

After the restructuring



┌───┐ the Group's advertising business

Note:

- (1) Tapcash Cayman is mainly engaged in investment holding.
- (2) Tapcash Singapore was incorporated on 30 December 2014 and is mainly engaged in advertisement business
- (3) On 1 December 2014, IGG Singapore and the Individual Shareholders transferred all their shares in Tapcash Canada to Tapcash Cayman. As the consideration, Tapcash Cayman issued shares to IGG Singapore and the Individual Shareholders, according to their original shareholding of Tapcash Canada. Such step did not involve any capital commitment or cash flow.

On 1 January 2015, IGG Singapore transferred all their shares in Tapcash Canada to the Company. As the consideration, the Company agreed to pay US\$720,000 to IGG Singapore.

- (4) Immediately prior to the completion of the Share Subscription Agreement, Tapcash Cayman has issued 1,000,000 shares, 600,000 shares of which are held by the Company and 400,000 shares of which are held by the Individual Shareholders. The shareholding of the Company and each of the Individual Shareholders in Tapcash Cayman is pro rata to their original investment in Tapcash Canada.

Share Subscription Agreement

On 9 March 2015, the Company and the New Individual Shareholders entered into the Share Subscription Agreement, pursuant to which the Company and the New Individual Shareholders agreed to subscribe for further 250,000 shares in Tapcash Cayman by contributing US\$600,000 in aggregate, as a capital increase in the Group's advertising business.

Date

9 March 2015

Parties

- (i) the Company; and
- (ii) the New Individual Shareholders.

Investment and Shares

The investment to be contributed by each of the Company and the New Individual Shareholders under the Share Subscription Agreement and number of new shares in Tapcash Cayman to be subscribed for by them are set forth as followings:

Shareholders	Amount of contribution in cash	Number of new share to be subscribed for under the Share Subscription Agreement
the Company	US\$360,000	150,000
New Individual Shareholders		
Guo Wu (吳果)	US\$72,000	30,000
Other individuals	US\$168,000	70,000
<i>Subtotal</i>	US\$240,000	100,000
Total	US\$600,000	250,000

The amount of the shares in the Tapcash Cayman held by each of the Company and the New Individual Shareholders is determined in proportion to their capital increase investment. After the completion of the Share Subscription Agreement, the shareholding in Tapcash Cayman held by the Company remained unchanged, being 60% and the financial statements of Tapcash Cayman, including its subsidiaries will continue to be consolidated to those of the Group.

Upon completion of the Share Subscription Agreement, the shareholdings of Tapcash Cayman will be set forth as followings:

Shareholders of Tapcash Cayman	Percentage of interest in Tapcash Cayman
The Company	60%
Individual Shareholders	
Guo Wu (吳果)	12%
Yuan Xu (許元)	1.6%
Kai Chen (陳凱)	1.6%
Hong Zhang (張竑)	1.6%
Dian Chi (池典)	1.6%
Neng Xu (許能)	0.4%
Meijia Chen (陳美伽)	0.4%
Jessie Shen (沈潔蕾)	1.6%
Hanling Fang (方翰鈴)	0.8%
Other individuals	18.4%
<i>Subtotal</i>	<u>40%</u>
Total	<u>100%</u>

Basis of the Total Investment under the Share Subscription Agreement

The total investment under the Share Subscription Agreement was arrived after arm's length negotiations between the parties on normal commercial terms after taking into account of the current operation status and potential capital need of Tapcash Canada, further expanding of Tapcash Singapore, both being wholly-owned subsidiaries of Tapcash Cayman and Tapcash Cayman's further investment in advertising business in different countries.

Payment Schedule

The capital contributions under the Share Subscription Agreement shall be settled in cash prior to 9 April 2015 by each of the Company and the New Individual Shareholders.

Reasons for and Benefit of the Entering into the Share Subscription Agreement

As had been disclosed in the Announcement, the online game business of the Group depends on effective advertising, distribution and promotional strategies to attract customers. The original marketing and promotional strategy of the Group focused primarily on the use of third-party platforms. With the view to further promote the products of the Group as well as to enhance its global presence and reputation by providing distribution services for other third-party game companies, the Group decided to establish and expand its own advertising and marketing center.

The Directors consider that the further investment under the Share Subscription Agreement will enable Tapcash Cayman, including its subsidiaries to enhance the working capital to satisfy its on-going advertising business, which will in turn further stimulate the online game business of the Group.

Accordingly, the Board considers that it is in the interests of the Group to enter into the Share Subscription Agreement. The Directors, including the independent non-executive Directors, consider that the Share Subscription Agreement has been entered into on normal commercial terms and the terms of the Share Subscription Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

GEM Listing Rules Implications

Among all the New Individual Shareholders, Mr. Guo Wu is a director of Tapcash Canada and Tapcash Cayman, subsidiaries of the Company and holds 12% of shareholding in Tapcash Cayman as at the date of this announcement, therefore a connected person of the Company under the GEM Listing Rules. As such, the transaction under the Share Subscription Agreement constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

Since the Share Subscription Agreement and the Shareholders' Agreement are related with each other, and they together lead to substantial involvement by the Company in advertising business which did not previously form part of the Company's principal business activities, therefore, the transactions under the Shareholders' Agreement and the Share Subscription Agreement shall be aggregated pursuant to Rule 20.79 and Rule 20.80 of the GEM Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions under the Share Subscription Agreement, as aggregated with those under the Shareholders' Agreement is more than 0.1% but less than 5%, therefore the Share Subscription Agreement is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

As no Director has a material interest in the Share Subscription Agreement, none of the Directors has abstained from voting on the relevant board resolution approving the Share Subscription Agreement.

General Information on the parties to the Share Subscription Agreement

The Group

The Group is a fast-growing global online games (especially mobile games) developer and operator with headquarters in Singapore and regional offices in the United States, China, Canada, Japan, Korea, Thailand, and the Philippines.

The New Individual Shareholders

Mr. Guo Wu (吳果): Mr. Guo Wu is a director of Tapcash Canada and Tapcash Cayman. He also holds 150,000 shares in Tapcash Cayman, representing 12% of the shareholding, as at the date of this announcement.

Other three individuals are employees of the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, these individuals are third party independent from the Company and connected persons of the Company.

PROPOSED ADOPTION OF TAPCASH SUBSIDIARY SHARE OPTION SCHEME

On 9 March 2015, the Board of the Company unanimously resolved to adopt the Tapcash Subsidiary Share Option Scheme for Tapcash Cayman and its subsidiaries (for the purpose of this announcement, "**Tapcash Group**"), subject to, amongst others, approval by the Shareholders of the Company, in order to enhance Tapcash Group's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to Tapcash Group by providing such persons with equity interest opportunities and thereby better aligning the interests of such persons with those of Tapcash Group's shareholders. With respect to the operation of the Tapcash Subsidiary Share Option Scheme, Tapcash Group will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

A circular containing further details of the Tapcash Subsidiary Share Option Scheme together with a notice of a general meeting will be dispatched to the Shareholders in due course.

Shareholders should note that the proposed Tapcash Subsidiary Share Option Scheme is subject to, amongst others, approval by the Shareholders at a general meeting of the Company and as such, may or may not proceed.

DEFINITIONS

“Announcement”	the announcement of the Company dated 5 March 2014 in relation to the Shareholders’ Agreement
“Board”	the board of Directors
“Share Subscription Agreement”	the Share Subscription agreement dated 9 March 2015 entered into between the Company and the New Individual Shareholders in relation to the capital increase in Tapcash Cayman
“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
“connected person(s)”	has the meaning given to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“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
“Group”	the Company and its subsidiaries

“IGG Singapore”	IGG Singapore Pte. Ltd. (formerly known as Skyunion Pte. Ltd.), a company incorporated under the laws of Singapore on 30 June 2009, a wholly-owned subsidiary of the Company
“Individual Shareholders”	means Mr. Guo Wu, Mr. Dian Chi, Ms. Kai Chen, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Meijia Chen, Mr. Neng Xu, Mr. Hanling Fang, Ms. Jessie Shen, and eight other individuals who are third parties independent from the Company and connected persons of the Company
“New Individual Shareholders”	means Mr. Guo Wu and three other individuals who are third parties independent from the Company and connected persons of the Company, being parties to the Share Subscription Agreement
“Tapcash Canada”	Tapcash Inc., a limited liability company incorporated in Canada pursuant to the Shareholders’ Agreement
“Tapcash Cayman”	Tap Media Technology Inc., a limited liability company incorporated under the laws of Cayman Islands
“Tapcash Singapore”	Tap Media Technology Pte. Ltd., a limited liability company incorporated under the laws of Singapore
“Tapcash Subsidiary Share Option Scheme”	the share option scheme of Tapcash Cayman and its subsidiaries proposed to be approved by the Shareholders at a general meeting
“Shareholders’ Agreement”	the shareholders’ agreement dated 5 March 2014 entered into between IGG Singapore and the Individual Shareholders in relation to the establishment of Tapacash Canada
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“US\$”

United States dollars, the lawful currency of the United States of America

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 9 March 2015

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>.