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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 799)

(Stock Code on GEM: 8002)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

On 16 March 2015, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board.

The Company has applied for the listing of, and permission to deal in (i) 1,393,595,930 Shares in issue, (ii) 50,057,169 Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Pre-IPO Share Option Scheme on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board, and (iii) 7,921,000 Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its Shares as at the date of this announcement.

The approval-in-principle was granted by the Stock Exchange on 25 June 2015 for the Transfer of Listing.

The last day of dealings in the Shares on GEM (Stock code: 8002) will be Monday, 6 July 2015. Dealings in the Shares on the Main Board (Stock code: 799) will commence at 9:00 a.m. on Tuesday, 7 July 2015.

Reference is made to the announcements issued by the Company dated 9 March 2015 and 16 March 2015, respectively, in relation to the Transfer of Listing.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 16 March 2015, an application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in (i) 1,393,595,930 Shares in issue, (ii) 50,057,169 Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Pre-IPO Share Option Scheme on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board, and (iii) 7,921,000 Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its Shares as at the date of this announcement.

The approval-in-principle was granted by the Stock Exchange on 25 June 2015 for the Shares to be listed on the Main Board and de-listed from GEM.

REASONS FOR THE TRANSFER OF LISTING

The Group is a rapidly growing developer and publisher of mobile online games with a global presence and international customer base. The Group has its headquarters in Singapore with regional offices in the United States, China, Canada, the Philippines, Japan, Korea and Thailand and customers from over 200 countries and regions around the world.

The Directors believe that the listing of the Shares on the Main Board will enhance the profile and public recognition of the Group as well as increase the trading liquidity of the Shares. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Group. No change in nature of business of the Group is contemplated by the Directors following the Transfer of Listing.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 18 October 2013, the date on which the Shares were listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as

eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8002) will be Monday, 6 July 2015. Dealings in the Shares on the Main Board (Stock code: 799) will commence at 9:00 a.m. on Tuesday, 7 July 2015. The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates.

No change will be made to the stock short names of the Company, the board lot size, the trading currency and the share registrars of the Shares in connection with the Transfer of Listing. Shares will be traded under the new stock code 799 in board lots of 1,000 Shares each following the Transfer of Listing.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 5 May 2015 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

BIOGRAPHICAL INFORMATION OF THE DIRECTORS AND SENIOR MANAGEMENT

The Company discloses the biographical information of each Director and senior management as follows:

DIRECTORS

Executive Directors

Mr. Zongjian Cai (蔡宗建), aged 37, was appointed as an executive Director of the Company on 31 October 2007 and is the chief executive officer of the Company. Mr. Cai is one of the founders of the Group and is primarily responsible for the corporate strategic planning and overall business development of the Group. Mr. Cai also acts as a director of the Company's subsidiaries, including Skyunion Hong Kong Holdings Limited (天盟香港控股有限公司), Fuzhou Skyunion Digital Co., Ltd.* (福州天盟數碼有限公司), Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司) and Tap Media Technology Inc.. Mr. Cai has approximately 15 years of experience in online game industry. He worked at Fujian NetDragon Computer Information Network Technology Co., Ltd.* (福建網龍計算機信息網絡技術有限公司) as a vice president from May 2000 to November 2003 by whom 17173.com was developed. Mr. Cai also worked as the chief executive officer of 17173.com, which is acquired by Sohu.com Inc., a company listed on NASDAQ (Stock Code: SOHU), from November 2003 to January 2005 and a consultant for both Beijing Sohu New Era Information Technology Co., Ltd.* (北京搜狐新時代信息技術有限公司) and 17173.com from January 2005 to June 2005. Mr. Cai graduated from Fuzhou University (福州大學) with a college diploma in computer and accounting in June 1998.

As at the Latest Practicable Date, Mr. Zongjian Cai is interested in all the issued share capital of Duke Online Holdings Limited ("Duke Online") and he is the sole director of Duke Online, therefore, he is deemed to be interested in 178,699,027 Shares held by Duke Online under the SFO. Mr. Zongjian Cai is the spouse of Ms. Kai Chen, therefore he is also deemed to be interested in 17,847,952 Shares held by Ms. Kai Chen under the SFO. On 16 September 2013, Mr. Zongjian Cai, Mr. Yuan Chi, Duke Online, Edmond Online, Mr. Yuan Xu, Ms. Kai Chen, Mr. Hong Zhang and Mr. Zhixiang Chen entered into an act in concert agreement, pursuant to which each of them agreed that they would act in concert with each other with respect to material matters relating to the Company's operation. Mr. Zongjian Cai, Mr. Yuan Chi, Duke Online, Edmond Online, Mr. Yuan Xu, Ms. Kai Chen, Mr. Hong Zhang and Mr. Zhixiang Chen expect that the material matters will cover, among other things, the matters which shall be approved at the annual general meeting, declaration of dividends, business plan, notifiable transactions and connected transactions subject to Shareholders' approval, if any. Mr. Zongjian Cai is also deemed to be interested in the 332,000 Shares which may be issued to him upon the exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Mr. Cai does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Mr. Cai has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than three months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Mr. Cai is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Cai is entitled to a basic annual salary of US\$60,000 and all allowances and benefits to the same extent as other employees of the Group. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

Save as disclosed above, Mr. Cai has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Mr. Cai that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Mr. Cai that need to be brought to the attention of the Shareholders.

Mr. Yuan Chi (池元), aged 58, was appointed as an executive Director of the Company on 16 August 2007 and is the senior vice president. Mr. Chi is one of the founders of the Group and he is primarily responsible for the game development of the Group. Mr. Chi also acts as a director of the Company's subsidiaries, including Skyunion Hong Kong Holdings Limited (天盟香港控股有限公司), Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司), Tap Media Technology Inc. and Tap Media Technology Pte. Ltd.. Mr. Chi has approximately 17 years of experience in the information technology industry. Prior to joining the Group, Mr. Chi worked as the general manager of Fujian Window Network Information Co., Ltd.* (福建之窗網絡信息有限公司) (www.66163.com) from April 1998 to June 2007. He was the vice president of Fujian Rongji Software Co., Ltd.* (福建榕基軟件股份有限公司), a company listed on Shenzhen Stock Exchange (Stock Code: 002474), from November 2000 to September 2003. Mr. Chi also worked at Fujian NetDragon Computer Information Network Technology Co., Ltd.* (福建網龍計算機信息網絡技術有限公司) from October 2003 to November 2007. Mr. Chi graduated from Fuzhou University with a bachelor's degree in water resources and hydropower engineering in July 1982 and a master degree in hydraulic structure in March 1990.

As at the Latest Practicable Date, Mr. Yuan Chi is interested in 80% issued share capital of Edmond Online Holdings Limited (“Edmond Online”) and he is the sole director of Edmond Online, therefore he is deemed to be interested in 158,080,000 Shares held by Edmond Online under the SFO. On 16 September 2013, Mr. Zongjian Cai, Mr. Yuan Chi, Duke Online, Edmond Online, Mr. Yuan Xu, Ms. Kai Chen, Mr. Hong Zhang and Mr. Zhixiang Chen entered into an act in concert agreement, pursuant to which each of them agreed that they would act in concert with each other with respect to material matters relating to the Company’s operation. Mr. Zongjian Cai, Mr. Yuan Chi, Duke Online, Edmond Online, Mr. Yuan Xu, Ms. Kai Chen, Mr. Hong Zhang and Mr. Zhixiang Chen expect that the material matters will cover, among other things, the matters which shall be approved at the annual general meeting, declaration of dividends, business plan, notifiable transactions and connected transactions subject to Shareholders’ approval, if any. Mr. Yuan Chi is also deemed to be interested in the 486,000 Shares which may be issued to him upon the exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Mr. Chi does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Mr. Chi has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than three months’ notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Mr. Chi is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Chi is entitled to a basic annual salary of US\$60,000 and all allowances and benefits to the same extent as other employees of the Group. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

Save as disclosed above, Mr. Chi has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Mr. Chi that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Mr. Chi that need to be brought to the attention of the Shareholders.

Non-executive Directors

Mr. Xiaojun Li (李驍軍), aged 41, was appointed as a non-executive Director on 30 November 2007. Mr. Li also acts as a director of the Company's subsidiaries, including Skyunion Hong Kong Holdings Limited (天盟香港控股有限公司) and Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司). Mr. Li has approximately 10 years of experience in corporate management and venture capital. He has been the partner of IDG Capital Partners since August 2006 and acted as the vice president of IDG Technology Venture Investment Fund from September 2004 to August 2006. Mr. Li graduated from University of California, Los Angeles with a master degree in electronic engineering in September 1996. He obtained a master of business administration from Wharton Business School at the University of Pennsylvania in May 2004.

Mr. Li has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than two months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Mr. Li is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Li is entitled to a basic annual salary of US\$20,000. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Li is deemed to be interested in 350,000 Shares which may be issued to him upon exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Mr. Li does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Mr. Li has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Mr. Li that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

Mr. Kee Lock Chua (蔡其樂), aged 54, was appointed as a non-executive Director on 12 November 2008. Mr. Chua also acts as a director of the Company's subsidiaries, including Skyunion Hong Kong Holdings Limited (天盟香港控股有限公司) and Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司). Mr. Chua serves as the independent director on the board of directors of Logitech International S.A., which is listed in the U.S. and Switzerland. He also serves as an independent director of Yongmao Holdings Ltd., which is listed on the Singapore Stock Exchange. Mr. Chua is currently the group president and chief executive officer, and an executive director of Vertex Venture Holdings Ltd. Prior to joining Vertex, he was the president and executive director of Biosensors International Group, Ltd, a deputy president of NatSteel Group (now known as NSL Ltd) and a president of MediaRing.com Ltd (now known as S i2i Limited) all of which are listed on the Singapore Stock Exchange. Mr. Chua served as an independent director of SHC Capital Asia Limited, which is listed on the Singapore Stock Exchange from March 2012 to May 2014. Mr. Chua graduated from University of Wisconsin-Madison with a bachelor's degree in mechanical engineering in 1984. He also graduated from Stanford University with a master's degree in science in 1987.

Mr. Chua has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than two months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Mr. Chua is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Chua is entitled to a basic annual salary of US\$20,000. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chua is deemed to be interested in 350,000 Shares which may be issued to him upon exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Mr. Chua does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Mr. Chua has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Mr. Chua that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Mr. Chua that need to be brought to the attention of the Shareholders.

Independent Non-executive Directors

Dr. Horn Kee Leong (梁漢基), aged 62, was appointed as an independent non-executive Director on 16 September 2013. Dr. Leong is currently the chairman of CapitalCorp Partners Private Limited and a member of the Securities Industry Council of Singapore. He has been Singapore's Non-resident High Commissioner to Cyprus since July 2014. Since 1983, until prior to joining CapitalCorp Partners Private Limited, Dr. Leong held various management positions including as an executive director and consultant of Far East Organization Centre Pte. Ltd., the chief executive officer of Yeo Hiap Seng Ltd, the managing director of Orchard Parade Holdings Limited, a corporate finance director of Rothschild (Singapore) Limited. From 1977 to 1983, Dr. Leong held various positions at the Ministry of Finance and at the Ministry of Trade & Industry of Singapore. He was a member of Parliament of Singapore from 1984 to 2006. He was Singapore's non-resident ambassador to Mexico from September 2006 to February 2013. In addition to the above, Dr. Leong held directorships in the following listed companies in the past three years preceding the Latest Practicable Date:

Period	Name of company	Position
October 2013-present	VIVA Industrial Trust Management Pte Ltd, which is the management company of Viva Industrial Trust listed on Singapore Stock Exchange	Chairman of the board
June 2013-present	SPH Reit Management Pte Ltd, which is the management company of SPH Reit listed on Singapore Stock Exchange	Chairman of the board

Period	Name of company	Position
4 November 2010- 22 May 2015	Amttek Engineering Ltd, listed on Singapore Stock Exchange	Independent non-executive director
19 January 2001-present	Tat Hong Holdings Ltd, listed on Singapore Stock Exchange	Independent non-executive director
30 June 2000-present	Wilmar International Limited, listed on Singapore Stock Exchange	Independent non-executive director
9 September 2008- 20 November 2014	China Energy Limited, listed on Singapore Stock Exchange	Independent non-executive director
15 December 2000- 28 April 2014	ECS Holdings Limited, listed on Singapore Stock Exchange	Independent non-executive director (Lead independent director from 1 January 2013 to 28 April 2014)
17 August 2009- 30 September 2013	Linair Technologies Limited, listed on Singapore Stock Exchange	Independent non-executive director
18 July 2007- 20 April 2012	Kian Ho Bearings Ltd, listed on Singapore Stock Exchange	Non-independent non-executive director

Dr. Leong graduated from Loughborough University with a bachelor degree of technology in production engineering and management in July 1975. He completed distance learning and obtained a bachelor degree of science in economics from University of London in August 1979 and he also finished part time study and obtained a bachelor degree of arts in Chinese Language and Literature from Beijing Normal University* (北京師範大學) in March 2009. Dr. Leong graduated from the European Institute of Business Administration (INSEAD) with a master degree of business administration in 1980 and he also finished part time study and obtained a master degree of business research from the University of Western Australia in September 2009. He also graduated from the University of Western Australia with the degree of doctor of business administration in September 2013.

Dr. Leong has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than two months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Dr. Leong is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Dr. Leong is entitled to a basic annual salary of US\$40,000. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, Dr. Leong is deemed to be interested in 250,000 Shares which may be issued to him upon exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Dr. Leong does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Dr. Leong has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Dr. Leong that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Dr. Leong that need to be brought to the attention of the Shareholders.

Mr. Dajian Yu (余大堅), aged 66, was appointed as an independent non-executive Director on 16 September 2013. Mr. Yu has over 15 years of experience in venture capital investment and in senior management in semiconductor, electronic, IT and pharmaceutical industries. Since 2010, he has been the vice president of Silicon Valley China Venture Management LLC and the director of several portfolio companies, Cadeka Technology Holding Ltd., Effecient Drivetrains Inc, Consensic International Inc., Tricopian, LLC., Akros Silicon Inc. and Chelsio Communications. He has also been the partner of BayHill Partners since 1999. Mr. Yu held senior management positions at several companies, including director of operations at General Parametrics Corporation from 1985 to 1996, vice president at Topology Corporation from 1996 to 1999, and vice president of Fuzhou Tianmeng from 2009 to 2010. Mr. Yu graduated from South China University of Technology (華南理工大學) (formerly known as South China Technology College* (華南工學院)) with a bachelor's degree in electrical engineering in July 1982.

Mr. Yu has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than two months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Mr. Yu is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Yu is entitled to a basic annual salary of US\$20,000. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Yu beneficially owns 400,000 Shares in the Company and he is deemed to be interested in 250,000 Shares which may be issued to him upon exercise of the share options granted to him on 23 March 2015 under the Share Option Scheme. Save as disclosed, Mr. Yu does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Mr. Yu has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Mr. Yu that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Mr. Yu that need to be brought to the attention of the Shareholders.

Ms. Zhao Lu (陸釗), aged 47, was appointed as an independent non-executive Director on 16 September 2013. Ms. Lu is currently the president of Fujian New Media Animation Game Associate* (福建省動漫遊戲協會新媒體產業聯盟). She was the general manager of Fuzhou Lingdong Network Science and Technology Co., Ltd.* (福州靈動網絡科技有限公司) from February 2009 to December 2012 and the general manager of Tian Liang Customer Service* (天亮客服) of Fujian NetDragon Computer Information Network Technology Co., Ltd.* (福建網龍計算機網絡信息技術有限公司) from December 2003 to February 2009. Ms. Lu graduated from Beijing University of Posts and Telecommunications* (北京郵電大學) (formerly known as Beijing Institute of Posts and Telecommunications* (北京郵電學院)) with a bachelor degree in communication in July 1989.

Ms. Lu has entered into a service contract with the Company for an initial term of three years commencing from 16 September 2013 and will continue thereafter until terminated by not less than two months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. Ms. Lu is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Ms. Lu is entitled to a basic annual salary of US\$20,000. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director, the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, Ms. Lu is deemed to be interested in 250,000 Shares which may be issued to her upon exercise of the share options granted to her on 23 March 2015 under the Share Option Scheme. Save as disclosed, Ms. Lu does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Ms. Lu has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date. She has not previously held and is not holding any other position with the Company and its subsidiaries. She does not have relationships with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed above, there is no other information relating to Ms. Lu that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and that there are no matters concerning Ms. Lu that need to be brought to the attention of the Shareholders.

SENIOR MANAGEMENT

Mr. Yuan Xu (許元), aged 40, is the Group's chief operating officer. Mr. Xu has approximately 15 years of experience in project and corporate management. He joined the Group in September 2007 and is primarily responsible for business operation and development of the Group outside the PRC. Prior to joining the Group, Mr. Xu worked as a graduate researcher at University of California, Santa Cruz, from September 1999 to July 2004. He also worked at Nanoconduction Inc as a project leader from September 2004 to June 2007. Mr. Xu graduated from Beijing University of Technology* (北京工業大學) with a bachelor's degree in applied physics in July 1998. He also graduated from University of California, Santa Cruz, with a degree of doctor of philosophy in electrical engineering in June 2004. Mr. Xu has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date.

Mr. Hong Zhang (張竑), aged 43, is the Group's chief technology officer and senior vice president of global operations. Mr. Zhang has approximately 18 years of experience in information technology industry. He joined the Group in December 2008 and is primarily responsible for the overall technology operation of the Group. Prior to joining the Group, Mr. Zhang worked at Charles Schwab as a senior staff technology from August 2000 to November 2005. He was also employed by Corporate Computer Services Inc. from November 2005 to November 2008 as a software engineer, assigned to Barclays Global Investors as an information technology consultant. Mr. Zhang graduated from Zhejiang University* (浙江大學) with a bachelor's degree in engineering in June 1994, a master degree in engineering in June 1997. He also graduated from University of California, San Francisco, with a master degree in science in September 2000. Mr. Zhang has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date.

Mr. Zhixiang Chen (陳智祥), aged 38, is the Group's senior vice president and a director of IGG Singapore. Mr. Chen has approximately 11 years of experience in online game industry. He is primarily responsible for the business operation and development of the Group in the PRC. Mr. Chen joined the Group in December 2005 and participated in founding the Group and the IGG.com platform from December 2005 to June 2006. He was the Group's chief operation officer from December 2007 to June 2009. He was the president of IGG Singapore from August 2009 to August 2012, responsible for expanding the Group's overseas (South East Asia) business. Prior to joining the Group, Mr. Chen worked at Beijing Sohu New Era Information Technology Co., Ltd. Fuzhou branch from June 2004 to September 2004 and from January 2005 to November 2005. Mr. Chen graduated from Fujian Normal University* (福建師範大學) with a bachelor's degree in mathematics education in July 1999. He also obtained a second bachelor's degree in software engineering from Xiamen University* (廈門大學) in July 2004. Mr. Chen has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date.

Ms. Jessie Shen (沈潔蕾), aged 45, is the Group's chief financial officer and one of the joint company secretaries. Ms. Shen has approximately 18 years of experience in accounting and corporate finance. She was appointed as the chief financial officer of the Group on 10 November 2014. She joined the Group in March 2009 as the senior vice president of finance and has been primarily responsible for corporate finance, accounting and tax management of the Group. Prior to joining the Group, she worked as an auditor at Diwan, Ernst & Young from July 1992 to August 1994, and a finance associate manager of Aurora Corporation, a company listed on the Taiwan Stock Exchange (Stock Code: 2373), from March 1995 to March 1998 and from August 2001 to January 2002. Ms. Shen also held finance and company secretary positions at Rock Mobile Group from January 2003 to March 2007. She worked at Neo Solar

Power Corp., a company listed on Taiwan Stock Exchange (Stock Code: 3576), as a finance manager from December 2007 to March 2009. Ms. Shen graduated from Tunghai University with a bachelor's degree in accounting in June 1992. She also graduated from Rutgers, The State University of New Jersey with a master degree in business administration in October 1999. Ms. Shen passed the exam of a certified public accountant in both Washington State and Taiwan, and was a member of the Institute of Internal Auditors and a member of Taiwan Institute of Internal Auditors* (中華民國內部稽核協會). Ms. Shen has not held any directorship in other listed company in the last three years preceding the Latest Practicable Date.

WAIVER FROM STRICT COMPLIANCE WITH THE MAIN BOARD LISTING RULES

Rule 8.12 of the Main Board Listing Rules provides that an applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong.

Since the Group operates with a global presence and international customer base, primarily in Singapore, Canada, United States and PRC, and the Company does not keep substantial business in Hong Kong, accordingly, the Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Main Board Listing Rules. The Stock Exchange has granted the requested waiver to the Company on the condition that the Company would adopt the following arrangements to maintain an effective communication channel with the Stock Exchange:

- (a) the Company has appointed and will continue to appoint three authorised representatives pursuant to Rule 5.24 of the GEM Listing Rules (equivalent to Rule 3.05 of the Main Board Listing Rules) who will act as the principal channel of communication with the Stock Exchange. The three authorised representatives are Mr. Zongjian Cai, one of the executive Directors of the Company, Ms. Jessie Shen, the chief financial officer and one of the joint company secretaries of the Company, and Ms. Yin Ping Yvonne Kwong, one of the joint company secretaries of the Company, who is ordinarily resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by home, office, mobile and other telephone numbers, email address and correspondence address (if the authorised representative is not based at the registered office), facsimile numbers if available, and any other contact details prescribed by the Stock Exchange from time to time. Each of the authorised

representatives has been duly authorised to communicate on the Company's behalf with the Stock Exchange. All of them have confirmed that they possess valid travel documents to Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required;

- (b) the Company's authorised representatives have means of contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. To enhance communication between the Stock Exchange, the authorised representatives and the Directors of the Company, the Company has implemented a policy whereby (i) each Director will provide his office phone number, mobile phone number, residential phone number, office facsimile number and email address to the authorised representatives; (ii) each Director will provide valid phone numbers or means of communication to the authorised representatives when he travels; and (iii) all Directors will provide their mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange;
- (c) the Company has, in accordance with Rule 6A.19 of the GEM Listing Rules (equivalent to Rule 3A.19 of the Main Board Listing Rules), also appointed and will continue to appoint China Everbright Capital Limited as its compliance adviser, who will act as an additional channel of communication with the Stock Exchange. The compliance adviser will advise on on-going compliance requirements and other issues arising under the GEM Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the listing date of the Company on Growth Enterprise Market and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the date of its initial listing;
- (d) meetings between the Stock Exchange and the Directors of the Company could be arranged through the authorised representatives of the Company or the Company's compliance adviser, or directly with the Directors within a reasonable time frame. The Company will inform the Stock Exchange promptly in respect of any change in the Company's authorised representatives and compliance adviser; and
- (e) each Director who is not ordinarily resident in Hong Kong has confirmed that he either possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period upon request.

COMPETING INTERESTS

As at the date of this announcement, none of the Directors, the Controlling Shareholders, or their respective associates has any interest in a business, apart from the Company's business, which competes or potentially competes, either directly or indirectly, with the businesses of the Group, pursuant to Rule 9A.09(10) of the Main Board Listing Rules.

BUSINESS AND FINANCIAL OVERVIEW

The Group is a rapidly growing developer and publisher of mobile online games with a global presence and international customer base. The Group has its headquarter in Singapore with regional offices in the United States, China, Canada, Japan, Korea, Thailand and the Philippines, with customers from over 200 countries and regions around the world. IGG Singapore holds most of intellectual properties for the games the Group operates.

The Group offers multi-language mobile games, browser games, and client-based games to the customers all over the world. Mobile games are games that players can play on mobile devices. Revenue from mobile games accounted for approximately 85.3% of the Group's revenue for the year ended 31 December 2014. The Group operates its online games under the free to play ("F2P") model, which encourages players to experience the Group's games and facilitates the growth of the Group's gamer communities. Under this model, the Group's players can download and play the games for free. The Group's revenue is generated by selling virtual items to players, which can enhance their game-playing experience. Once the players have purchased virtual currency through the Group's payment channel partners, these channel partners are able to charge items directly to their accounts.

KEY FINANCIAL INFORMATION

	Year ended 31 December		
	2014	2013	2012
	US\$'000	US\$'000	US\$'000
Revenue	204,612	87,986	43,154
Profit/(loss) for the year	66,392	6,948	(13,435)
Profit/(loss) for the year attributable to owners of the parent	66,373	6,948	(13,435)
Adjusted net income ^{Note}	68,642	22,145	7,303

Note: Adjusted net income represented profit excluding share-based compensation, and the fair value loss of the redeemable convertible Preferred Shares, which were converted to ordinary Shares on 31 May 2013 in accordance with the then applicable articles of association of the Company and have been transferred to equity. It is considered a useful supplement to the consolidated statement of profit or loss indicating the Group's profitability and operational performance for the financial periods presented.

The Group's revenue for each of the years ended 31 December 2012, 2013 and 2014, respectively was approximately US\$43.2 million, US\$88.0 million and US\$204.6 million, primarily due to the significant increase in revenue generated from mobile games these years, particularly the hit titles "Castle Clash" and "Clash of Lords" series. Contribution from mobile games to the Group's revenue for each of the years ended 31 December 2012, 2013 and 2014 was approximately 5.1%, 50.7% and 85.3%, respectively.

The Group's gross profit for each of the years ended 31 December 2012, 2013 and 2014, respectively was approximately US\$32.8 million, US\$65.7 million, and US\$145.8 million, primarily due to the increase in the revenue generated from mobile games.

Net cash flows from operating activities for each of the years ended 31 December 2012, 2013 and 2014, respectively were approximately US\$9.7 million, US\$18.5 million, and US\$70.8 million, which was primarily attributable to the better operating performance.

In particular, according to the management accounts of the Group, the revenue details by operating segments and game types, geographic location and games were set forth as followings:-

Revenue by operating

segments and game types	2014		2013		2012	
	US\$'000	%	US\$'000	%	US\$'000	%
Mobile games	174,622	85.3	44,620	50.7	2,192	5.1
Browser games	24,043	11.8	37,520	42.6	33,971	78.7
Client-based games	3,501	1.7	5,846	6.7	6,991	16.2
Others	<u>2,446</u>	<u>1.2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>204,612</u>	<u>100.0</u>	<u>87,986</u>	<u>100.0</u>	<u>43,154</u>	<u>100.0</u>

Revenue by

geographical markets	2014		2013		2012	
	US\$'000	%	US\$'000	%	US\$'000	%
North America	78,021	38.1	34,038	38.7	14,587	33.8
Asia	58,259	28.5	26,017	29.5	13,582	31.5
Europe	56,258	27.5	20,128	22.9	10,532	24.4
Oceania	6,989	3.4	4,215	4.8	2,297	5.3
South America	4,014	2.0	3,263	3.7	2,032	4.7
Africa	<u>1,071</u>	<u>0.5</u>	<u>325</u>	<u>0.4</u>	<u>124</u>	<u>0.3</u>
Total	<u>204,612</u>	<u>100.0</u>	<u>87,986</u>	<u>100.0</u>	<u>43,154</u>	<u>100.0</u>

Revenue by games

	2014		2013		2012	
	US\$'000	%	US\$'000	%	US\$'000	%
Castle Clash	126,792	62.0	28,926	32.9	—	—
Clash of Lords series	24,506	12.0	1,406	1.6	—	—
Texas HoldEm Poker						
Deluxe	11,055	5.4	11,608	13.2	4,727	10.9
Galaxy Online II	9,136	4.5	17,469	19.9	21,319	49.4
Wings of Destiny	8,042	3.9	10,001	11.4	1,487	3.4
Slot Machines by IGG	5,875	2.9	3,568	4.1	—	—
Others	<u>19,206</u>	<u>9.3</u>	<u>15,008</u>	<u>16.9</u>	<u>15,621</u>	<u>36.3</u>
Total	<u>204,612</u>	<u>100.0</u>	<u>87,986</u>	<u>100.0</u>	<u>43,154</u>	<u>100.0</u>

While the Group traditionally focused on the development and operation of client-based games and browser games, the Group has shifted its focus to developing and operating mobile games in response to the evolving market trend in 2013. As is shown in the above tables, the Group's revenue continues to grow in the last three years, primarily due to the significant increase in revenue generated from mobile games, particularly the hit titles "Castle Clash" and "Clash of Lords" series. During the three years ended 31 December 2014, a majority of the Group's revenue was derived from the players with IP addresses in North America, Europe and Asia, which remained stable. "Castle Clash" and "Clash of Lords" were first launched in 2013 and have become the Group's top two key revenue resources since then. Galaxy Online II was first launched in 2011 as a browser game and revenue generated from such game decreased in 2012 and 2013, which is in line with the Group's shift of focus to mobile games.

The Group will continue to enhance its game development capabilities. Apart from improving the research and development ("R&D") capability of the in-house team, the Group will also outsource game development to more game studios across Asia to increase the variety of games in its portfolio and cater to the different tastes of its global user base. In addition, the Group will seek to license high quality and innovative mobile games from independent third party developers. By the end of 2015, more than 30 self-developed and licensed mobile games are expected to be launched by the Group to cater to a variety of demand of global game players. The game genres will be diversified, including mid-core games like SLG, Trading Card and ARPG types, as well as casual games like Shooting and Marble types.

To facilitate interaction and communication among gamers and offer maximum value to users, the Group launched LINK, an instant messaging mobile application, in August 2014. Location-based communities function is the major feature of LINK, the Group's development team has been working on improving and refining the application's community management function, content sharing and private chat functions over the past several months, as well as adding more alternative languages in the application.

The business of the Group depends on effective advertising, distribution and promotional strategies to attract customers. In early 2014, the Group has commenced to set up its advertisement platform, as compared to its previous reliance on third-party advertisement platforms. The Group expects to further expand its advertisement to further stimulate the Group's online game business and strengthen global reputation.

In early 2015, the Group set up regional offices in Korea, Japan and Thailand and recruited a number of local talents for game operation and development, which enables the Group to offer localized games that better suit gamers in these countries, and to more effectively tap the potential of these important Asian mobile games markets. The Group will continue to strengthen its local presence in key markets around the world and raise its global operational capabilities to the next level.

The Group will make greater efforts to strengthen long-term partnership with its global platforms and partners, to execute its global marketing strategy in an effective manner.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2015

On 5 May 2015, the Company announced the unaudited consolidated quarterly results and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2015. For details, please refer to the said announcement and the first quarterly report for the three months ended 31 March 2015 published on 14 May 2015.

Material Risks Associated with the Group's Business

More than 70% of the Group's revenue is generated from a small number of games and any significant adverse impacts to these games could materially affect the Group's business

The revenue for the years ended 31 December 2013 and 2014 was primarily generated from the Group's mobile games, especially Castle Clash and Clash of Lords series. The Directors expect that the Group will continue to derive a significant amount of the revenue from a limited number of games in the foreseeable future. Although the Group is also actively trying different ways to enhance user experience and offer maximum value to users in the mobile Internet era, one such attempt of which is the instant messaging application LINK, launched in August 2014, the Group cannot assure the Shareholders and the investors that the new application the Group plans to launch will be as popular and will attract as many paying users as the above-mentioned mobile games. Accordingly, should there be (i) any unauthorised copy or imitation of the Group's mobile games by competitors; (ii) any failure by the Group to make improvements, upgrades or enhancements to such games in a timely manner; or (iii) any lasting or prolonged server interruption due to network failures, "hacker attack" or other factors out of the Group's control, the business, financial condition and results of operation of the Group could be adversely affected.

The Group is exposed to potential regulatory and litigation risks in different jurisdictions

Due to the Group's global expansion, the Group is exposed to potential regulatory and litigation risks in different jurisdictions. Different jurisdiction may have or may enact different restrictive law or regulation governing online games. The Group may be liable for any non-compliance with such law or regulation. Any breach of law or regulation in different jurisdictions in which we operate or any claims against the Group by the game players could adversely affect the business, financial condition and results of operations. In addition, due to the global nature of the Internet and the global reach of the network, it is possible that various states or countries might attempt to regulate the Group's transmissions or levy sales, income, consumption, use or other taxes relating to the Group's activities, or impose obligations on the Group to collect such taxes. New or revised taxes such as, sales tax, use or consumption value-added tax ("VAT") and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling, and for our players, buying, virtual items over the Internet. Any of these events could have an adverse effect on the Group's business and results of operations.

Please refer to the annual reports of the Company for the year ended 31 December 2014 for further information about the results of the Group.

Based on the confirmation letters issued by the relevant local government authorities and verbal consultations with the authorities including taxation, commercial, social insurance and other supervising authorities as well as the written confirmation provided by the Company, the Company's PRC legal advisors, Jingtian & Gongcheng, confirmed that during the period from the date of GEM Listing and up to the date of legal opinion, they are not aware of any administrative penalty imposed on the Group for the material non-compliance incidents or any other material violation of applicable PRC laws and regulations by the Group's PRC subsidiaries.

RECENT DEVELOPMENT

Since GEM Listing of the Company on 18 October 2013, the Group has continued to develop its business globally and has shifted its focus to mobile game business. The Group established two subsidiaries in Canada during the first quarter of 2014 to engage in mobile game development and sales supportive service to mobile game advertising business. Save as disclosed in the Company's announcements and annual reports subsequent to its listing, the Company has no major development which should be disclosed under the GEM Listing Rules. To its best knowledge, except for the changes to the new European Union ("EU") VAT disclosed below, the Company

is not aware any recent industry or regulatory changes that may materially impact its operations, in particular any unfavourable trends or developments which may have a material adverse impact on the Company's business and financial performance subsequent to 31 December 2014.

Cooperation with Dynam

Reference is made to the announcements of the Company dated 25 November 2013 and 23 May 2014 in relation to the memorandum of understanding entered into between IGG Singapore and Dynam Japan Holdings Co., Ltd. ("**Dynam**"). The Company would like to update Shareholders and investors that since the conditions for entering into the formal cooperation agreement were not satisfied prior to the expiry of the memorandum of understanding on 25 November 2014, the parties did not continue the potential cooperation thereunder. The Company and Dynam might seek other potential business cooperations in the future and the Company will publish announcement(s) as and when appropriate according to the Main Board Listing Rules.

Preferential tax treatment in Singapore

IGG Singapore currently enjoys preferential tax treatment in accordance with the Development and Expansion Incentive and Approved Royalties Incentive, which will expire on 1 January 2017 unless IGG Singapore reaches a subsequent agreement to extend the incentive period. The Directors believe that IGG Singapore will be able to satisfy the conditions for preferential tax treatment lasting till 31 December 2016 and IGG Singapore may consider applying for extension of the tax incentive for additional years subsequent to 31 December 2016. If IGG Singapore is no longer entitled to such preferential tax treatment, it will be subject to statutory tax rate of 17% on its taxable profit instead of 5% on its taxable profit under the current preferential tax treatment. Historically, the majority of the Group's revenue was derived from IGG Singapore. IGG Singapore's revenue for each of the years ended 31 December 2012, 2013 and 2014 amounted to US\$40,830,000, US\$85,296,000 and US\$203,039,000, respectively.

Settlement of Account Receivables

As at 31 December 2014, account receivables with an aggregate carrying amount of approximately US\$2,375,000 were recorded, none of which was past due or impaired.

As of 31 March 2015, US\$1,611,000 of the account receivables as at 31 December 2014 had been settled, while as of 31 May 2015, US\$2,348,000 of the account receivables as at 31 December 2014 had been settled. There is no default of the settlement up to the Latest Practicable Date of this announcement.

The Group's trading terms with its customers are mainly cash settlement, except for well established corporate customers in the mobile advertising business and the online game joint operation business, for which the credit term is generally one to six months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over those accounts receivable balances. Accounts receivable are non-interest-bearing.

New European Union Value-added Tax Changes

With effect from 1 January 2015 where a business makes supplies of telecommunication services to private customers in the EU, the place of supply is considered to be in the EU. As a result, the VAT liability will be determined based on the country in which the private customer is resident. The aim of this change is to ensure that the VAT is accounted for where the private customer is resident, rather than the country of the supplier. As such, the game revenue derived by the Group are subject to VAT starting from 1 January 2015 at respective tax rates in different EU countries ranging from 17% to 27%. The revenue generated based on the IP locations of the game players in Europe for each of the years ended 31 December 2012, 2013 and 2014, respectively was US\$10,532,000, US\$20,128,000 and US\$56,258,000 respectively. The imposition of aforesaid new VAT rules in EU countries resulted in the Group paying additional VAT and could have negative impact on the Group's business. Similar to the new EU VAT changes, new VAT practice is contemplated by more and more tax authorities globally, which could cause adverse effect on the Group's operation. Since some of the application guidance and detailed regulation have not yet been officially published, the Company at this stage could not further assess the impact.

Merger and Acquisition

Following the Company's listing on the GEM, it made several strategic investments into companies in the game industry that either have high growth potential, or with products and services that are complementary to the Group's business. The Group expects to benefit from the growth of these companies in the near future.

During the fourth quarter of 2014, the Company acquired an associate, Nerd Kingdom Inc., from independent third parties, the aggregate fair value of liabilities of which exceeded that of assets attributable to the interests acquired by the Group, for the total consideration of US\$3,323,000. The investment costs of ordinary shares of Nerd Kingdom Inc. were approximately US\$603,000, which was fully allocated to goodwill on acquisition. The Group has also subscribed or acquired from independent third parties certain non-redeemable convertible preferred shares and warrants (both convertible to ordinary shares) for consideration of US\$2,720,000. The Company does not have contractual right to share additional losses. The Company invested in

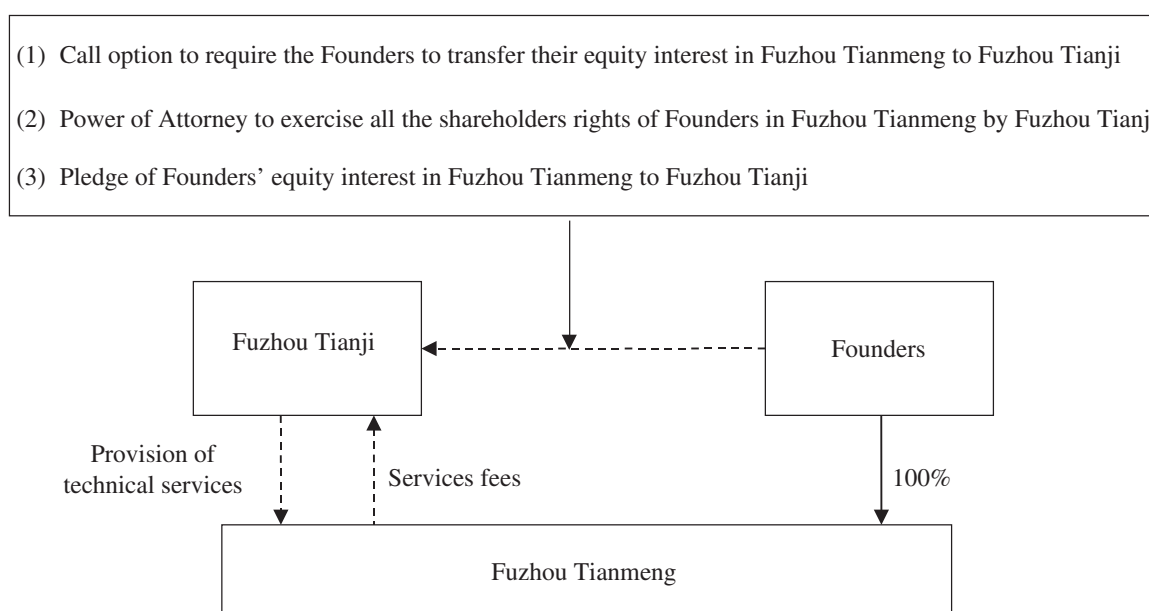
Nerd Kingdom Inc. as a strategic investor and would like to leave flexibility in terms of operation and management to the original management team of Nerd Kingdom Inc. The Company holds 61.70% of ordinary shares of Nerd Kingdom Inc. and has the right to appoint two directors out of five directors in the board. Even though the Company owns more than 50% of equity interest of Nerd Kingdom Inc., given the fact that the Company is only entitled to elect two (2) directors out of five (5) directors in total in accordance with the article of incorporation of Nerd Kingdom Inc. and the Company does not have any vote-in-concert arrangement with other shareholders who are entitled to elect the other three (3) directors, Nerd Kingdom Inc. is classified as an associate of the Group.

STRUCTURED CONTRACTS

The existing PRC laws and regulations restrict foreign investment in value-added telecommunication, Internet content and information services, and online games in the PRC. The 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, the Group historically operated the licensing and publishing of self-developed browser games and client-based games in China through Fuzhou Tianmeng, under the Structured Contracts which holds an ICP license, Internet Culture Operating License and Internet Publishing License.

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



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, the Group was also able to recognise and receive the economic benefits of the business and operation of Fuzhou Tianmeng. The Group intends 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.

The Structured Contracts comprise six agreements, the details of which are summarised below:

- (i) **Call Option Agreement:** on 30 November 2007, Fuzhou Tianji, Fuzhou Tianmeng and the Founders entered into an exclusive acquisition rights agreement (as supplemented by a supplemental agreement dated 16 September 2013 entered into by the same parties, collectively the “**Call Option Agreement**”), pursuant to which the Founders irrevocably granted the exclusive right to Fuzhou Tianji to require the Founders to transfer their equity interest in Fuzhou Tianmeng to Fuzhou Tianji.
- (ii) **Equity Pledge Agreement:** on 30 November 2007, Fuzhou Tianji and the Founders entered into an equity interest pledge agreement (as supplemented by supplemental agreements dated 5 January 2009 and 16 September 2013, respectively, entered into by the same parties, collectively the “**Equity Pledge Agreement**”), pursuant to which Fuzhou Tianji was entitled to exercise its rights to sell the Founders’ pledged interest in the registered capital of Fuzhou Tianmeng on occurrence of certain specified events.
- (iii) **Power of Attorney of Mr. Zongjian Cai:** on 30 November 2007, Mr. Zongjian Cai issued a power of attorney (as supplemented by a supplemental power of attorney dated 16 September 2013 issued by Mr. Zongjian Cai, collectively the “**Power of Attorney of Mr. Zongjian Cai**”), pursuant to which Mr. Zongjian Cai authorised Fuzhou Tianji to exercise all the shareholders’ rights of Mr. Zongjian Cai in Fuzhou Tianmeng.
- (iv) **Power of Attorney of Mr. Yuan Chi:** on 30 November 2007, Mr. Yuan Chi issued a power of attorney (as supplemented by a supplemental power of attorney dated 16 September 2013 issued by Mr. Yuan Chi, collectively the “**Power of Attorney of Mr. Yuan Chi**”), pursuant to which Mr. Yuan Chi authorized Fuzhou Tianji to exercise all the shareholders’ rights of Mr. Yuan Chi in Fuzhou Tianmeng.

- (v) Exclusive Technical Consulting Service Agreement: on 30 November 2007, Fuzhou Tianji and Fuzhou Tianmeng entered into an exclusive technical consulting service agreement (as supplemented by supplemental agreements dated 5 January 2009 and 16 September 2013, respectively, entered into by the same parties, collectively, “**Exclusive Technical Consulting Service Agreement**”), pursuant to which Fuzhou Tianji would provide technical support and consultation services to Fuzhou Tianmeng in consideration of services fees equivalent to the total revenue less all the related costs, expenses and taxes payable by Fuzhou Tianmeng, to be paid on a quarterly basis.
- (vi) Online Game Licensing Agreement: on 16 September 2013, Fuzhou Tianji and Fuzhou Tianmeng entered in an agreement for online game licensing (the “**Online Game Licensing Agreement**”), pursuant to which Fuzhou Tianji will license various online game software to Fuzhou Tianmeng for operation in the PRC market for a consideration of an initial licensing fee and commissions payable on a quarterly basis according to a percentage generally accepted in the market and such commission shall be a fair value.

The Group’s online games development function is mainly vested in IGG Singapore, Fuzhou Tianji, IGG Canada and Fuzhou Tianmeng, among which IGG Singapore and Fuzhou Tianmeng also operate online games. The Group’s game development team is primarily located in Singapore and Fuzhou, Fujian Province, China. IGG Singapore holds the majority of the intellectual properties which are major to the Group’s operation and business and the remaining intellectual properties are held by Fuzhou Tianji and Fuzhou Tianmeng.

The Directors are of the view that the Group kept the Structured Contracts to maintain presence in the PRC for further development but the business and operation of the Group does not rely on Fuzhou Tianmeng or the Structured Contracts. Instead, IGG Singapore is the headquarter and operation center of the Group. Details are set forth in the below tables:

Number of games operated by IGG Singapore and Fuzhou Tianmeng

	Developed		Developed		Developed	
	in-house	Licensed	in-house	Licensed	in-house	Licensed
	As at 31		As at 31		As at 31	
	December 2012		December 2013		December 2014	
IGG Singapore	13	7	17	5	19	8
Fuzhou Tianmeng	4	0	7	0	3	0

Note: the Group’s online games are operated under different language versions.

Game revenue attributable to IGG Singapore and Fuzhou Tianmeng

	Revenue attributable to the relevant entity	Percentage of the total revenue of the Group	Revenue attributable to the relevant entity	Percentage of the total revenue of the Group	Revenue attributable to the relevant entity	Percentage of the total revenue of the Group
	for the year ended 31 December 2012		for the year ended 31 December 2013		for the year ended 31 December 2014	
	US\$'000	%	US\$'000	%	US\$'000	%
IGG Singapore	40,830	94.5	85,296	96.9	200,776	98.1
Fuzhou Tianmeng	1,224	2.8	1,803	2.0	838	0.4

Assets attributable to IGG Singapore and Fuzhou Tianmeng

	Assets attributable to the relevant entity	Percentage of the total assets of the Group	Assets attributable to the relevant entity	Percentage of the total assets of the Group	Assets attributable to the relevant entity	Percentage of the total assets of the Group
	for the year ended 31 December 2012		for the year ended 31 December 2013		for the year ended 31 December 2014	
	US\$'000	%	US\$'000	%	US\$'000	%
IGG Singapore	12,999	60.4	38,258	25.3	139,916	64.3
Fuzhou Tianmeng	2,714	12.6	1,470	1.0	1,532	0.7

As illustrated above, IGG Singapore is the main operation center of the Group and the revenue and assets are mainly attributable to IGG Singapore rather than Fuzhou Tianmeng. For the three years ended 31 December 2014, the revenue and assets attributable to IGG Singapore experienced an increasing trend, while those attributable to Fuzhou Tianmeng continued to decline during such period.

Developments on Structured Contracts

Updates to HKEx-LD43-3

The Directors noted that since the listing of the Company on GEM, the Listing Decision HKEx-LD43-3 was updated in April 2014. Based on the review of these updates, the Directors confirmed that the Company's current Structured Contracts are in full compliance with such listing decision, where applicable.

Draft Foreign Investment Law

On 19 January 2015, the Ministry of Commerce of the PRC (the "MOC") published the draft Foreign Investment Law to solicit public comment, which, when finally adopted, will have significant impact on the foreign investment regime of the PRC.

The draft Foreign Investment Law was published accompanied by the MOC's notes (the "Notes") on, among others, the background, guidelines and principle, and main content of the draft Foreign Investment Law and elaboration on several issues including the treatment of the existing structured contracts arrangement (in other words, VIE arrangements, structured contracts, or contractual arrangements) which were established before the effectiveness of the Foreign Investment Law.

The draft Foreign Investment Law proposes to standardize the market entry requirements and procedures for foreign and domestic investors, replacing the existing requirements for approval of all foreign investments by the competent foreign investment authority, and aims to consolidate and streamline the various regulatory requirements on foreign investment. Meanwhile, the draft Foreign Investment Law redefines the standard of foreign investors and foreign investment in terms of actual control. In particular, where the foreign investors incorporated under the laws of countries or regions other than the PRC, who are under the actual control of PRC investors, engage in any investment as set out in the catalogue of restrictions in the PRC, their investment may be viewed as an investment by PRC investors after the access permission review of the competent foreign investment authorities.

The Notes elaborated three suggested approaches from the academic and practical sectors for public consultation purpose:

- (i) reporting: the structured contracts will be permitted to continue following reporting to MOC that the foreign-invested enterprises are actually controlled by PRC investor(s);
- (ii) verification: the structured contracts will be permitted to continue following confirmation with MOC that the foreign-invested enterprises are actually controlled by PRC investor(s); or
- (iii) approval: the structure contracts being permitted to continue following approval by MOC.

However, the Notes also stated that MOC will broadly seek advices from the public, conduct further research on this issue and then bring out suggestion on its treatment. As advised by Jingtian & Gongcheng, the above three approaches are set out to solicit public opinions on the treatment of existing structured contracts arrangements and have not been formally adopted and may be subject to revisions and amendments taking into account of the results of public consultation and/or further research and recommendation. Jingtian & Gongcheng also advises that there is no definite timeline when the new Foreign Investment Law will come into effect.

As advised by Jingtian & Gongcheng, considering that the voting rights jointly held by Mr. Zongjian Cai, Mr. Yuan Chi, Ms. Kai Chen, Mr. Zhixiang Chen, Mr. Yuan Xu and Mr. Hong Zhang, all of whom are PRC citizens and are parties to an act in concert agreement on 16 September 2013, pursuant to which each of them agreed that they would act in concert with each other with respect to matters relating to the operation of the Company in all material respects, reached approximately 32.54% as at 31 December 2014, which would exert major influence on the Group, Fuzhou Tianmeng can be regarded as being controlled by PRC investors as defined under the draft Foreign Investment Law, however, as the date of this announcement, the draft Foreign Investment Law and the Notes are just drafts released for the purpose of public consultation, and both of them have no legal effect. Given this, the Company is of the view that it may not be appropriate at this stage to evaluate the potential impact of the Foreign Investment Law and to formulate any specific measures to keep Fuzhou Tianmeng being controlled by PRC investors. If Fuzhou Tianmeng does not qualify as being controlled by PRC investors when the Foreign Investment Law becomes effective, the Company might be requested to dispose of its interests in Fuzhou Tianmeng. The appropriate risk factors had already been disclosed in the paragraph headed “Risk Relating to our Contractual Arrangement — There is no assurance that the contractual arrangements between Fuzhou Tianji and Fuzhou Tianmeng will be deemed to be in compliance with existing or future PRC laws and regulations” in the “Risk Factors” section of the Prospectus.

The Company confirms that if the Structured Contracts are required to be unwind or the Company is required to dispose the interests in Fuzhou Tianmeng in the future, it can engage other domestic publishers with the due qualifications and licenses to operate its online games in the PRC, which may adversely affect the Group’s operational and financial performance because engaging other domestic publishers may impose more costs to the Group. Based on the current market price, it is estimated that such domestic publishers would charge an annual fee of approximately 20% of the annual revenue generated from the games operated by them in the PRC. For illustration purposes, using the games operated by Fuzhou Tianmeng as at 31 December 2014 and the revenue generated from these games for the year ended 31 December 2014, it is estimated that the annual cost to engage domestic publishers with the due qualifications and licenses to operate such games will not exceed US\$200,000. However, the Company expects that such adverse impact on the Group’s operational and financial performance will not be material considering that (1) the revenue and assets attributable to the Structured Contracts are minor, and (2) there is no legal obstacle for Fuzhou Tianmeng to transfer its assets to Fuzhou Tianji or IGG Singapore, as the case maybe, a subsidiary of the Group.

Following the Transfer of Listing, the Group will continue to implement the following measures to ensure the effective operation of the Structured Contacts and the Group's compliance with the Structured Contracts:

- major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- the Board will review the overall performance of and compliance with the Structured Contracts at least once a year;
- the Company will disclose the overall performance and compliance with the Structured Contracts in its annual/interim report to update the Shareholders and potential investors;
- the Directors undertake to provide periodic updates in the annual/interim reports regarding the qualification requirements as stipulated under the FITE Regulations and the development of Foreign Investment Law, including the latest relevant regulatory development as well as the plan and progress in acquiring the relevant experience to meet these qualification requirements; and
- the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Fuzhou Tianji and Fuzhou Tianmeng to deal with specific issues or matters arising from the Structured Contracts.

The Company's PRC legal advisors, Jingtian & Gongcheng, confirmed that they have reviewed the relevant disclosure in relation to the Structured Contracts in this announcement.

QUARTERLY REPORTING OF FINANCIAL RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of its financial results and will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year end, respectively. The Board is of the view that investors and Shareholders will continue to have access to relevant information of the Company following the reporting requirements under the Main Board Listing Rules.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 16 September 2013. Such Share Option Scheme will remain valid and effective following the Company's Transfer of Listing and will be implemented in full compliance with Chapter 17 of the Main Board Listing Rules. As at the Latest Practicable Date, 18,220,000 share options under the Share Option Scheme were granted, among which 556,500 share options have lapsed, nil share options have been exercised and 9,742,500 share options have been canceled. Accordingly, 7,921,000 Shares may be issued upon the exercise of the share options under the Share Option Scheme. The Shares issued and to be issued upon exercise of share options which may be granted and the Shares to be issued upon exercise of options which have been granted pursuant to the Share Option Scheme will be listed on the Main Board.

CONTINUING CONNECTED TRANSACTIONS

As had been disclosed in the Prospectus, the Company had entered into three continuing connected transactions, (1) the Structured Contracts, (2) a research and development outsourcing agreement (the "**Research and Development Outsourcing Agreement**") dated 16 September 2013 entered into between IGG Singapore and GameCoreTech Software Corporation, and (3) a consulting agreement (the "**Consulting Agreement**") entered into between IGG USA and Hongbin You. The Research and Development Outsourcing Agreement was terminated on 5 March 2014. Both of the Structured Contracts and the Consulting Agreement will continue after the Company's Transfer of Listing and such transactions will comply with the relevant rules of the Main Board Listing Rules.

PUBLIC FLOAT

The Directors confirm that approximately 53.03% of the total issued share capital of the Company is held by the public (as defined in the Main Board Listing Rules) as at the Latest Practicable Date. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for viewing on the websites of the Company at www.igg.com and the Stock Exchange at www.hkexnews.hk:

- (a) the memorandum of association and the articles of association of the Company;
- (b) the quarterly report of the Company for the three months ended 31 March 2015;

- (c) the annual report of the Company (including the directors' report and the annual accounts) for the year ended 31 December 2014;
- (d) the interim report of the Company for the six months ended 30 June 2014;
- (e) the circular of the Company dated 31 March 2015 in relation to the general mandates to issue and repurchase Shares and re-election of Directors;
- (f) the circular of the Company dated 31 March 2014 in relation to the general mandates to issue and repurchase Shares and re-election of Directors; and
- (g) a copy of each of the announcement and other corporate communication made by the Company before the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the respective meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on GEM (GEM stock code: 8002)
“Controlling Shareholders”	has the meaning ascribed thereto in the GEM Listing Rules or Main Board Listing Rules and unless the context requires otherwise, refers to Mr. Zongjian Cai, Mr. Yuan Chi, Duke Online, Edmond Online, Ms. Kai Chen (spouse of Mr. Zongjian Cai), Mr. Zhixiang Chen, Mr. Yuan Xu and Mr. Hong Zhang
“Director(s)”	director(s) of the Company
“FITE Regulations”	the Regulations on Administration of Foreign Invested Telecommunications Enterprises (外商投資電信企業管理規定)
“Founders”	Mr. Zongjian Cai (蔡宗建) and Mr. Yuan Chi (池元)

“Foreign Investment Law”	foreign investment law which will be promulgate by the Ministry of Commerce of the PRC to regulate the foreign investment in the PRC, which is a draft for public consultation as at the date of this announcement
“Fuzhou Tianmeng”	Fuzhou Skyunion Digital Co., Ltd* (福州天盟數碼有限公司), a limited liability company established under the laws of the PRC on 12 December 2006, which is owned as to 50% by Mr. Zongjian Cai and 50% by Mr. Yuan Chi, respectively
“Fuzhou Tianji”	Fuzhou TJ Digital Entertainment Co., Ltd* (福州天極數碼有限公司), a limited liability company established under the laws of the PRC on 15 November 2007, a wholly-owned subsidiary of the Group
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM, as amended from time to time
“GEM Placing” or “GEM Listing”	the placing of the Shares by the underwriters on behalf of the Company as described in the Prospectus
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“IGG Canada”	IGG.com Canada Inc, a company incorporated in Canada on 30 January 2014, a wholly-owned subsidiary of the Group
“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 Group
“IGG USA”	Sky Union, LLC, a limited liability company formed in the State of Nevada, the United States, on 21 October 2005, a wholly-owned subsidiary of the Group

“Latest Practicable Date”	19 June 2015, being the latest practicable date prior to the issue of this announcement for ascertaining certain information in this announcement
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“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, certain principal terms of which are summarised in the paragraph headed “Pre-IPO Share Option Scheme” in Appendix IV to the Prospectus
“Prospectus”	the prospectus of the Company dated 11 October 2013
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0000025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Contracts”	a series of contracts which include the Call Option Agreement, the Exclusive Technical Consulting Service Agreement, the Equity Pledge Agreement, the Power of Attorney and the Online Game Licensing Agreement

“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2013, the principal terms of which are summarised under the paragraph headed “Share Option Scheme” in Appendix IV to the Prospectus
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board pursuant to Chapter 9A of the Main Board Listing Rules
“*”	for identification only

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 25 June 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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>.