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## **IGG INC**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 799)**

### **CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

On 28 April 2017, IGG Singapore, a wholly owned subsidiary of the Company, and Pocket Social, entered into the Loan Agreement, pursuant to which IGG Singapore agrees to advance the Loan in the principal amount of US\$1,000,000 to Pocket Social at an interest rate of 2% per annum for a term of two years commencing from 28 April 2017 and ending on 27 April 2019.

Pocket Social is a non wholly-owned subsidiary of and held as to 58.0% by IGG Singapore. On the other hand, Maple Sunrise holds 37.0% of Pocket Social. Since Maple Sunrise is a company held as to 60.5% by Ms. Kai Chen, the spouse of Mr. Zongjian Cai, the chairman, chief executive officer and executive Director of the Company, hence a connected person at issuer level, Pocket Social is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules. Therefore, the Loan made by IGG Singapore to Pocket Social under the Loan Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

The applicable percentage ratio for the Loan made by the Company (through IGG Singapore) to Pocket Social does not exceed 5% and therefore, in accordance with Rule 14A.76(2) of the Listing Rules, the Loan is only subject to the annual reporting and announcement requirements and is exempt from the circular (including independent financial advice) and shareholders' approval requirements of the Listing Rules.

## **LOAN AGREEMENT**

### **Date**

28 April 2017

### **Parties**

- (1) IGG Singapore, a wholly owned subsidiary of the Company, as lender; and
- (2) Pocket Social, a connected subsidiary of the Company, as borrower.

### **Subject Matter**

IGG Singapore and Pocket Social entered into the Loan Agreement, pursuant to which IGG Singapore agrees to advance the Loan in the principal amount of US\$1,000,000 to Pocket Social at an interest rate of 2% per annum for a term of two years commencing from 28 April 2017 and ending on 27 April 2019.

### **Principal amount of the Loan**

US\$1,000,000

### **Interest rate**

The interest rate applicable to the Loan shall be 2% per annum, which is determined with reference to the prevailing interest rate in the market.

### **Advancement of the Loan**

The Loan shall be advanced by IGG Singapore to Pocket Social in two instalments as follows:

- (i) US\$500,000 shall be advanced on or before 10 May 2017; and
- (ii) the remaining US\$500,000 shall be advanced on or before 31 July 2017.

### **Term**

Subject to the early repayment as provided under the Loan Agreement, the term of the Loan shall be two years commencing from 28 April 2017 and ending on 27 April 2019.

## **Use of the Loan**

The Loan shall be utilised by Pocket Social as its general working capital.

## **Payment of Interest and Repayment of the Loan**

Pocket Social shall pay interest by at the end of 2017 and 2018 and shall repay the Loan together with the remaining interest accrued upon expiry of the term of the Loan on 27 April 2019.

Pocket Social shall have the right to make early repayment of the Loan at any time during the term of the Loan Agreement by giving 30 days prior notice to IGG Singapore.

If Pocket Social fails to repay the Loan in accordance with the Loan Agreement, IGG Singapore shall have the right to require Pocket Social to repay the Loan with its assets such as computer or mobile phone software (including but not limited to information relating to software program, source code, artistic or sound works).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

As Pocket Social is in the course of strengthening and expanding its business operations in developing mobile social networking events and video-sharing platform, additional cash flow is required by Pocket Social to ensure steady growth. Therefore, after arm's length negotiation between Pocket Social and IGG Singapore, IGG Singapore agrees to make the Loan at a market interest rate to Pocket Social.

Accordingly, on 28 April 2017, IGG Singapore and Pocket Social entered into the Loan Agreement on the terms set out above. The Loan will be generated from the internal resources of IGG Singapore. The Loan made to Pocket Social will be utilised for Pocket Social's general working capital.

The Directors (including the independent non-executive Directors) considered that the Loan Agreement, which has been entered into after arm's length negotiation between IGG Singapore and Pocket Social, are not in the ordinary and usual course of business of the Group but are on normal commercial terms and the terms therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Ms. Kai Chen, the spouse of Mr. Zongjian Cai, the chairman, chief executive officer and executive Director of the Company, and Mr. Feng Chen are indirectly (through their respective holdings of 60.5% and 9.5% equity interests in Maple Sunrise) interested in the issued share capital of Pocket Social. As a result, each of Mr. Zongjian Cai and Mr. Feng Chen is considered to have a material interest in the transactions contemplated under the Loan Agreement and is required to abstain, and

has abstained, from voting on the relevant Board resolutions to approve the Loan Agreement. Save for the above, no Director has a material interest in the transactions contemplated under the Loan Agreement and none of them is required to abstain or has abstained from, voting on the relevant Board resolutions to approve the Loan Agreement.

## **INFORMATION OF POCKET SOCIAL**

Pocket Social is a company incorporated in Canada with limited liability on 7 January 2016, and is principally engaged in mobile social networking events and video-sharing platforms. Pocket Social is a connected subsidiary of the Company.

## **GENERAL INFORMATION OF THE GROUP**

The Group is a renowned developer and publisher of mobile online games with a strong global presence and international customer base. The Group is headquartered in Singapore with regional offices in the United States, Hong Kong, mainland China, Canada, Japan, Korea, Thailand, Belarus and the Philippines, and customers from over 200 countries and regions around the world.

## **LISTING RULES IMPLICATIONS**

Pocket Social is a non wholly-owned subsidiary of and held as to 58.0% by IGG Singapore. On the other hand, Maple Sunrise holds 37.0% of Pocket Social. Since Maple Sunrise is a company held as to 60.5% by Ms. Kai Chen, the spouse of Mr. Zongjian Cai, the chairman, chief executive officer and executive Director of the Company, hence a connected person at issuer level, Pocket Social is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules. Therefore, the Loan made by IGG Singapore to Pocket Social under the Loan Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

The applicable percentage ratio for the Loan made by the Company (through IGG Singapore) to Pocket Social does not exceed 5% and therefore, in accordance with Rule 14A.76(2) of the Listing Rules, the Loan is only subject to the annual reporting and announcement requirements and is exempt from the circular (including independent financial advice) and shareholders' approval requirements of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“IGG Singapore”	IGG Singapore Pte. Ltd., a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of US\$1,000,000 made by IGG Singapore to Pocket Social under the Loan Agreement
“Loan Agreement”	the loan agreement dated 28 April 2017 entered into between IGG Singapore and Pocket Social
“Maple Sunrise”	Maple Sunrise Investment Holdings Inc., a company incorporated in Canada with limited liability
“Pocket Social”	PocketSocial Technologies Inc. (previously known as 9575693 Canada Inc.), a company incorporated in Canada with limited liability on 7 January 2016 and a connected subsidiary of the Company
“Share(s)”	means ordinary share(s) of US\$0.0000025 each in the share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**IGG INC**  
**Zongjian Cai**  
*Chairman*

Hong Kong, 28 April 2017

*As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Zongjian Cai, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen and Mr. Feng Chen; one non-executive Director, namely, Mr. Yuan Chi; and three independent non-executive Directors, namely, Dr. Horn Kee Leong, Mr. Dajian Yu and Ms. Zhao Lu.*