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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 799)

DISCLOSEABLE TRANSACTION AWARD OF CONSTRUCTION CONTRACT

AWARD OF CONSTRUCTION CONTRACT

On 18 January 2022, Fuzhou Tianping, an indirect wholly-owned subsidiary of the Company, entered into the Letter of Award with the Contractor, pursuant to which Fuzhou Tianping has awarded a construction contract to the Contractor with a contract sum of RMB422,302,925 (equivalent to approximately HK\$515,003,567) in respect of the construction of office building(s) on the Land located in Jin'an District, Fuzhou, the PRC.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Letter of Award exceeds 5% but all of them are less than 25%, the entering into of the Letter of Award constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 15 September 2020 (the “**Acquisition of Land Use Rights Announcement**”) in respect of the Land Use Rights Assignment Contract entered into between Fuzhou Tianping, an indirect wholly-owned subsidiary of the Company, and Fuzhou Natural Resources and Planning Bureau for the acquisition of land use rights of the Land.

THE LETTER OF AWARD

The Board is pleased to announce that on 18 January 2022, Fuzhou Tianping entered into the Letter of Award with the Contractor, pursuant to which Fuzhou Tianping has awarded a construction contract to the Contractor at a contract sum of RMB422,302,925 (equivalent to approximately HK\$515,003,567) in respect of the construction of office building(s) on the Land located at Jin'an District, Fuzhou, the PRC.

The principal terms of the Letter of Award are set out as follows:

Date: 18 January 2022

Parties: (1) Fuzhou Tianping; and
(2) the Contractor.

Subject matter

Pursuant to the Letter of Award, the Contractor shall be responsible for constructing office building(s) on the Land located at Jin'an District, Fuzhou, the PRC with an aggregate construction area of approximately 49,200 square meters at a contract sum of RMB422,302,925 (equivalent to approximately HK\$515,003,567), subject to adjustments in respect of changes (if any) to the construction works contemplated thereunder.

The construction works include, among other things, the construction of office units, structural construction works as well as mechanical and electrical installation works of the office building(s).

It is intended that Fuzhou Tianping and the Contractor will enter into a definitive construction agreement at a later time subsequent to the entry of the Letter of Award in relation to the construction works as contemplated under the Letter of Award.

Completion Period

The completion period for the construction works contemplated under the Letter of Award shall be around 745 days from the date of commencement of construction works.

Contract Sum

The contract sum under the Letter of Award is RMB422,302,925 (equivalent to approximately HK\$515,003,567), which was the bid price submitted by the Contractor and accepted by Fuzhou Tianping after a selective tendering process. The Letter of Award has been awarded to the Contractor after an objective evaluation of the experience and competency of the Contractor, the expected scope and complexity of the construction works to be carried out as contemplated under the Letter of Award, the costs of material and labour estimated to be incurred, and the prevailing market prices with reference to similar projects of comparable scale and complexity, and commercial terms proposed by different tenderers.

The contract sum payable by Fuzhou Tianping in relation to the construction works as contemplated under the Letter of Award will be funded by the Group's internal resources.

Payment Terms

The contract sum will be paid in tranches according to the payment schedule to be agreed and set out in the definitive construction agreement to be entered into between Fuzhou Tianping and the Contractor.

INFORMATION ABOUT THE GROUP AND PARTIES TO THE LETTER OF AWARD

The Group

The Group is a renowned developer and publisher of mobile games with a strong global presence and an international customer base of over 1.3 billion users. Headquartered in Singapore, the Group has established regional offices in Asia, America, Europe and the Middle East.

Fuzhou Tianping

Fuzhou Tianping is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in software development.

The Contractor

The Contractor, a state-owned enterprise established in the PRC, is one of the leading and reputable large-scale construction enterprises in the PRC. The Group has engaged a third-party credit investigation institution to conduct compliance risk assessment and background due diligence against the Contractor and according to such results, no material risks were found.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor is an indirect wholly-owned subsidiary of China State Construction Engineering Corporation Limited (中國建築股份有限公司), a company established in the PRC with its shares listed on the Shanghai Stock Exchange (Stock Code: 601668), and each of the Contractor and its ultimate beneficial owner(s) is third party independent of the Company and the connected persons of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LETTER OF AWARD

On 15 September 2020, the Group entered into the Land Use Rights Assignment Contract for the acquisition of the land use rights of the Land located at Jin'an District, Fuzhou, the PRC. As stated in the Acquisition of Land Use Rights Announcement, the Group has developed business in the PRC for over a decade, and has been renting office premises in Fuzhou. In view of the long-term development plan of the Group, the Group had participated and succeeded in the public auction of the Land. The Board considered that the construction of the office building(s) will cater for future operation needs and business development of the Group in a long run. Therefore, it is in alignment with the Group's overall strategy. Considering that the Group's own funds are sufficient, the payable contract sum for the construction works contemplated under the Letter of Award will be funded by the Group's internal resources.

In view of the above, the Directors are of the view that the terms of the Letter of Award are on normal commercial terms and are fair and reasonable and the entering into of the Letter of Award is in the interest of the Company and its Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Letter of Award exceeds 5% but all of them are less than 25%, the entering into of the Letter of Award constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Board”	the board of directors of the Company
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“Contractor”	The First Company of China Eighth Engineering Division Ltd.* (中建八局第一建設有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of China State Construction Engineering Corporation Limited (中國建築股份有限公司), a company established in the PRC with its shares listed on the Shanghai Stock Exchange (Stock Code: 601668)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fuzhou Natural Resources and Planning Bureau”	Fuzhou Natural Resources and Planning Bureau (福州市自然資源和規劃局)
“Fuzhou Tianping”	Fuzhou Tianping Digital Technology Co., Ltd.* (福州天平數碼科技有限公司), a company established in the PRC on 21 February 2020 and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	a piece of land located at eastern side of Fuguang Road, southern side of Hutang Road, old housing reconstruction project land lot no. 2 at Hutang Village and surrounding area, Jin’an District, Fuzhou, the PRC (Land Lot No. 2020-44 (2020-44號)), with a total site area of approximately 8,910 square metres, designated for business and commercial use with a term of land use rights of 40 years, the land use rights of which were acquired by Fuzhou Tianping pursuant to the Land Use Rights Assignment Contract
“Land Use Rights Assignment Contract”	the State-owned Construction Land Use Rights Assignment Contract (國有建設用地使用權出讓合同) entered into between Fuzhou Tianping and Fuzhou Natural Resources and Planning Bureau on 15 September 2020 in respect of the acquisition of the land use rights of the Land
“Letter of Award”	the letter of award entered into between Fuzhou Tianping and the Contractor on 18 January 2022 in relation to the award of contract for construction works to be undertaken by the Contractor at the Land

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless otherwise indicated, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares of US\$0.0000025 each in the capital of the Company
“Shareholder(s)”	holder of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *For identification purpose only*

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at an exchange rate of HK\$1.00=RMB0.82. Such translations should not be construed as a representation that any amount in question in RMB or HK\$ has been or could have been or may be converted at such a rate or at any other rates.

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 18 January 2022

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.