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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 799)

POSITIVE PROFIT ALERT

This announcement is made by IGG Inc (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts for the year ended 31 December 2023 and the information currently available to the Company and its subsidiaries (collectively the “**Group**”), it is expected that the Group will record a net profit of approximately HK\$70 million for the year ended 31 December 2023, while the net loss of the Group for the year ended 31 December 2022 was approximately HK\$500 million.

The Group returned to profitability on both core game business and investment business in 2023 and embarked on a new era, led by the following growth drivers:

- 1) The Group’s two new strategy games “Doomsday: Last Survivors” and “Viking Rise” have achieved remarkable success, leading to a surge in revenue. In the year 2023, these games contributed over HK\$1 billion in revenue to the Group, a significant increase as compared to the HK\$40 million generated in 2022.
- 2) APP business has also shown steady growth, with revenue in 2023 increasing over four times compared to 2022. These two new games and APP business become diversified growth engines for the Group, creating revenue diversification.
- 3) The Group continued to optimize its personnel structure to reduce costs and increase efficiency. Research and development expenses and administrative expenses decreased by approximately 26% for the year 2023, as compared to year 2022.

- 4) The Group's investments has also started to bear fruit and recorded incremental gains from the valuation of investment projects in 2023, while significant impairment losses were incurred on valuation of investment projects in 2022.

In the new year, the Group will continue to promote new games, using the optimized and enhanced methodologies and channels, to drive revenue growth. Although aggressive marketing campaigns may lead to short-term volatility in profits, the Group is confident in its overall performance for the year.

The Board wishes to emphasize that the information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts for 2023 and the information currently available to the Group. Such information has not been audited or reviewed by the auditors and the audit committee of the Company. The above information may be subject to possible adjustments, if any. The financial results of the Group for 2023 are expected to be published by the end of March 2024.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 2 February 2024

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, Ms. Zhao Lu and Mr. Kam Wai Man.