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**IGG INC**

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

**(Stock Code: 799)**

## **SUPPLEMENTAL ANNOUNCEMENT REGARDING THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report (the “**Annual Report**”) of IGG Inc (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019. Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Annual Report.

### **SIGNIFICANT INVESTMENT**

Reference is made to the sub-section headed “Significant investment” under the section headed “Management Discussion and Analysis” of the Annual Report. The Board would like to provide additional information regarding significant investment of the Company to the Shareholders pursuant to paragraph 32(4A) of Appendix 16 to the Listing Rules.

As at 31 December 2019, the Group held equity securities listed in Hong Kong at fair value through profit or loss amounting to approximately US\$53.8 million, which comprised the equity securities of XD Inc., the shares of which are listed on the Stock Exchange (stock code: 2400). Details of such investments are set out below:

Name of investee company	Number of shares held	Percentage of share capital owned by the Group	Investment cost (US\$'000)	Fair value as at 31 December 2019 (US\$'000)	Unrealized gain on change in fair value of the year ended 31 December 2019 (US\$'000)	Dividend received/receivable during the Year (US\$'000)
XD Inc.	24,648,000	5.81%	31,652 <sup>(Note1)</sup>	53,805 <sup>(Note2)</sup>	22,499	-

*Note:*

- 1. The investment cost included consideration for the acquisition of approximately 6.84% equity interest of X.D. Network Inc. in December 2018 and the consideration of US\$2,468.80 for the allotment of 24,648,000 shares of XD Inc. in May 2019.*
- 2. The investment resulted in an unrealized exchange loss of approximately US\$346,000 for the year ended 31 December 2019.*

The Group first acquired approximately 6.84% equity interest of X.D. Network Inc. (心動網絡股份有限公司)(“**X.D. Network**”), a consolidated subsidiary of XD Inc., from an Independent Third Party on 25 December 2018 at a consideration of approximately US\$31.6 million. In order to reflect the onshore shareholding structure of X.D. Network as part of the corporate reorganization (the “**Reorganization**”) of XD Inc. in preparation for the listing, XD Inc. allotted and issued 24,648,000 shares to the Group on 27 May 2019, representing approximately 6.84% of the issued share capital of XD Inc. immediately after the Reorganization and approximately 5.81% of the issued share capital of XD Inc. immediately after the global offering of XD Inc.. The investment cost and fair value of the Group’s interests in XD Inc. comprised approximately 6.64% and 11.29% of the total assets of the Group as at 31 December 2019, respectively. XD Inc. is principally engaged in the development and operation of games in the PRC and overseas, and it also operates TapTap, a leading game community and platform in the PRC. Based on the annual results announcement of XD Inc. dated 30 March 2020, for the year ended 31 December 2019, its audited total revenue was approximately RMB2,838.1 million and profit attributable to its equity holders was approximately RMB346.6 million. XD Inc. has achieved rapid growth in its financial performance during 2019 and the Group is optimistic about the future prospects of XD Inc. amid robust development of the PRC and overseas mobile game market.

The Group’s investment objective is to increase the value of its investment with an ultimate objective of enhancing returns for the Shareholders. The Group invests in investee companies with large-scale operations and stable financial results, that the Board believes will bring strategic values to the Group’s core business in terms of generating business and cooperation opportunities to the Group. The Group will continue to adopt a prudent investment strategy and cautious approach in assessing the performance of the investments, so as to make timely and appropriate adjustments to its investments holding with a view to minimizing risks and generating favourable returns for the Shareholders.

Save as disclosed above, there were no other significant investments held by the Group as at 31 December 2019. The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

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

Hong Kong, 4 May 2020

*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.*