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**IGG INC**

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

**(Stock Code: 799)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
ACQUISITION OF LAND USE RIGHTS IN FUZHOU, THE PRC**

**ACQUISITION OF LAND USE RIGHTS IN FUZHOU, THE PRC**

On 15 September 2020, Fuzhou Tianping, an indirect wholly-owned subsidiary of the Company, entered into the Land Use Rights Assignment Contract with Fuzhou Natural Resources and Planning Bureau in respect of the acquisition of land use rights of the Land which is located at Jin'an District, Fuzhou, the PRC at a consideration of RMB201,000,000 (equivalent to approximately US\$29,466,600). On the same date, Fuzhou Tianping also entered into the Commercial Business Project Supervision Agreement with Jin'an District Government in respect of the usage and development of the Land.

**IMPLICATIONS OF THE LISTING RULES**

As the highest of the applicable percentage ratios as defined under the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## **THE LAND USE RIGHTS ASSIGNMENT CONTRACT**

The principal terms of the Land Use Rights Assignment Contract are summarized below.

### **Date**

15 September 2020

### **Parties**

- (1) Fuzhou Natural Resources and Planning Bureau as transferor
- (2) Fuzhou Tianping as transferee

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fuzhou Natural Resources and Planning Bureau and its ultimate beneficial owner(s) were third parties independent of the Company and its connected persons as at the date of this announcement.

### **The Land**

The Land consists of a parcel 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)). The Land has a total site area of 8,910 square metres and is for business and commercial use. The land use rights of the Land have been granted for a term of 40 years, with a plot ratio of no higher than 3.5 (including commercial buildings with a gross floor area of 6,000 to 7,000 square metres), building density of not more than 35%, maximum building height of 100 metres and green rate of not less than 30%. No apartment-style offices and unit-style offices shall be constructed on the Land.

### **Consideration**

The consideration for the Acquisition is RMB201,000,000 (equivalent to approximately US\$29,466,600), being the price of the final winning bid made by Fuzhou Tianping at the public auction held by Fuzhou Public Resources Trading Service Centre, which was conducted in accordance with the relevant PRC laws and regulations. In submitting the bid in respect of the Land, the Group has taken into account the minimum bid price, current market conditions, the prevailing market price of land of similar nature at the location nearby, highest bid price acceptable by the Group, potential value of the Land and the terms and conditions of the Acquisition, and considers that the consideration for the Acquisition is fair and reasonable.

The consideration shall be payable in two equal instalments of RMB100,500,000 (equivalent to approximately US\$14,733,300) each within 30 days and 180 days after the date of the Land Use Rights Assignment Contract, respectively. The bidding deposit of RMB60,300,000 (equivalent to approximately US\$8,839,980), which had been paid by Fuzhou Tianping to Fuzhou Natural Resources and Planning Bureau for participating in the public auction, shall be used for settlement of the first instalment of the consideration. It is expected that the Land will be delivered to Fuzhou Tianping within 15 days after full settlement of the consideration for the Acquisition. The consideration will be funded by internal resources of the Group.

## **Usage and development of the Land**

Construction on the Land shall be in accordance with the planning conditions of the relevant city planning supervision departments and shall satisfy the supervision requirements of the Jin'an District Government. On the same date, Fuzhou Tianping entered into the Commercial Business Project Supervision Agreement with Jin'an District Government. Pursuant to the Commercial Business Project Supervision Agreement, among others, (1) Fuzhou Tianping shall commence construction on the Land within nine months after delivery of the Land; (2) the Land shall be developed for use by the information technology industry; (3) the usage and development of the Land by Fuzhou Tianping shall be in compliance with the regulations of the Jin'an District Government, including, among others, transfer of the Land, constructions and tax requirements; and (4) upon fulfillment of the tax requirements, Fuzhou Tianping shall be entitled to transfer the Land in its entirety.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jin'an District Government and its ultimate beneficial owner(s) were third parties independent of the Company and its connected persons as at the date of this announcement.

## **INFORMATION OF THE GROUP AND THE PARTIES TO THE ACQUISITION**

### **The Group**

The Group is a renowned developer and publisher of mobile games with a strong global presence and an international customer base of approximately 720 million registered users.

### **Fuzhou Tianping**

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

### **Fuzhou Natural Resources and Planning Bureau**

Fuzhou Natural Resources and Planning Bureau is the PRC governmental authority responsible for, among other things, managing land resources in Fuzhou, the PRC.

### **Jin'an District Government**

Jin'an District Government is the local government of Jin'an District, Fuzhou, the PRC, where the Land is located.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is a renowned developer and publisher of mobile games. Headquartered in Singapore, the Group has established regional offices in Asia, America, Europe and Middle East. 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, having taken into account the factors in determining the consideration for the Acquisition as set out above and the construction costs of office premises, the Board decided to participate in the public auction of the Land, and succeeded in the bid at the minimum bid price. Upon completion of the Acquisition, the Group intends to develop the Land mainly for the Group's own use. The Board believes that the Acquisition is in alignment with the Group's overall strategy and would benefit its long-term business development in the PRC.

Based on the above and having taken into account the basis of determining the consideration, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS OF THE LISTING RULES**

As the highest of the applicable percentage ratios as defined under the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition 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:

“Acquisition”	The acquisition of land use rights of the Land by Fuzhou Tianping in accordance with the terms and conditions of the Land Use Rights Assignment Contract
“Board”	the board of directors of the Company
“Commercial Business Project Supervision Agreement”	the commercial business project supervision agreement (商業商務項目履約監管協議書) entered into between Fuzhou Tianping and Jin'an District Government on 15 September 2020 in respect of the usage and development of the Land
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange
“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 Public Resources Trading Service Centre”	Fuzhou Public Resources Trading Service Centre (福州市公共資源交易服務中心), which was appointed by the Fuzhou Natural Resources and Planning Bureau to organise and execute the auction for the land use rights of the Land
“Fuzhou Tianping”	福州天平數碼科技有限公司 (Fuzhou Tianping Digital Technology Co., Ltd.*), a company established in the PRC on 21 February 2020 and an indirect wholly-owned subsidiary of the Company
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jin’an District Government”	The People’s Government of Jin’an District, Fuzhou, the PRC (福州市晉安區人民政府)
“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 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 are acquired by Fuzhou Tianping pursuant to the Acquisition
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

\* *The English name is a translation of its Chinese name and is included in this announcement for identification purposes only*

For illustration purposes, amounts in RMB in this announcement have been translated into US\$ at an exchange rate of RMB1=US\$0.1466.

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

Hong Kong, 15 September 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.*