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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 799)

AMENDMENTS TO THE SHARE AWARD SCHEME AND GRANT OF AWARDED SHARES UNDER THE SHARE AWARD SCHEME

Reference is made to the announcement of the Company dated 24 December 2013 in respect of the Company's adoption of the Share Award Scheme.

AMENDMENTS TO THE SHARE AWARD SCHEME

Pursuant to the rules of the Share Award Scheme, the Board may alter the terms and conditions of the Share Award Scheme in any respect by a resolution of the Board. On 19 August 2021 (the "**Date of Amendment**"), the Board resolved to amend the following key terms of the Share Award Scheme:–

1. *Lapse of Awarded Shares*

To include death or retirement of a Selected Grantee as additional events leading to the total lapse of an Award. In the event a Selected Grantee has passed away or retires, whether before or on the official retirement date agreed with the Company or a Subsidiary (as the case may be), an Award shall, unless the Board otherwise agrees, lapse and all the related Awarded Shares shall not vest on the relevant vesting dates but shall become Returned Shares (as defined in the Share Award Scheme) for the purposes of the Share Award Scheme.

Such amendment does not apply to unvested Awarded Shares granted before the Date of Amendment.

2. *Events upon termination of the Share Award Scheme*

To amend the vesting date of Awarded Shares upon termination of the Share Award Scheme from the date of termination to the relevant dates in accordance with the following vesting schedule and conditions.

Upon termination of the Share Award Scheme, no further grant of Awarded Shares may be made under the Share Award Scheme and all the Awarded Shares granted shall continue to be held by the Trustee, where applicable, and be vested in the Selected Grantees according to the vesting schedule and conditions of the Awards.

3. *Consolidation and sub-division of Shares*

To include the provision where the Company undertakes a sub-division or consolidation of the Shares, corresponding changes will be made to the number of Awarded Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the Selected Grantees.

4. *Minor amendments*

To update certain terminologies and references in line with those of the Listing Rules.

GRANT OF AWARDED SHARES UNDER THE SHARE AWARD SCHEME

On 19 August 2021, based on the recommendation of the remuneration committee of the Company, the Board (including all independent non-executive Directors) resolved to grant a total of 12,516,650 Awarded Shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to (i) 10 Share Award Grantees, who are connected persons and also employees of the Group; and (ii) 609 Share Award Grantees, who are employees of the Group pursuant to the Share Award Scheme (as amended by the Board on 19 August 2021) at nil consideration, subject to the acceptances by the Share Award Grantees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the Share Award Grantees who are connected persons as disclosed below, each of the other Share Award Grantees is a third party independent of the Company and its connected persons.

The 12,516,650 Awarded Shares to be granted to the Share Award Grantees represent approximately 1.05% of the issued share capital of the Company as at the date of this announcement. The 12,516,650 Awarded Shares represent the value of approximately HK\$95.13 million, taking into account of the closing price of HK\$7.60 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant.

Details of the Share Award Grantees are set out below:

Share Award Grantees		Number of Awarded Shares
Employees of the Group		11,606,130
Connected Persons	Relationship with the Group	
Ms. Meijia Chen	director of Subsidiaries and an associate of Mr. Yuan Xu, a Director of the Company	501,840
Mr. Hanling Fang	director of Subsidiaries	102,500
Mr. Shuo Wang	director of Subsidiaries	46,740
Mr. Chengfeng Luo	director of Subsidiaries	76,780
Mr. Xiandong Liu	director of Subsidiaries	51,250
Mr. Deyang Zheng	substantial shareholder of Subsidiaries	30,750
Mr. Choy Wai Cheong	director of Subsidiaries	30,750
Ms. Kai Chen	director of Subsidiaries and an associate of Mr. Zongjian Cai, a Director of the Company	28,900
Ms. Zhiying Chen	an associate of Mr. Zhixiang Chen, a member of Concert Party Group	7,690
Ms. Siying Hao	an associate of Mr. Chengfeng Luo	33,320
Total		<u><u>12,516,650</u></u>

As Ms. Meijia Chen, Mr. Hanling Fang, Mr. Shuo Wang, Mr. Chengfeng Luo, Mr. Xiandong Liu, Mr. Choy Wai Cheong and Ms. Kai Chen are directors of certain Subsidiaries, the grant of the Awarded Shares to them also forms part of their remuneration packages under their respective service contracts with the relevant Subsidiaries, and is therefore exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.95 of the Listing Rules.

Since Mr. Deyang Zheng is a substantial shareholder of Subsidiaries, Ms. Zhiying Chen and Ms. Siying Hao are associates of the relevant connected persons of the Group, the grant of Awarded Shares to each of them constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios are below 0.1% and the grant of Awarded Shares to them is on normal commercial terms, such grant of Awarded Shares to each of them is fully exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

The details of the Awarded Shares granted are as follows:

The 12,516,650 Awarded Shares granted shall vest in the Share Award Grantees in accordance with the schedules below (for this purpose, the date or each such date on which the Awarded Shares are to vest being hereinafter referred to as a “**Share Award Vesting Date**”):

Awarded Shares granted to connected persons and certain employees

Among the 12,516,650 Awarded Shares granted, 11,654,150 Awarded Shares, which were granted to connected persons and certain employees, shall be subject to a vesting period as follows:

Share Award Vesting Date	Percentage of Awarded Shares to Vest
On 19 August 2022	50% of the total number of Awarded Shares granted
On 19 August 2023	50% of the total number of Awarded Shares granted

Other Awarded Shares

The remaining 862,500 Awarded Shares which were granted to certain employees shall be subject to a vesting period as follows:

Share Award Vesting Date	Percentage of Awarded Shares to Vest
On 19 August 2022	25% of the total number of Awarded Shares granted
On 19 August 2023	25% of the total number of Awarded Shares granted
On 19 August 2024	25% of the total number of Awarded Shares granted
On 19 August 2025	25% of the total number of Awarded Shares granted

Once vested, at the request of the relevant Share Award Grantees, the Awarded Shares can be transferred to the relevant Share Award Grantees from the Trustee, or the Trustee can sell the vested Awarded Shares for them and subsequently transfer the income arising from such sales to the relevant Share Award Grantees.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award”	an award of Shares by the Company to a Selected Grantee under the Share Award Scheme
“Awarded Shares”	in respect of a Selected Grantee, such number of Shares determined by the Board and subscribed for and/or purchased by the Trustee out of cash arranged to be paid by the Company out of the Company’s funds to the Trustee, pursuant to the terms of the Share Award Scheme
“Board”	the board of Directors of the Company
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Concert Party Group”	Mr. Zongjian Cai, Duke Online Holdings Limited, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen and Mr. Zhixiang Chen, who agreed that they would act in concert with each other with respect to material matters relating to the Company’s operation pursuant to an act in concert agreement dated 16 September 2013, as amended by an amendment dated 18 October 2016
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Date of Grant”	19 August 2021, the date on which the Awarded Shares are granted to the Share Award Grantees
“Director(s)”	director(s) of the Company
“Eligible Person”	any consultant, employee or director (including, without limitation, any executive, non-executive or independent non-executive directors) of any member of the Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Selected Grantee(s)”	Eligible Person(s) selected by the Board pursuant to the terms of the Share Award Scheme
“Share Award Grantee(s)”	the grantees selected by the Board on 19 August 2021, to whom the Awarded Shares are granted on the same date by the Board pursuant to the terms of the Share Award Scheme
“Share Award Scheme”	the share award scheme adopted by the Company on 24 December 2013, as amended from time to time
“Share(s)”	means ordinary share(s) of US\$0.0000025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust Deed”	a trust deed in relation to the Share Award Scheme for the Company entered into between the Company and the Trustee on 17 February 2014 (as restated, supplemented and amended from time to time)
“Trustee”	Computershare Hong Kong Trustees Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“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, 19 August 2021

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.