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IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

**EXTENSION OF MEMORANDUM OF UNDERSTANDING
ON NEXT GENERATION PACHINKO MACHINES
AND GAMES DEVELOPMENT**

This announcement is made by IGG Inc (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 25 November 2013 (the “**Announcement**”) with respect to the memorandum of understanding (“**MOU**”) entered into between IGG Singapore Pte. Ltd (“**IGG Singapore**”) and Dynam Japan Holdings Co., Ltd. (“**Dynam**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Company announces that on 23 May 2014 (after trading hours), IGG Singapore and Dynam entered into an amendment and extension of the MOU (the “**MOU Amendment**”) pursuant to which both parties agreed to extend the term of the MOU for an additional period of six months. Accordingly, the MOU, as amended by the MOU Amendment will expire on 25 November 2014 unless otherwise extended by a formal agreement between IGG Singapore and Dynam. Save as disclosed in this announcement, all other terms and conditions under the MOU remained unchanged.

INFORMATION ABOUT DYNAM

Dynam is a company incorporated under the laws of Japan, the shares of which are listed on the Stock Exchange (Stock Code: 6889). Dynam, operating through its subsidiaries, is the second largest pachinko hall operator in Japan based on the total value of pachinko balls and pachislot tokens rented in the year of 2013 and the largest in terms of number of halls.

As of the date of this announcement, apart from holding shares in the Company through Dynam's wholly-owned subsidiary, Dynam Hong Kong Co., Limited, a cornerstone investor during the Company's placing on 18 October 2013, to the best knowledge of the Directors, having made all reasonable enquires, Dynam is a third party independent from the Company and its connected persons (as defined in the GEM Listing Rules).

INFORMATION ABOUT THE GROUP

The Group is a fast-growing global online games developer and operator with headquarters in Singapore and regional offices in the United States, China, Canada and the Philippines.

REASONS FOR ENTERING INTO THE MOU AMENDMENT

As of the date of this announcement, as informed by Dynam, it has finished the prototype of the next generation pachinko machine. The applications for the approval of the Gaming Inspection and Coordination Bureau of Macau and other competent authorities by Dynam are still under progress. In addition, further testing and preparatory works are needed prior to the formal release of the next generation pachinko machines and games. Therefore, both IGG Singapore and Dynam have agreed to extend the term of the MOU in order to continue the Potential Cooperation under the MOU.

The Company wishes to emphasize that the Potential Cooperation may or may not proceed. In the event that any formal agreement is entered into, the Company will make announcement(s) as and when appropriate. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
IGG INC
Zongjian Cai
Chairman

Hong Kong, 23 May 2014

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zongjian Cai and Mr. Yuan Chi; two non-executive Directors, namely, Mr. Xiaojun Li and Mr. Kee Lock Chua; and three independent non-executive Directors, namely, Dr. Horn Kee Leong, Mr. Dajian Yu and Ms. Zhao Lu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.igg.com>.