

[For Immediate Release]



IGG Inc
(Stock Code: 8002)

IGG FY2013 Adjusted Profit Surges 193% to US\$21.1 million

Q4 Mobile Game Revenue Exceeds 70% of Total Revenue
120 Million Player Accounts in More Than 180 Countries around the World

HONG KONG, 24 March 2014 – **IGG Inc** (“IGG” or the “Group”, SEHK: 8002), a fast-growing global mobile games developer and operator, today announced its annual results for the year ended 31 December 2013.

In 2013, IGG recorded revenue of approximately US\$88 million, up 104% year-on-year. Adjusted profit amounted to approximately US\$21.1 million, up 193% year-on-year. Basic and diluted earnings per share were US0.78 cents and US0.71 cents, respectively. As the Group has distributed dividend prior to listing, the Board of Directors proposed a final dividend of US0.2 cents (equivalent to HK1.6 cents) per ordinary Share (which accounts for about 30% of net profit in Q4).

The increase in revenue was mainly attributable to the significant increase in the revenue generated from mobile games, mainly due to the hit title “Castle Clash” launched by the Group in July 2013. In terms of breakdown by operating segment, revenue generated from the Group’s self-operated games accounted for 97% of total revenue, while the remaining 3% was generated from joint operations. The Group achieved rapid growth in its mobile game business. During the year, over 50% of the Group’s revenue from self-operated games was generated by the mobile game business, with the proportion over 70% in the Q4 2013 alone. In 2013, the Group’s revenue generated from players with IP address in North America, Asia, Europe, and other countries accounted for 39%, 30%, 23% and 8% of all players, respectively, demonstrating the balanced and diversified geographical distribution of the Group’s business. As of 31 December 2013, the player community of the Group consisted of over 120 million player accounts in over 180 countries around the world, including a total MAU (monthly active users, or the number of individuals who login to a particular game during the 30-day period ending with the measurement date) of approximately 13.1 million.

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**Note: Adjusted profit represented profit excluding the fair value loss of the redeemable convertible Preferred Shares; it is considered a useful supplement to the consolidated statement of profit or loss indicating the Group’s profitability and operational performance for the financial periods presented.*

Mr. Yuan Xu, IGG's Chief Operating Officer, commented, "We are pleased to announce that IGG managed to achieve encouraging results in 2013 in terms of both business development and financial performance. To capture the ample opportunities brought by the rapid growth of the global mobile game market, we shifted the focus of our business to mobile games during the year and focused more than 80% of our research and development force to mobile game development. In 2013, we launched a total of 14 mobile games, among which the performance of "Castle Clash" was exceptionally outstanding, enjoying great popularity across the regional markets where it was launched. As for the year-on-year doubling of revenue, the adjusted profit we recorded for the year amounted to US\$21.1 million, almost three times the profit achieved in 2012, evidence of the success of our strategy of focusing on mobile game development."

As of 31 December 2013, IGG has been operating a total of approximately 30 games, among which approximately 80% were developed in-house. The Company launched 14 mobile games in 2013, among which the fast-paced tower defense game "Castle Clash" was an especially huge success that quickly rose in popularity since its debut. As at 31 December 2013, total revenue realized from "Castle Clash" amounted to around US\$29 million, accounting for about 34% of the Group's total revenue from self-operated games. As at the end of December 2013, this game had over 25 million registered players, including a total MAU of close to 9 million. According to data from Appannie.com, an independent third party provider of mobile application analytics, as at 21 March 2014, "Castle Clash" ranked among the top 10 mobile games in 24 countries globally and in the top 5 in 13 of these countries in terms of revenue rankings generated at Google Play.

Looking ahead, to fully grasp the opportunities emerging in the global mobile game market, IGG will remain focused on expanding its mobile game business, actively promoting its games by collaborating with various game promotional platforms and seeking to diversify its business growth. To further expand its business in the China market, in January 2014, the Group entered into a cooperation agreement with Shenzhen Tencent Computer Systems Company Limited ("Tencent") to grant the exclusive rights to Tencent to publish the Group's mobile game "Castle Clash" at its mobile social platforms in Mainland China. This cooperation is expected to further promote our mobile games, strengthen and diversify our end-customers in the PRC and broaden our revenue base.

Furthermore, in the first quarter of 2014, the Group incorporated two subsidiaries in Canada to engage in both mobile game development and the mobile advertising, marketing and distribution business, respectively, so as to facilitate the diversification of the Group's scope of business, reinforce the Group's competitiveness in the mobile game market and strengthen the Group's global reputation. Also, to cater for the diversified preferences of game players around the world, the Group has proactively started to license quality mobile games from the third party developers for publication in the global market. IGG will continue to seek potential merger and acquisition opportunities to develop diversified business breakthroughs and to create synergy for further development.

Mr. Zongjian Cai, IGG Executive Director and Chief Executive Officer, commented, “To tap into the massive opportunities emerging in the global mobile game market, in 2014, we plan to launch approximately 15 to 20 self-developed mobile games and over 20 licensed mobile games while continuing to sharpen our abilities in multiple aspects – including game design, art style, localization and customer service – and strive to continue to provide first-class and diversified game products to the global market. In the overseas market, our sophisticated operating team will continue to work closely with various Internet platforms to promote and operate our self-developed and licensed games. In the domestic market, we will mainly focus on providing content, and will at the same time maintain effective collaboration with dominant social mobile platforms. We are dedicated to becoming a world-class developer and operator of mobile games and are actively progressing towards the goal.”

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About IGG Inc

Established in 2006, IGG is a fast-growing global mobile games developer and operator with headquarters in Singapore and regional offices in the United States, China, Canada and the Philippines. We offer multi-language and multifarious games to players around the world. Our games target mid-core and hard-core players who usually spend not less than one hour per day on game playing. IGG has established a player community of over 120 million player accounts, including a total MAU of 13.1 million as at 31 December 2013. The Group has established long-term partnerships with Apple Store, Google Play, as well as more than 40 other game promotion platforms to execute its global marketing strategy in an effective manner. IGG’s most popular games include “Castle Clash”, “Galaxy Online II”, “Texas HoldEm Poker Deluxe”, “Wings of Destiny” and “Godswar”.

For more information, please visit the Company’s website: www.igg.com

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