



IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 799.HK)

Lords Mobile Tops World Ranking of War Strategy Games for Two Consecutive Years Dividend of HK 13.0 cents per Ordinary Share Declared

2019 Interim Financial Highlights of IGG Inc:

- For the first half of 2019, IGG's revenue amounted to HK\$2.78 billion (2018 1H: HK\$3.04 billion), 9% less against the same period last year, but similar to that in the second half of 2018, hence remaining stable. The decrease mainly reflected a natural drop in revenue from the two flagship titles – “Lords Mobile” and “Castle Clash”. After years of meteoric growth since its launch in March 2016, revenue for “Lords Mobile” has started to stabilize. Notably, amidst intense competition in the global mobile games market and numerous emerging strategy games, “Lords Mobile” continues to dominate the worldwide rankings as the top-grossing mobile war strategy game for two consecutive years¹. In the first half of this year, the average monthly gross billing of “Lords Mobile” was over HK\$400 million.
- IGG recorded net profit of over HK\$550 million in the first half-year of 2019 (2018 1H: HK\$770 million). The decrease was attributable to lower revenue, as well as continued investments in game development, operational and promotional activities, with the aim of driving long-term growth.
- The Board of Directors declared an interim dividend of HK13.0 cents per ordinary share, representing approximately 30% of the net profit for the first half of 2019. The Group repurchased a total of over 5.68 million shares in the first half year, close to 0.45% of its issued shares, for a consideration of over HK\$52 million. The dividend payment plus the amount spent on repurchase of shares made up about 39% of the Group's net profit for the first half of 2019.

(5 August 2019, Hong Kong) IGG Inc (“IGG” or the “Group”, stock code: 799.HK), a leading global developer and publisher of mobile games,

announces its unaudited consolidated interim results for the six months ended 30 June 2019.

In 2019, IGG embraced challenges and strived for innovation, continuously upgrading its existing titles and actively driving the development and launch of several new games. To further extend its global reach and strengthen its regional foothold in South America and Western Europe, the Group has been working to set up local teams in Italy and Spain in the first half year of 2019, following the successful establishment of subsidiaries in Brazil and Turkey. As at 30 June 2019, the Group's mobile games are available worldwide in 23 different languages, with 700 million registered users and over 24 million monthly active users ("MAU") across more than 200 countries and regions.

In the first half of 2019, the Group recorded a total revenue of HK\$2.78 billion, 9% less against the corresponding period last year, but similar to that in the second half of 2018, hence remaining stable. The decrease mainly reflected a natural drop in revenue from the two flagship titles – "Lords Mobile" and "Castle Clash". After years of meteoric growth since its launch in March 2016, revenue for "Lords Mobile" has started to stabilize. Meanwhile, the Group's net profit reached over HK\$550 million in the first half of 2019. The decrease in net profit was attributable to lower revenue, as well as the Group's continued investments in game development, operational and promotional activities, with the aim of driving long-term growth. During the period, revenue generated from markets in Asia, North America and Europe accounted for 43%, 27% and 25% respectively of the Group's total revenue.

"Lords Mobile", IGG's blockbuster title with innovative features, is the Group's first cross-platform, multi-language, global mega-server game, and has been well-received by players since its debut, generating stable revenue for the Group. As at 30 June 2019, it boasted approximately 240 million registered users worldwide and 16 million MAU, with a stable average monthly gross billing of over HK\$400 million. In the first half of 2019, the Group organized the "Lords Fest" World Tour, a series of offline player meetings in major cities including Tokyo, Berlin, Bangkok, Taipei, Istanbul and Los Angeles, and rolled out a series of promotional initiatives to drive its game operations, including cross-promotion with KOLs and book stores in Japan, partnering with local mainstream payment operators in Indonesia, as well as organizing themed events with famous retail platforms and shopping malls in China. During the period, the Group had also introduced a wide array of new game features including "Kingdom Tycoon", the "Familiars Battle" expansion pack, and "Wonder" level research and heroes. The PC version of "Lords Mobile" was also released on Steam, a leading global game distribution platform, to enhance the overall player experience by strengthening cross-platform integration, and to reach a wider PC-based audience. Amidst intense competition in the global mobile games market and numerous emerging strategy games, "Lords Mobile" still retained its position as the top-grossing war strategy game worldwide for the past two consecutive years. As at 30 June 2019, "Lords Mobile" was among the top five grossing games in 54 countries and regions and the top 10 in 81 countries and regions on Google Play, and among the top five grossing games in 15 countries and regions and the top 10 in 26 countries and regions on iOS¹. In the first half of 2019, "Lords

Mobile” received a number of industry accolades, including “Golden Wave Awards – 2018 Top 10 Most Popular Mobile Game” and “2018 China Game Ceremony – Popular Online Game”.

“Castle Clash”, another classic game of the Group, has remained popular since it hit the market six years ago, thanks to the frequent updates and efforts to continually upgrade its content, giving it new vigour. Commendably, its soundtrack won the “Best Game Music & Best Composer – Silver Medal” at the Global Music Awards this June. It generated over HK\$60 million in average monthly gross billing in the first half of this year and was among the top 20 grossing games in 14 countries and regions on Google Play¹ as at 30 June 2019.

As for new games, several meticulously crafted titles of various genres including sandbox and simulation games will successively make their debut in 2019. Among them, “Brave Conquest”, launched in late June, is an innovative simulation mobile game that integrates kingdom building and role-playing. Only one month of launch, the game quickly gained traction, earning several commendations from Apple’s App Store, and was ranked amongst the top 10 most downloaded strategy game in the USA. “Craft Legend”, another recently released title, was a global mega-server sandbox mobile game. More than just a classic sandbox building game, “Craft Legend” combines role-playing and unique multi-player tower defense gameplay, complemented by exceptional 3D graphics to give players a refreshing new experience. Furthermore, a diverse line-up of new titles, including a space war game, are currently in final fine-tuning phase and are expected to be launched in the second half of the year.

Apart from its games, IGG continued to win recognitions in the industry and from the capital market, including being ranked 16th on Google’s “BrandZ™ Top 50 Chinese Global Brand Builders 2019” in the first half of 2019, and named among Finet.HK’s “Top 100 Hong Kong Listed Companies Selection Award 2018 – Top 10 Turnover Growth”. The Group also received several awards from influential organizations including “Golden Wave Award – 2018 Best Overseas Game Publisher”, “2018 China Game Ceremony – Influential Enterprise”, and “2019 MAMA Awards – Marketing Diversity” from an international mobile application analytics platform.

To extend its leadership position, IGG is always committed to invest tirelessly in its R&D and operation teams, and will continue to recruit talent internationally. To discover and cultivate global talent with the passion and aptitude for the gaming industry, the Group will continue to run its “Inter-G” talent program and “G-Star” incubation program during the coming summer holiday, and also plans to establish a training center in Italy for game artists. Looking ahead, embracing the corporate spirit of “Innovators at Work, Gamers at Heart”, IGG will relentlessly pursue its strategy of quality, innovation and excellence to create innovative yet classic games.

¹ Source of ranking information: the authoritative third-party App Annie

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About IGG Inc

Established in 2006, IGG Inc is a leading global mobile games developer and operator with headquarters in Singapore and regional offices in the United States, Hong Kong, Mainland China, Canada, Japan, Korea, Thailand, Belarus, the Philippines, the United Arab Emirates, Indonesia, Brazil, Turkey, Italy and Spain. IGG offers multi-language and multifarious games to users around the world. In addition to main partners Apple, Google, Microsoft and Amazon, the Group has established long-term partnerships with more than 100 other game promotion platforms worldwide. IGG's most popular games include "Lords Mobile", "Castle Clash", "Mobile Royale" and "Clash of Lords II".