



IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 799.HK)

Net Profit in 2H19 Increased 33% from 1H19 Diversified Game Portfolio Ready to Soar Dividend of HK17.6 cents per Ordinary Share Declared

2019 Annual Financial Highlights of IGG Inc:

- For the year ended 31 December 2019, IGG achieved revenue of over HK\$5.2 billion, representing a decline of 11% year-on-year, primarily due to the natural revenue decline of the flagship title – “Lords Mobile”. “Lords Mobile” continues to contribute nearly HK\$400 million in average monthly gross billing after four years of operation. In addition, the Group ventured into different genres and released a diverse portfolio of games, including casual, sandbox, and simulation games.
- For the year ended 31 December 2019, IGG recorded net profit of nearly HK\$1.3 billion, a decline of 13% year-on-year. Outstanding performance of global investments contributed to net profit of nearly HK\$740 million in the second half of 2019, representing an increase of 3% year-on-year, and an increase of 33% compared to the first half of 2019.
- The Board of Directors declared a second interim dividend of HK17.6 cents per ordinary share, representing approximately 30% of the net profit for the second half of 2019. The Group repurchased nearly 34.6 million shares, which accounts for nearly 2.8% of issued shares, for a total consideration of over HK\$210 million. The full year dividends declared plus share buy-backs accounted for 46% of annual net profit.

(4 March 2020 – Hong Kong) IGG Inc (“IGG” or “the Group”, stock code: 799.HK), a leading global developer and publisher of mobile games, is pleased to announce the audited consolidated financial results of the Group for the year

ended 31 December 2019.

In 2019, the Group recorded total revenue of over HK\$5.2 billion, a decline of 11% year-on-year. Although the decrease was mainly due to the natural drop in revenue from “Lords Mobile”, the long-running flagship title still delivered strong average monthly gross billing at nearly HK\$400 million. As at December 2019, IGG maintained its position as one of the top 5 game developers in overseas market¹. Meanwhile, the Group boldly ventured into and released games in different genres to diversify its product portfolio. IGG recorded net profit of nearly HK\$1.3 billion in 2019, a decline of 13% year-on-year. Led by remarkable performance of the Group’s global investments in the mobile internet and gaming industries, net profit for the second half of 2019 was recorded at nearly HK\$740 million, representing an increase of 3% year-on-year, and an increase of 33% compared to the first half of 2019.

For IGG, 2019 was both a year of challenges and breakthroughs. In addition to continued emphasis on maintaining its competitive edge in the global market and preserving its core expertise, the Group took a long term view and strengthened its R&D capabilities, cultivating talents and venturing into new genres with creativity. To further extend its global reach and strengthen its regional foothold in South America and Western Europe, the Group set up local offices in Brazil, Turkey, Italy and Spain in 2019. As at 31 December 2019, the Group’s mobile games are available worldwide in 24 different languages, with 740 million registered users and over 14.6 million monthly active users (“MAU”) across more than 200 countries and regions.

“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 31 December 2019, “Lords Mobile” has amassed 270 million registered users and nearly 8.2 million MAU worldwide, contributing a stable average monthly gross billing of nearly HK\$400 million. In 2019, the Group executed a series of marketing initiatives, including the “Lords Fest” World Tour across 15 regions and cooperating with top-tier influencers to customise an exclusive song. In addition, the Group actively grew its global gamer community and added over 2 million followers on Instagram, a popular global social media platform. In 2019, the Group continued to update game contents, following up on “Guild Fest-Master Gauntlet” with new, unique features such as “Dragon Arena” and “Lords Tales”. Creative game contents and innovative marketing campaigns led to revenue breakthroughs in Brazil, Portugal, and Mexico in 2019. As at 31 December 2019, “Lords Mobile” was among the top five grossing games in 23 countries and regions and the top 10 in 56 countries and regions on Google Play, and among the top five grossing games in 15 countries and regions and the top 10 in 25 countries and regions on iOS platform¹. In 2019, “Lords Mobile” was selected as one of the “Top 10 Most Popular Mobile Games” at the 2019 China Game Industry Annual Conference, and also received awards from Xiaomi’s mobile application platform and medias such as Beluga Global. The Group’s other hit game “Castle Clash” will release its biggest ever

¹ Source of ranking information: authoritative third-party mobile performance tracking platform App Annie.

update in the near future since its launch in 2013, aiming to give loyal gamers a refreshing gaming experience.

Going beyond our expertise in the strategy games genre, we continued to invest in game development and boldly ventured into new genres to diversify our product portfolio. The Group released more than 10 new games in different genres in 2019. Following the sandbox and simulation games in the first half of 2019, the Group released a strategy game named “Galaxy Mobile”, and several casual games, including “Raids & Puzzles” and “Lost Stones” in the second half. On top of global mega-server and match-3 game features, the Group added role-playing and base-building features to give these casual games a new level of sophistication. In 2020, with a multiplayer online battle arena (MOBA) and a shooting game in the pipeline, the Group will launch more new titles in varied genres to further enrich its product portfolio.

In 2019, IGG continued to be recognised by both the gaming industry and capital market. IGG has been listed by App Annie as one of the “Top 52 Publishers” for five consecutive years. The Group has also been selected as one of the “Best Under A Billion” companies by Forbes Asia for two consecutive years. Furthermore, IGG has been named by PocketGamer.biz as one of the “Top 50 Mobile Game Makers” for five consecutive years, and was ranked 30th in 2019.

A novel coronavirus broke out worldwide at the end of 2019 and becomes an international concern. It poses challenges across industries as well as people’s livelihoods. However, in the short-term, the coronavirus outbreak is not expected to impact the mobile gaming industry as significantly compared to other industries. To shoulder our social responsibilities and offer humanitarian support, the Group immediately launched an assistance scheme. As at February 2020, IGG mobilised its global subsidiaries to procure and donate over 1.5 million pieces of medical masks, protective gowns and other medical supplies to front-line medical professionals and institutions in different regions.

Moving forward, the Group will continue to invest heavily in its R&D and operation teams. In addition to global talent recruitment programs, the Group is seeking out strong R&D teams with innovative, high-quality products worldwide to explore investment opportunities and further drive long-term growth. 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.

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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, China, Canada, Japan, South 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 "Galaxy Online II".