



IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 799.HK)

New Record High Interim Profits Lords Mobile's Monthly Gross Billing Hit Record High in July Total Dividends of HK50.2 cents per Ordinary Share Declared

2020 Interim Financial Highlights of IGG Inc:

- For the first half of 2020, IGG's revenue amounted to over HK\$2.4 billion, representing a decrease of 12% year-on-year, but "Lords Mobile", IGG's top game, experienced a resurgence with monthly gross billing rising to HK\$400 million and hitting a new record high of over HK\$460 million in July.
- IGG's net profit hit a record high of over HK\$1.0 billion in the first half-year of 2020 (1H19: HK\$550 million), surging 88% year-on-year and 41% higher than the second half of 2019, primarily attributable to the Group's effective marketing cost control, as well as the outstanding performance of global investments. Excluding fair value gain on investments, IGG achieved a net profit of HK\$610 million, representing an increase of 10% year-on-year, and an increase of 16% over the second half of 2019.
- The Board of Directors declared an interim dividend of HK25.1 cents per ordinary share and a special dividend of HK25.1 cents per ordinary share. Total dividends for the period amounted to HK50.2 cents per ordinary share, representing approximately 60% of the net profit for the first half of 2020. The Group repurchased a total of over 20 million shares in the first half-year, 1.6% of its issued shares, for a consideration of over HK\$100 million. The dividend payment plus the amount spent on repurchasing shares made up about 71% of the Group's net profit for the first half of 2020.

(5 August 2020, 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 2020.

In the first half of 2020, even as the coronavirus pandemic posed challenges across countries and industries, it also boosted the “home-based” economy. Operating in the mobile gaming industry, IGG seized the opportunity to enhance marketing promotions during the period. Our games kept gamers around the world company, offering them high-quality entertainment during the coronavirus lockdowns, leading to a rebound in business. In the first half of 2020, the Group recorded revenues in excess of HK\$2.4 billion, representing a decrease of 12% year-on-year, but remained stable compared to the second half of 2019. During the period, the Group’s blockbuster game “Lords Mobile”, experienced a resurgence with monthly gross billing and hit a new record high in July. IGG’s net profit reached a record high of over HK\$1.0 billion in the first half of 2020, soaring 88% year-on-year, and up 41% compared to the second half of 2019. The increase was attributable to effective marketing cost control and the outstanding performance of global investments. Excluding fair value gain on investments, IGG achieved a net profit of HK\$610 million, representing an increase of 10% year-on-year, and an increase of 16% compared to the second half of 2019. As at 30 June 2020, the Group’s mobile games and utility apps are available worldwide in 23 different languages, with 720 million registered users and over 30 million monthly active users (“MAU”) across more than 200 countries and regions. During the period, revenue generated from markets in Asia, North America and Europe accounted for 40%, 30% and 24%, respectively, of the Group’s total revenue. The Group has been listed as one of the “Top 52 Publishers” by App Annie for six consecutive years.

“Lords Mobile”, IGG’s blockbuster title with innovative features, is the Group’s first cross-platform, multi-language, real-time game designed for global gamers, and has been well-received by players since its debut five years ago, generating stable revenue for the Group. As at 30 June 2020, it has approximately 320 million registered users worldwide and over 13 million MAU. “Lords Mobile” recorded a resurgence in monthly gross billing with an 18% increase in the second quarter of 2020. Its monthly gross billing hit a new record high of over HK\$460 million in July. In the first half of 2020, the Group rolled out a series of promotional initiatives to drive its game operations, including the release of painstakingly-produced animated short film “The Wonder”, cross-promotions with KOLs in Japan, and gaining over 3 million followers each on Instagram and Facebook. During the period, the Group continued with game content updates, following up on “Dragon Arena” with new, unique features such as “Tier 5 Troops” and “Sanctuary”, offering gamers a refreshing new experience. Creative game content and innovative marketing campaigns led to record monthly gross billings in the United States, Japan, Germany, France, the United Kingdom and Brazil in the first half of 2020. As at 30 June 2020, “Lords Mobile” was among the top five grossing games in 27 countries and regions and top 10 in 58 countries and regions on Google Play, and among the top five grossing games in 12 countries and regions and top 10 in 22 countries and regions on Apple’s App Store¹. “Castle Clash”, another classic game by the Group, continues to upgrade and refine its content frequently since its release eight years ago, giving it new vigour.

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

As for new games, the Group released more than 10 new games in different genres in the first half of 2020, including casual games, multiplayer online battle arena (MOBA) games, and a female-oriented game. “Dress Up! Time Princess”, the Group’s first female-oriented dressing game, offers players unique and beautiful costumes and accessories, dramatic stories with multiple endings, character customisation, and highly-customisable clothing DIY features. “Omega Legends”, a recently released battle royale shooter game, has been featured by Apple’s App Store and Google Play Store in many countries by offering gamers distinct heroes with unique abilities, various game modes, and fair team competition. Going beyond the boundary of games, the Group boldly ventured into utility apps to diversify our product portfolio. In the first half of 2020, “KeepClean” and “KeepLock”, two utility apps designed for Android users, have gained 30 million registered users. Furthermore, a diverse line-up of new titles, including strategy games and a sandbox game, are scheduled for launch in the second half of the year.

During the period, led by the remarkable performance of the Group’s investments in XD Inc. and other online mobile game companies, fair value gain from the Group’s investments soared to HK\$420 million. Meanwhile, the Group is exploring strategic investments and in-depth cooperation with high-quality global R&D teams to expand our product portfolios and further drive long-term growth.

Moving forward, IGG will try to maintain its competitive edge by grasping opportunities in the “home-based” economy. The Group will continue to invest heavily in its R&D and operations teams to deliver innovative and diversified products. In addition to global talent recruitment, the Group is exploring investment opportunities worldwide to 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, Spain, etc. 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”.