



Fatfish Internet Group Ltd
(ACN 004 080 460)
Level 1, 47 Coppin Street
Richmond VIC 3121
Australia
www.fatfish.co

25 March 2015

ASX and Media Release

Fatfish mobile games investee iCandy Interactive seeks ASX IPO

- **First Fatfish investee company to spin off**
- **Successful high usage game assets aiming to develop new games and boost usage of existing games**
- **Existing shareholders to receive in specie distributions**

Singapore – 25 March 2015: Singapore internet venture accelerator Fatfish Internet Group Limited (ASX:FFG) is moving to unlock shareholder value with a proposed spin-out of its investments in mobile games studios as a separate independent company that will endeavor to IPO and list on the ASX within the next six months.

Under the proposal FFG's newly established Australian subsidiary iCandy Interactive Limited will acquire the following games studios from FFG and its co-investors:

- i.) Malaysia incorporated Appxplore Sdn Bhd

Appxplore is an award winning mobile games studio that has published five mobile games to date that have garnered more than 12 million downloads. Appxplore's mobile games have been featured frequently as recommended apps by Apple IOS Appstore and Google Android Play. It is one of the most successful south east Asian mobile games studios.

- ii.) Singapore incorporated Kensington Ventures Pte Ltd

Kensington has unique intellectual property that allows it to build mobile games and reuses the software and digital arts assets of the mobile games it builds. This will streamline the development process

For personal use only

of mobile games, improve efficiency and speed. Kensington is currently working on a soon-to-be-released game titled SkyWing.

Kensington has also licensed game title Carneyvale from the Singapore University of Technology and Design (SUTD). SUTD is a joint venture between the Singapore Government and Massachusetts Institute of Technology (MIT). Carneyvale is an award-winning game title previously published on Xbox. Under the licensing agreement, Kensington holds the rights to develop and publish Carneyvale on the Apple IOS and Google Android platforms.

Appxplore is currently 70% owned by High Joyful International Ltd, a 70% subsidiary of FFG. Through a restructuring FFG will acquire the remaining 30% of High Joyful International Ltd for AUD 2 million to be paid over 18 months. Kensington is a 100% owned subsidiary of FFG.

Appxplore will then be acquired by iCandy from High Joyful International Ltd and other minority co-investors for a consideration of AUD 9 million to be satisfied by AUD 8 million in new iCandy scrip and AUD 1 million cash. Kensington will be acquired for AUD 5 million to be satisfied by AUD 5 million in new iCandy scrip for a total consideration of AUD 14 million. Upon completion of these acquisitions, iCandy will endeavor to IPO and list on the ASX within the next six months.

The Board of Directors of FFG will also consider the distribution *in specie* of half of FFG's iCandy shares to FFG's shareholders upon or shortly following completion of iCandy's IPO.

The proposals outlined above are subject to the entry into binding agreements with FFG's co-investors and the satisfaction of the applicable requirements under the ASX Listing Rules and the Australian Corporations Act and other applicable laws. In particular, it is expected that FFG shareholder approval will be required to implement the *in specie* distribution and, as such, further details (including meeting materials) will be provided to FFG shareholders in due course.

This series of proposed transactions will, once implemented, effectively spin out iCandy from FFG's portfolio of investee entities and allow FFG's shareholders to directly benefit in the growth of iCandy as a standalone entity. FFG's shareholders will also be eligible to subscribe to the iCandy IPO.

iCandy's IPO is the first of the FFG's investments to be spun out. The proposed exercise conforms to FFG's model of unlocking asset values and expanding shareholder wealth by identifying and incubating promising fast growing tech companies from seed stage to exit stage. FFG has so far invested in more than 12 companies in high growth internet markets.

About Fattfish Internet Group

Fattfish Internet Group Ltd ('FFG') is a Southeast Asian and Australian based Internet venture accelerator. FFG partners with entrepreneurs to help them build and grow Internet businesses via a co-entrepreneurship model.

FFG's co-entrepreneurship model provides a collection of resources and expertise at group level to startup companies. This model provides entrepreneurs with support in important areas such as business strategy, staffing, exit strategy and product development services.

By utilising this pragmatic model FFG becomes a strategic corporate partner that provides the funding, resources and invaluable networks to hasten the growth of promising technology businesses. FFG is actively involved from seed funding stage to exit stage.

Company History

FFG was founded in 2011 in Singapore at the famed "Block 71" startups cluster by a team of co-founders that are serial entrepreneurs. All have successful track records in the Internet industry. FFG has dual headquarters located in Singapore and Melbourne, Australia. FFG also operates 2 regional "launch-pad" offices in Malaysia and Indonesia.

FFG is publicly traded on the Australian Stock Exchange (ASX) with its trading symbol "FFG". The Company listed in July 2014 and is the first Internet accelerator to be traded on the Exchange.

Enquiries:

Mr Kin-Wai Lau
Managing Director
Fattfish Internet Group
lau@fattfish.co
Singapore +65 93203588
Australia +61 2 80051688

Ms Miki Ng
Business Support Executive
Fattfish Internet Group
miki@fattfish.co
Singapore +65 9667 3830

Media

Rudi Michelson
Monsoon Communications
rudim@monsoon.com.au
+61 3 9620 3333

Glossary

Internet accelerator

An Internet accelerator is a company or facility designed to foster entrepreneurship and help startup Internet companies to grow through the use of shared resources, capital, management expertise, and intellectual capital.

For personal use only

Seed funding

Seed funding is capital required to get a new business started. Seed funding is usually done via investments in return for small stakes in promising companies.

Exit strategy

An exit strategy is method by which a venture capitalist intends to get out of an investment that he or she has made in the past. In other words, the exit strategy is a way of "cashing out" an investment or generating capital gains for shareholders.

Co-entrepreneurship

A co-entrepreneur is able to support entrepreneurs at every phase of their company's growth by being actively involved and providing multi-sector expertise.