



ICANDY INTERACTIVE LIMITED
ACN 604 871 712

PROSPECTUS

For an offer of up to 17,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,500,000 together with 1 free attaching Option for every 1 Share subscribed for and issued (**Offer**). Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 (together with 1 free attaching Option for every 1 Share subscribed for and issued) may be accepted under the Offer.

and

For the offer of up to 2,250,000 Options to the Lead Manager (or its nominee) (**Lead Manager Offer**) in consideration for services to be provided to the Company described in Section 11.6.



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Kin Wai Lau, Non-Executive Chairman
Donald Han Low - Non-Executive Director
Robert Kolodziej - Non-Executive Director
Ivan Perry Wu - Executive Director



Company Secretary

Benjamin Donovan

Registered Office

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East Perth WA 6004

Telephone: + 61 8 9325 3000
Facsimile: +61 8 9325 3099
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Lead Manager

ACNS Capital Markets Pty Ltd as trustee for the ACNS Unit Trust trading as Alto Capital (AFSL No: 279099)
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West Perth WA 6005



Telephone: +61 1800 899 707

Share Registry*

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Perth WA 6000

Telephone: +61 1300 554 474
Email: registrars@linkmarketservices.com.au



Solicitors

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Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000



Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd
Level 1, 10 Kings Park Road
West Perth WA 6005



Auditor*

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth WA 6005

Proposed ASX Code

ICI

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

This Prospectus is dated 3 July 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

2.1 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.icandy.io. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.3 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 4.6 and 8 of this Prospectus.

2.5 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

3. KEY OFFER INFORMATION

3.1 General

Under this Prospectus, the Company invites investors to apply for the issue of up to 17,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,500,000 together with 1 free attaching Option for every 1 Share subscribed for and issued. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share (together with 1 free attaching Option for every 1 Share subscribed for and issued) to raise up to a further \$1,000,000 may be accepted. As such, the maximum amount that can be raised under this Prospectus is \$4,500,000.

Further, the Lead Manager (or its nominee) may subscribe for up to 2,250,000 Options subject to the terms of the Lead Manager Mandate summarised in Section 11.6.

Category	Amount
Shares on issue at the date of the Prospectus	206,783,334
Shares offered in this Prospectus ¹	17,500,000
Total Shares on issue after the Offer ¹	224,283,334
Offer price per Share	\$0.20
Amount to be raised under this Prospectus (before costs) ¹	\$3,500,000
Market capitalisation at completion of the Offer ¹	\$44,856,667
Options on issue at the date of the Prospectus	8,033,333
Options offered under the Offer ¹	17,500,000
Options offered under the Lead Manager Offer ^{1&2}	1,750,000
Total Options on issue after the Offer and the Lead Manager Offer ^{1&2}	27,283,333

¹ Assuming full subscription of the Offer and no oversubscriptions.

² Assuming the Lead Manager has raised the full subscription itself.

The Shares to be issued under the Offer are new fully paid ordinary shares in the Company, will rank equally with the existing Shares on issue in the Company and entitle the holder to one vote per Share held. For further details of the rights attaching to the Shares, please refer to Section 12.2. Please refer to Section 12.3 for the full terms and conditions of the Options.

The Company intends to list on the ASX which is a regulated stock exchange.

3.2 Indicative Timetable*

Lodgement of Prospectus with the ASIC	3 July 2015
Opening Date	13 July 2015
Closing Date	4 September 2015
Despatch of holding statements	9 September 2015
Expected date for quotation on ASX	14 September 2015

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.*

Please refer to Sections 4 and 6 for further details of the Offer.

For personal use only

4. INVESTMENT OVERVIEW

This section is a summary only and is not intended to provide full information for investors intending to apply for Shares and Options offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4.1 The Company

The Company was incorporated on 20 March 2015 as an investment holding company principally involved in investments in prospective mobile interactive entertainment studios in the Asia region to produce quality and fun mobile interactive entertainment for the global mobile games market.

On 4 May 2015, the Company entered into a share purchase agreement (as varied) with Fatfish Internet Pte Ltd, a company incorporated in Singapore (**Fatfish Internet**) and two other co-founders to acquire 100% of the issued share capital of High Joyful International Ltd, a company incorporated in the British Virgin Islands (**High Joyful**). Fatfish Internet was issued 142,500,000 Shares in the Company at a deemed issued price of \$0.10 per Share and the two other co-founders were issued 3,750,000 Shares in the Company each at the same deemed issued price as consideration for the acquisition. As such, the consideration payable by the Company for the acquisition of High Joyful was \$15,000,000. Fatfish Internet is a wholly owned subsidiary of Fatfish Internet Group Limited, a company incorporated in Australia and listed on the ASX under ASX code 'FFG' (**Fatfish**).

High Joyful owns 100% of the issued share capital of Appxplore (M) Sdn Bhd, a company incorporated in Malaysia (**Appxplore**). Appxplore is principally involved in the design, development, commercialisation and publishing of mobile interactive entertainment for multiple mobile operating system platforms such as iOS, Android Windows and Blackberry. Refer to Section 7.7 for details of the mobile games developed and owned by Appxplore.

Also on 4 May 2015, the Company entered into a share purchase agreement with Fatfish Internet and Fatfish Medialab Pte Ltd, a company incorporated in Singapore (**Fatfish Medialab**) to acquire 100% of the issued share capital of Kensington Ventures Pte Ltd, a company incorporated in Singapore (**Kensington Ventures**). Fatfish Internet was issued 45,000,000 Shares in the Company at a deemed issue price of \$0.10 per Share and Fatfish Medialab was issued 5,000,000 Shares in the Company at the same deemed issue price as consideration for the acquisition. As such, the consideration payable by the Company for the acquisition of Kensington Ventures was \$5,000,000. Fatfish Medialab is a wholly owned subsidiary of Fatfish Capital Limited, a company incorporated in the British Virgin Islands (**Fatfish Capital**) of which Fatfish owns 50% of the issued share capital. The remaining 50% of the issued share capital of Fatfish Capital is owned by third party investors unrelated to Fatfish.

Kensington Ventures is principally involved in developing proprietary action based mobile games and licensing intellectual property rights of existing title video and online games for re-development on Android and iOS platforms. Refer to Section 11.1 for a summary of the licensing agreement which Kensington Ventures is a party to.

The Board considers that the quantum of the consideration payable by the Company for the acquisitions of High Joyful and Kensington Ventures reflects reasonable fair value of High Joyful and Kensington Ventures in view of the key investment highlights set out in Section 4.5 of the Prospectus and the Company

having conducted arm's length negotiations with the vendors of High Joyful and Kensington Ventures to arrive at the commercial terms of the acquisitions.

In determining the purchase price for each of High Joyful and Kensington Ventures, the Company also took into account the following considerations:

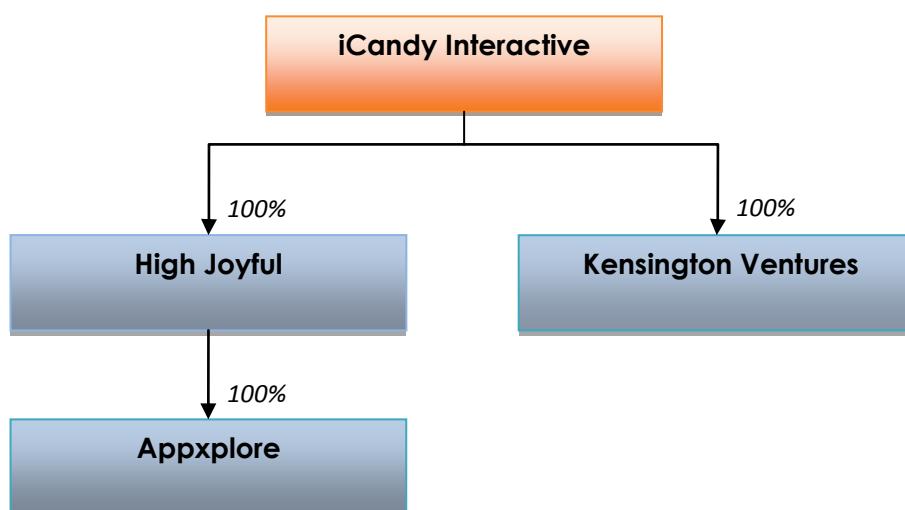
- (a) internal revenue and profit forecasts of High Joyful and Kensington Ventures. However, those forecasts cannot be stated publicly as they do not comply with ASIC guidelines (in particular, ASIC Regulatory Guide 170 which requires directors to have a reasonable basis for disclosing forecast financial information);
- (b) the future prospects of High Joyful and Kensington Ventures based on the status of their mobile games portfolios and interest from third parties; and
- (c) representations from the High Joyful and Kensington Ventures directors as to the price at which a takeover offer for either company would be likely to succeed.

As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always a good valuation methodology available when determining the purchase price and the Company was required to take into account qualitative factors such as those set out above in coming to a decision on price.

Further details of High Joyful, Appxplore and Kensington Ventures are set out in Section 7.1 of the Prospectus.

The Company's vision is to become a world-class video games development studio company for smartphones. The Company's mission is to continuously develop quality and fun mobile video games for smartphones that offer unique gaming experiences to drive player engagement through multi-challenges and achievements.

The Company's group structure at the date of this Prospectus is set out in the diagram below:



4.2 Fatfish's Intentions

At the date of this Prospectus, the Company is controlled by Fatfish which holds approximately 90.7% of the undiluted issued share capital of the Company via its subsidiary company Fatfish Internet. Fatfish also has a relevant interest in an additional 5,000,000 Shares (being an additional 2.4% undiluted shareholding interest) in the Company via its 50% owned subsidiary company Fatfish Medialab. Refer to Section 4.11 for further details.

As announced on 25 March 2015, Fatfish's present intention, subject to regulatory compliance and obtaining approval from its shareholders, is to procure the transfer of approximately 50% of the 187,500,000 Shares (i.e. 93,750,000) in the Company currently held by Fatfish Internet to Fatfish (**Distribution Shares**) and for Fatfish to then distribute the Distribution Shares to Fatfish's shareholders on a pro-rata basis (**In-specie Distribution**).

On 2 July 2015, ASX confirmed to Fatfish that ASX Listing Rules 11.1.2, 11.1.3 and 11.2 did not apply (a) to the Company's acquisition of High Joyful and Kensington Ventures from Fatfish or (b) to the In-specie Distribution. ASX does, however, require Fatfish (a) to obtain shareholder approval for the In-specie Distribution **prior** to the Company being admitted to the Official List and (b) to complete the In-specie Distribution within 6 months of the Company being admitted to the Official List. Fatfish has confirmed to the Company that it intends to hold its shareholder meeting to seek approval of the In-specie Distribution mid August 2015 and expects to complete the In-specie Distribution within 6 months of the Company being admitted to the Official List.

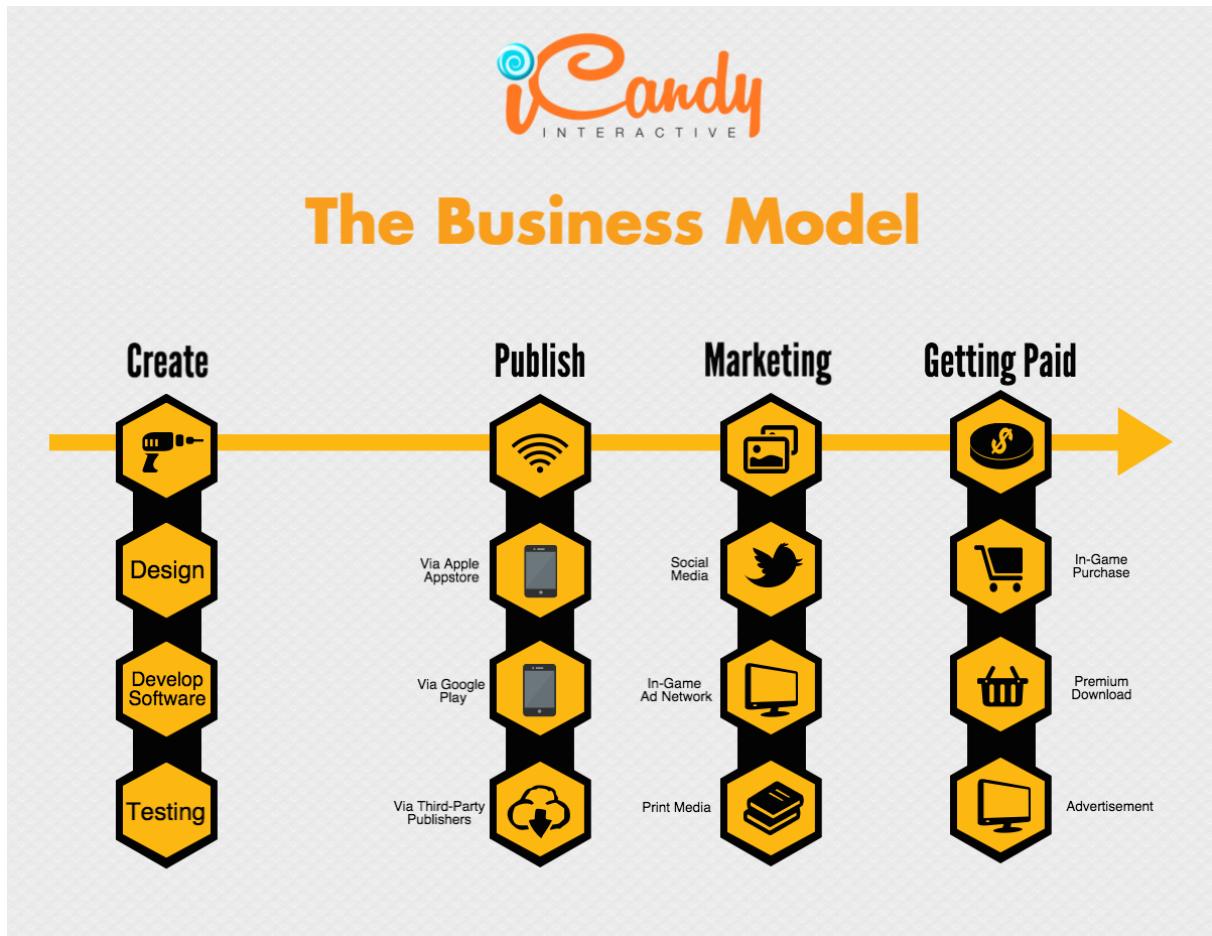
Fatfish will wait for the outcome of an application for a Class Ruling from the Australian Taxation Office on the taxation implications for Fatfish's shareholders in respect of the availability of demerger tax relief in connection with the In-specie Distribution and will keep its shareholders updated of this process.

It is proposed that the In-specie Distribution will be effected by way of a dividend to be declared by Fatfish such that Fatfish's shareholders will receive an in specie distribution of Distribution Shares in proportion to the number of Fatfish shares held by them at the applicable record date. It is Fatfish's present intention for Fatfish Internet to retain the remaining 50% of the Shares in the Company it currently holds (being 93,750,000 Shares).

It is proposed that Fatfish will complete the In-specie Distribution within 6 months of completion of the Offer and the Company becoming admitted to the Official List. As announced by Fatfish on 25 March 2015, it will keep its shareholders updated in respect of the proposed In-specie Distribution.

In the period prior to completion of the In-specie Distribution (and also in the period post completion of the In-specie Distribution in respect of the Shares in the Company which Fatfish Internet intends to retain), it will be Fatfish's intention as a substantial shareholder of the Company to maintain its shareholding in, and provide support and assistance to help the Company meet its objectives as well as to maintain the loan funding it has provided to Kensington Ventures and Appxplore. Please refer to Sections 11.7 to 11.8 for further details of the loans provided by Fatfish to each of Appxplore and Kensington Ventures.

4.3 Business Model



The Company's business plan is to develop and publish 'freemium' games for smartphones, which are free-to-download and free-to-play for players. The 'freemium' game model is proven to be a successful business model employed by many global mobile game companies. The Company plans to generate revenue through the following approaches:

- **In-game purchases** – players can purchase virtual items or currencies which are used within the Company's games to improve character levels, speed up the game progress and/or enhance playing experience;
- **Mobile advertising** – which allows iCandy to advertise third-party products and services in the Company's games; and
- **Game merchandise sales** – players can purchase game related merchandise branded with the logos and artwork of the Company's various games.

To entice in-game monetisation via players purchasing virtual items, the Company employs the following two monetisation strategies:

- **Time Sink** - rather than spending long periods of time playing one of the Company's video games in order to advance and unlock higher game levels (where the games could be more interesting), the players are given the option of purchasing virtual items that will expedite their progress to higher game levels.

Connected to this, the Company can implement restrictions on gameplay on its games to create demand for in-game purchases (for example by slowing the progress of players once a certain game level is reached by requiring them to request a 'level-pass ticket' from friends to unlock new levels or by giving players limited 'lives' to play a game in a given period of time). Players who wish to continue playing games without these restrictions are encouraged to make an in-game purchase of a 'special pass ticket' and/or extra 'life' to unlock the next level of the game.

- **Unique Items** - players can purchase special virtual items which are normally not available during normal gameplay (for example, in the Company's Mobfish Hunter game, players are enticed to purchase special 'baits' which have unique properties which allow players to enjoy different capabilities in the gameplay).

The Company can add achievement items to its games which reward players for perfecting each game level. To perfect a level, the players are generally required to play more and refine their gameplay strategies. This requirement in turn generates a demand for in-game 'boosters' and 'power ups', which are available for in-game purchase and assist players in their quest to perfect each level and earn the achievement item.

The Company can also offer special items which can help players overcome game obstacles and challenges which they find difficult to pass. With the in-game purchase of these special items, the players can clear difficult levels more easily and quickly, which in turn helps them score higher game points and a higher ranking during gameplay.

To implement and drive these monetisation strategies, it is imperative that the Company focuses on the development of highly engaging and challenging mobile games. The Group's games are available worldwide although the majority of downloads of the Group's games have occurred in the Asia Pacific region. The Group's immediate focus for growth will be on the Asia Pacific region followed by other regions worldwide.

To date, Appxplore's mobile games have achieved an estimated 10 million downloads worldwide – please refer to Section 7.3 for further details. Appxplore and Kensington Ventures have generated a combined revenue of \$511,000 over the previous three financial years (with \$184,000 having been generated in the year ended 31 December 2014) – please refer to the financial information in Section 9 for further details.

It is also part of the Group's business model that it will consider expanding its operation capacity and capability through the acquisition of other mobile game studios in the South East Asian region. At present, the Group believes that this may be an effective growth method as it would be able to quickly expand its capacity and geographic markets to complement or fill out its product line and achieve economies of scale. As such, the Group's growth strategy will be to grow organically by focusing on and developing its existing range of mobile games while also considering potential acquisitions of mobile game studios.

The key dependencies of the Group's business model include:

- retaining and recruiting a sufficient level of labour skilled in the mobile games sector;

- 
- access to capital to develop the Group's existing mobile games and make future acquisitions; and
 - the worldwide mobile games industry continuing to grow.

The Group's competitors include other developers, publishers and licencees of mobile games including Halfbrick Studios and Playlab.

Please refer to Section 7 for further details of the Company, its projects and its business plan.

4.4 The Objectives

The Company's main objectives on completion of the Offer are to:

- use the funds raised under the Offer for the purposes described in Section 4.9;
- facilitate an application for admission of the Company on the Official List of ASX and broaden the Company's Shareholder base;
- provide the Company with the benefits of an increased profile and the transparency, accountability and credibility that arise from being a listed entity;
- provide the Company and its Shareholders with ongoing access to capital markets; and
- enable the Company to pursue growth opportunities and improve capital management flexibility through future acquisitions.

4.5 Key Investment Highlights

The Board believes that:

- iCandy represents a unique investment opportunity for investors to invest in one of the most exciting mobile games studios in Southeast Asia, with its games having achieved more than 10 million downloads worldwide;
- iCandy has a well defined growth plan via existing and new product development and potential future acquisitions after completion of the Offer; and
- iCandy can potentially benefit from the growth of the global mobile games industry which is expected to be valued at more than \$34 billion in 2016 (according to International Data Corporation's (**IDC**) Worldwide Mobile and Handheld Gaming 2014-2018 report dated November 2014; NB: this total includes smartphone and tablet game-related spending as well as handheld game console hardware and game software spending).

4.6 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 8.

(a) Concentration of Ownership

The Company currently has 206,783,334 Shares on issue, meaning that the maximum number of Shares issued under this Offer will represent approximately only 9.8% of the issued Share capital of the Company on completion of the Offer (assuming full oversubscriptions are issued). There will therefore be a concentration of ownership within the existing Shareholders (particularly Fatfish) on completion of the Offer. Some investors may consider that this increases the risk of participating in the Offer. In accordance with section 3.1 of ASX Guidance Note 1, the Company's (and Fatfish's) plan is to increase the percentage of the Company's 'free float' (i.e. the percentage of its Shares held by parties other than related parties) above 10% by completing Fatfish's In-specie Distribution of 93,750,000 Shares in the Company to the shareholders of Fatfish within 6 months of the Company being admitted to the Official List.

(b) Liquidity

As noted above, there are 206,783,334 Shares already on issue in the Company. A significant portion of these Shares (expected to be 204,973,333 Shares constituting approximately 91.4% of the undiluted issued share capital of the Company after completion of the Offer assuming the full subscription is raised) are likely to be classified by the ASX as restricted securities and be placed into escrow. Some investors may consider that there is an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time. Further, after the end of the relevant escrow periods, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse affect on the Company's Share price.

As detailed below in Section 4.12, the Company has obtained a waiver, to the extent necessary, from ASX which will exempt Shares in the Company which are to be held by certain Fatfish shareholders on completion of the In-specie Distribution from the escrow requirements contained in ASX Listing Rule 9.1.3.

As noted in Section 4.6(a) above, the Company's (and Fatfish's) plan is to increase the percentage of the Company's 'free float' above 10% by completing Fatfish's In-specie Distribution within 6 months of the Company being admitted to the Official List. However, there can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase.

(c) Limited history

The Company was only recently incorporated and has limited operating history and limited historical financial performance. Further, the Company's Subsidiaries have operated at a loss for the previous three financial years (being a combined loss of approximately \$287,000 for the

period) and each of the audited financial statements for each of the Subsidiaries included an emphasis of matter stating that the going concern assumption of the entity depended on its ability to generate profits and or the continuation of support from the entity's parent entity (which was then Fatfish)/its shareholders. Please refer to the financial information in Section 9 for further details. No assurance can be given that the Company will achieve commercial viability through its existing mobile games. Until the Company is able to realise value from its mobile games, it is likely to incur ongoing operating losses. Achievement of the Group's objectives will depend on the Board's ability to successfully implement its growth strategy. Depending on the Company's ability to generate income from its operations, the Company will likely require further financing in addition to amounts raised under the Offer – refer to the risk factor in Section 8.2(a) for further details.

(d) Intellectual Property Rights

A substantial part of the Company's commercial success (particularly in relation to Appxplore) will depend on its ability to protect its intellectual property and commercially sensitive information assets relating to its mobile games, to maintain trade secret protection and to operate without infringing the proprietary rights of third parties. At present, none of the Company's intellectual property rights are registered. Securing rights to technologies, and in particular intellectual property, through licensing or otherwise, will also play an integral part in the commercial success of the Company (particularly in respect of Kensington Ventures).

The commercial value of these intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations.

(e) Dependency on Key Directors and Personnel

The Company's continued success will depend, to a significant extent, upon the abilities and continued efforts of its Directors as well as the Group's key personnel. The loss of any of the Directors or key personnel may adversely affect the Group's continued ability to compete and grow in the smartphone videogame industry. Further, the Group's future success will also depend upon its ability to attract, retain and motivate skilled and qualified personnel.

To ensure smooth succession planning, efforts are being made by the Group to groom younger members of its game development team to assume additional responsibilities. The Directors recognise the importance of skilled and capable personnel and, as such, have implemented a human resource strategy aimed at attracting and retaining such personnel which includes rewarding employees based on their performance.

(f) Competition

The mobile gaming industry is competitive and the Company expects to continue to face regular competition from both existing competitors and new entrants into the market. The Company currently competes with mobile gaming operators in Malaysia and other overseas countries, some of which have longer operating histories, wider product ranges, larger distribution networks and better marketing expertise. The principal elements of competition facing the Company include, amongst others, quality of games, branding, marketing and good customer service.

In order to compete effectively in the mobile gaming market, the Company will strive to improve its customer service, develop and introduce regular basis games that are highly interactive, captivating and entertaining and provide diversity in gameplay, style and type in order to attract a wider range of users of the Company's mobile games.

(g) Rapid Changes in Game Trends

Rapid changes in mobile game trends may have an adverse impact on the Group's operating and financial performance. Currently, the Group is focusing on the development and publishing of mobile casual games. As at the date of this Prospectus, Appxplore has only five fully developed games in its game portfolio.

The Company is constantly keeping abreast with the latest mobile game trends in the market. Prior to the development of each new game, the Company will conduct a full scale pre-production study and research program to understand current mobile game players' interests and preferences in order to create games which are in line with current market trends. The Directors believe that the demand for mobile casual games will continue to grow in the foreseeable future. Through the Group's experience and capability to produce quality mobile casual games, the Directors believe it is able to deliver games to the market quickly and without any compromise on quality.

(h) Demand for Skilled Labour

In the mobile gaming industry, the need for technical staff is crucial as they possess the skills and knowledge in developing, localising and programming game codes and graphic designs which underpin mobile games. The Company is continually seeking to recruit additional technical and support staff as the Group expands.

One of the Group's strategies moving forward will be to consider expanding its operations by acquiring additional game studios in the Southeast Asia region, thereby recruiting talented and skilled labour in that foreign region. By doing so, the Company would also be able to build a strong foundation in producing and localising games in regions which do not have a current sizeable market exposure.

(i) Playability of the Group's Games

The majority of mobile games have a typical lifespan (assuming no upgrades) of around 6 months. The Group will aim to constantly introduce new features, items and expansion packs to its games to retain player interest. It is hoped that the Group's ability to enhance its games, in terms of extra virtual items, upgrade levels and gated featured items will help maintain the popularity and increase the attractiveness of such games. The Group will also share the ideas and feedback from players in order to improve the playability of the Group's games.

(j) High Marketing Cost

The cost of marketing and launching new mobile games can be high. The Group's management will conduct a comprehensive marketing plan to ensure that all marketing costs are well spent. The Group has previously utilised international publishing houses to help publish its games overseas. Refer to Sections 11.2 to 11.3 for further details.

As the Group's brand has become better recognised in the market, the Group has begun to launch and publish its games in-house via Apple's App Store and Google's Play Store. By publishing its own games, the Group is able to reduce marketing costs.

Although the Group has the capability to publish its own games, it will continue to use other publishing companies to publish its games in new markets, particularly where the Group has limited resources and faces challenges in respect of language barriers and market recognition.

(k) Alliance Risk

The Group (via Kensington Ventures) has a licensing agreement with a mobile game intellectual property holder to use its intellectual property rights in its mobile game products and services. The Group has no ownership rights in respect of the 'Carneyvale' mobile game, rather it has a right to licence this game. Kensington Ventures will also seek to acquire certain rights to additional intellectual property by entering into further similar licensing agreements. In order for Kensington Ventures to be able to achieve its objectives, it is reliant on intellectual property holders to comply with their contractual obligations under the licensing agreements. There is also a risk to the Group that Kensington Ventures'

licence (or future licenses) are terminated or not renewed upon expiry. Any non-compliance with a licence or termination or failure to renew a licence could have an adverse impact on the financial position of the Group. Please refer to Section 11.1 for further details of Kensington Ventures' licensing agreement in respect of the 'Carneyvale' mobile game. Where a party fails to comply with a licensing agreement, the Company may then need to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 8 of this Prospectus before deciding whether to apply for Shares and Options pursuant to this Prospectus.

4.7 The Offer

The Company invites applications for up to 17,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,500,000 together with one free attaching Option for every one Share subscribed for and issued. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may be accepted. As such, the maximum amount that can be raised under this Prospectus is \$4,500,000.

Further, the Lead Manager (or its nominee) may subscribe for up to 2,250,000 Options subject to the terms of the Lead Manager Mandate summarised in Section 11.6.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 12.3 of this Prospectus. All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

The key information relating to the Offer and references to further details are set out below.

4.8 Purpose of the Offer

The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of ASX and position the Company to seek to achieve the objectives set out above in Section 4.4.

4.9 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$) (\$2,500,000)	%	Full Subscription (\$) (\$3,500,000)	%	Over subscription (\$) (4,500,000)	%
Existing cash reserves ¹	362,000		362,000		362,000	
Funds raised from the Offer	2,500,000		3,500,000		4,500,000	
Total	2,862,000		3,862,000		4,862,000	
Allocation of funds						

Expenses of the Offer ²	565,700	19.8	667,800	17.3	767,800	15.8
Marketing of the Group's mobile games	480,000	16.8	607,000	15.6	750,000	15.4
Development of existing and new game titles and technology ³	1,030,000	36	1,780,000	46.1	2,510,000	51.6
Administration costs ⁴	520,000	18.2	520,000	13.5	520,000	10.7
Repayment of Fatfish loan to Kensington Ventures ⁴	200,000	6.9	200,000	5.2	200,000	4.1
Working capital	66,300	2.3	87,200	2.3	114,200	2.4
Total	2,862,000	100	3,862,000	100	4,862,000	100

¹ Refer to the Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

² Refer to Section 12.7 of this Prospectus for further details.

³ May also include the costs of future potential acquisitions of mobile games studios by the Company although the Company confirms that it is not in negotiations for any such acquisitions as at the date of this Prospectus.

⁴ Includes director fees and salaries, overheads, rent, corporate services and company secretarial fees.

⁵ Refer to Section 11.7 for further details.

In the event the Company raises more than the minimum subscription of \$2,500,000 but less than the full subscription of \$3,500,000, the additional funds raised above \$2,500,000 will be first applied towards expenses of the Offer, then towards the development of game titles and technology, then towards marketing of the Group's games, and finally towards repayment of the Kensington loan and working capital. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

In the event the Company raises more than the full subscription of \$3,500,000 but less than the full oversubscription of \$4,500,000, the additional funds raised above \$3,500,000 will be first applied towards expenses of the Offer, then towards the development of game titles and technology, then towards marketing of the Group's games and finally towards repayment of the Kensington loan and working capital.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including, but not limited to, success or failure of the commercialisation of the Company's mobile games and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.10 Capital Structure

The capital structure of the Company following completion of the Offer (assuming full subscription and no oversubscriptions) is summarised below¹:

Shares²

	Number
Shares currently on issue ³	206,783,334

Shares to be issued pursuant to the Offer	17,500,000
Total Shares on completion of the Offer	224,283,334

Options

	Number
Options currently on issue ⁴	8,033,333
Options to be issued pursuant to the Offer ⁴	17,500,000
Options to be issued pursuant to the Lead Manager Offer ⁵	1,750,000
Total Options on completion of the Offer	27,283,333

¹ Refer to the Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

² The rights attaching to the Shares are summarised in Section 12.2 of this Prospectus.

³ The Shares currently on issue were issued between the date of incorporation of the Company and the date of this Prospectus as follows (a) 750,000 Shares to Directors at an issue price of \$0.0001 per Share, (b) 6,033,334 Shares to seed capital investors at an issue price of \$0.06 per Share and (c) 200,000,000 Shares to the vendors of Kensington Ventures and High Joyful at a deemed issue price of \$0.10 each. The Shares issued to seed capital investors were issued to fund acquisition costs, the listing costs and initial working capital requirements of the Company. These Shares were issued at a discount to the issue price of the Shares offered pursuant to the Offer to reflect the increased risk associated with an investment in the Company at the time of issue of the seed capital.

⁴ Each Option will be quoted and is exercisable at 21 cents on or before the fourth anniversary of the date of Official Quotation. Refer to Section 12.3 for the full terms and conditions of the Options.

⁵ Based on the unlikely scenario that the Lead Manager raises the full subscription under the Offer of \$3,500,000 itself. In the further unlikely scenario that the Lead Manager raises full oversubscriptions under the Offer of \$4,500,000 itself, the Lead Manager will be issued 2,250,000 Options. In the more likely scenario that the Lead Manager raises less than the full subscription amount (or full oversubscription amount), then the Options to be issued to the Lead Manager will reduce by a corresponding amount. Refer to Section 11.6 for further details.

4.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Fatfish Internet Group Limited ¹	192,500,000	nil	93.1%	89.6%

¹ 187,500,000 Shares held by Fatfish Internet Pte Ltd (a wholly owned entity of Fatfish Internet Group Limited) and 5,000,000 Shares held by Fatfish Medialab Pte Ltd (an entity in which Fatfish Internet Group Limited has a 50% shareholding interest).

On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Fatfish Internet Group Limited ¹	192,500,000 ²	nil	85.8%	76.5%

¹ 187,500,000 Shares held by Fatfish Internet Pte Ltd (a wholly owned entity of Fatfish Internet Group Limited) and 5,000,000 Shares held by Fatfish Medialab Pte Ltd (an entity in which Fatfish Internet Group Limited has a 50% shareholding interest).

² Refer to Section 4.2 above for details of Fatfish's intentions to transfer and distribute 93,750,000 of these Shares to its shareholders.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

4.12 Restricted Securities

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that, immediately upon the Company being admitted to the Official List, up to 204,973,333 Shares and 8,473,333 Options will be subject to escrow as follows:

- (a) 750,000 Shares for 24 months from the date of Official Quotation (held by the Directors Ivan Wu and Robert Kolodziej);
- (b) 4,223,333 Shares and 4,223,333 Options for 12 months from the date of issue (primarily held by unrelated seed shareholders of the Company);
- (c) 187,500,000 Shares for 24 months from the date of Official Quotation (held by Fatfish Internet as a vendor of Kensington Ventures and High Joyful) – refer to the paragraph below for further details;
- (d) 12,500,000 Shares for 24 months from the date of Official Quotation (held by the other vendors of Kensington Ventures and High Joyful);
- (e) 2,000,000 Options for 24 months from the date of Official Quotation (issued to and held by a consultant of the Company for corporate services provided to the Company); and
- (f) up to 2,250,000 Options for 24 months from the date of Official Quotation (held by the Lead Manager (or its nominee)).

The Company has been granted a waiver by ASX from ASX Listing Rule 9.7 to enable the Company not to apply the escrow restrictions in Appendix 9B of the ASX Listing Rules to certain of the Fatfish shareholders who will be recipients of the Distribution Shares on completion of the In-specie Distribution and who are not currently parties to restriction agreements with Fatfish. As such, these Fatfish shareholders (who will hold approximately 30,000,000 Shares in the Company, based on figures at the date of this Prospectus) will not be required by ASX to

enter into restriction agreements in respect of the Distribution Shares they are issued upon completion of the In-specie Distribution. Distribution Shares issued to Fatfish shareholders who are parties to restriction agreements with Fatfish as the date of the In-specie Distribution will be subject to the balance of the applicable escrow period for their escrowed Fatfish shares. The Shares held by Fatfish Internet which are retained and are not distributed to Fatfish shareholders will be subject to a 24 month escrow period as noted above.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Securities commencing trading on ASX.

4.13 Financial Information

The Company was only recently incorporated (20 March 2015) and has no operating history and limited historical financial performance. Contained in the financial information in Section 9 is the pro forma historical consolidated profit or loss and other comprehensive income statements and statements of cash flow for the 12 months ended 31 December 2012, 12 months ended 31 December 2013 and 12 months ended 31 December 2014 and 5 months ended 31 May 2015 to provide investors with a summary of the Group's historical financial information assuming the Subsidiaries had been owned by the Company for each of those financial periods. Also included in the financial information in Section 9 is the Company's reviewed balance sheet at 31 May 2015.

The Subsidiaries have operated at a loss for the previous three financial years (being a combined loss of approximately \$287,000 for the period) and each of the audited financial statements for each of the Subsidiaries included an emphasis of matter stating that the going concern assumption of the entity depended on its ability to generate profits and or the continuation of support from the entity's parent entity (which was then Fatfish)/its shareholders. Please refer to the financial information in Section 9 of this Prospectus for further details.

The purchase prices paid by the Company for the acquisitions of High Joyful (being the issue of Shares with a total deemed value of \$15,000,000) and Kensington Ventures (being the issue of Shares with a total deemed value of \$5,000,000) were significantly higher than the net asset value of these two companies. This is not unusual for companies in the technology sector – please refer to Section 4.1 of this Prospectus for information on the considerations the Company took into account in determining the purchase price for each of High Joyful and Kensington Ventures.

4.14 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

4.15 Dividend Policy

We anticipate that significant expenditure will be incurred in the marketing and development of the Company's existing mobile games. These activities,

together with the possible acquisition of interests in other mobile game studios or mobile games, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

4.16 Directors and Key Personnel

Set out below are short descriptions of the Directors and key personnel of the Company. Please refer to Section 10.1 for the full biographies of the Directors and key personnel.

Kin Wai Lau
Non Executive Director and Chairman

Kin Wai is an experienced entrepreneur and investor in the technology space in Southeast Asia. He has been the Chief Executive Officer of two listed companies on Bursa Malaysia in the software and digital media space and was instrumental in their expansion across the region. Kin Wai Lau is considered by the Board not to be an independent director given he is a director of Fatfish, the Company's majority Shareholder.

Donald Han Low
Non-Executive Director

Donald has worked in the corporate advisory and corporate finance sectors with experience covering the whole business cycle, ranging from start-ups, business creation and exits via initial public offerings, reverse takeovers, trade sales and mergers and acquisitions. Donald has served as Chief Executive Officer and Director on the boards of several private and publicly listed companies in Asia, Australia and Europe. Donald is considered by the Board not to be an independent director given he is a director of Fatfish, the Company's majority Shareholder.

Robert Kolodziej
Non-Executive Director

Robert is an advisor at Patersons Securities and has over 20 years' experience in investment management. Robert has expertise with small capitalisation companies especially in the technology and renewable sectors and has been arranging transactions in equity capital markets for such companies. Robert is considered by the Board to be an independent Director of the Company.

Ivan Perry Wu
Executive Director

Ivan has more than 20 years' commercial experience in the utility, technology and resource industries, primarily in a corporate role as a developer of business and systems. In recent years, he has been involved in corporate advisory roles assisting corporate restructuring, merger & acquisitions, investor relations and

capital raisings for ASX listed companies. Ivan is considered by the Board not to be an independent director given he is an Executive Director.

Desmond Lee
Chief Executive Officer of Appxplore

Desmond is the founder and Chief Executive Officer of Appxplore. He holds a Bachelor of Fine Arts (Computer Arts) from the Academy of Art University, San Francisco. He has over 5 years' international experience in the USA, working as a multimedia designer for Garmin International, art director for Digital Pipe Inc. and streaming media specialist at Fantastic Corp.

Jenn Yu Lim
Chief Creative Officer of Appxplore

Jenn Yu is a highly skilled artist with more than 15 years' experience specialising in conceptual drawing, 3D animation and game design. He has won numerous New Media Awards during his career and one of his 3D digital artworks was featured in EXPOSÉ. In 2011, he co-founded Appxplore Sdn Bhd and currently is playing a key role and leading Appxplore as Chief Creative Officer and game designer.

Keng Lou Lee
Chief Technology Officer of Appxplore

Keng Lou has over 5 years' experience in the game development industry. In 2012, he joined Appxplore as a senior programmer and currently he is playing a key role in leading the programming team.

4.17 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 10.2 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 10.3 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.icandy.io).

4.18 Disclosure of Interests

The Company has paid no remuneration to its Board since incorporation to the date of this Prospectus and no remuneration will be paid or accrue until such time as the Company is admitted to the Official List (other than any fees payable to Mr Wu under the Letter Agreement referred to in Section 4.19 below).

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Remuneration	Shares	Options
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Kin Wai Lau	\$12,000	nil	nil
Donald Han Low	\$12,000	nil	nil
Robert Kolodziej	\$12,000	250,000	nil
Ivan Perry Wu	\$132,000	500,000	nil

4.19 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Contract of Employment – Ivan Wu

Ivan Wu has a contract of employment with the Company to act in the capacity of Executive Director. Mr Wu will receive an annual salary of \$132,000 per annum upon the Company being admitted to the Official List. Please refer to Section 11.5 for full details.

Letter Agreement – Fatfish/Ivan Wu

Ivan Wu is also party to a letter agreement with Fatfish for the provision of corporate advice and project management services in relation to the Company and the Offers the subject of this Prospectus. Mr Wu receives a consultancy fee of \$10,000 per month for these services. It is proposed that the Company will reimburse Fatfish for all fees made to Mr Wu upon the Company being admitted to the Official List. Please refer to Section 11.4 for further details.

5. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the directors of iCandy Interactive Limited (**Company**), I am delighted to invite you to become a shareholder of the Company.

The Company is seeking to raise up to \$3,500,000 through an issue of up to 17,500,000 Shares at a price of \$0.20 per Share together with 1 free attaching Option for every 1 Share subscribed for and issued (**Offer**). Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may also be accepted under the Offer.

The Company was incorporated on 20 March 2015 as an investment company principally involved in investments in prospective mobile interactive entertainment studios in the Asia region to produce mobile interactive entertainment for the global mobile games market.

As set out in Section 4.1, the Company has recently acquired the entire issued share capital of each of Kensington Ventures Pte Ltd, a company incorporated in Singapore (**Kensington Ventures**) and High Joyful International Ltd, a company incorporated in the British Virgin Islands (**High Joyful**) which owns the entire issued share capital of Appxplore (M) Sdn Bhd, a company incorporated in Malaysia (**Appxplore**).

Kensington Ventures is principally involved in developing proprietary action based mobile games and licensing intellectual property rights of existing title video and online games for re-development on Android and iOS platforms.

Appxplore is principally involved in the design, development, commercialisation and publishing of mobile interactive entertainment for multiple mobile operating system platforms such as iOS, Android and Windows. Further details of High Joyful, Appxplore and Kensington Ventures and their respective suites of mobile games are set out in Section 7 of the Prospectus.

The Company's vision is to become a world-class mobile games development studio company for smartphones. The Company's mission is to continuously develop quality and fun mobile games for smartphones that offer unique gaming experiences to drive player engagement through multi-challenges and achievements.

Funds raised under the Offer will be directed toward accelerating growth of the Company by funding the development of the Group's existing and new mobile games titles and technology as well as marketing activities of the Group's mobile games.

It is envisaged by the Board that the Company will be focused on growing its portfolio of mobile games and intellectual property, through which it is hoped that the Company can increase its revenue base. It is intended that this growth will be achieved both organically by focusing on and developing the Company's existing range of mobile games while also considering future potential acquisitions of mobile game studios in the South East Asia region.

Before making your decision to invest, I ask that you carefully read this Prospectus, particularly the risks facing an investment in the Company as set out in Sections 4.6 and 8, and seek professional advice if required. On behalf of the Board, I commend the Offer to you and look forward to welcoming you as a Shareholder.

Yours sincerely,

Kin Wai Lau
Non-Executive Chairman
3 July 2015

6. DETAILS OF THE OFFERS

6.1 The Offers

Pursuant to this Prospectus, the Company invites applications for up 17,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,500,000 together with one free attaching Option for every one Share subscribed for and issued.

The Company may accept oversubscriptions of up to a further \$1,000,000 through the issue of up to a further 5,000,000 Shares at an issue price of \$0.20 each under the Offer together with one free attaching Option for every one Share subscribed for and issued. The maximum amount which may be raised under this Prospectus is therefore \$4,500,000.

Further, the Lead Manager (or its nominee) may subscribe for up to 2,250,000 Options for nil cash consideration subject to the terms of the Lead Manager Mandate summarised in Section 11.6.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue and the Options offered will be issued on the terms and conditions set out in Section 12.3.

6.2 Minimum subscription

If the minimum subscription to the Offer of \$2,500,000 has not been raised within four months after the date of this Prospectus, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

6.3 Applications

Applications for Securities under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**iCandy Interactive Limited – IPO Trust Account**" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

6.4 ASX listing

Application for Official Quotation by ASX of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Securities are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

6.5 Issue

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of the Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Securities than the number applied for. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

6.6 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

6.6.1 Singapore

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289

of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore. Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

6.7 Not underwritten

The Offer is not underwritten.

6.8 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

7. COMPANY AND PROJECT OVERVIEW

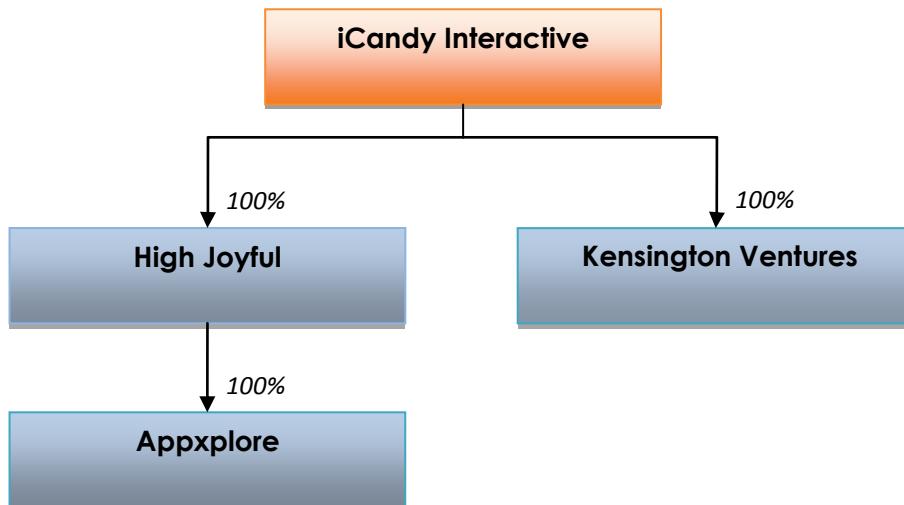
7.1 Background and Company Overview

The Company was incorporated on 20 March 2015 as an investment holding company principally involved in investing in prospective mobile interactive entertainment studios in the Asia region to produce quality and fun mobile interactive entertainment for the global mobile games market.

As set out in Section 4.1, on 4 May 2015, the Company entered into:

- (a) a share purchase agreement with Fatfish Internet and two other co-founders to acquire 100% of the issued share capital of High Joyful which owns 100% of the issued share capital of Appxplore; and
- (b) a share purchase agreement with Fatfish Internet and Fatfish Medialab to acquire 100% of the issued share capital of Kensington Ventures.

The Company's group structure at the date of this Prospectus is set out below:



7.2 High Joyful Overview

High Joyful was incorporated in the British Virgin Islands on 15 May 2014. High Joyful is an investment holding company principally involved in investing in mobile interactive entertainment studios in the Asia region. High Joyful owns 100% of the issued share capital of Appxplore.

7.3 Appxplore Overview

Appxplore was incorporated in Malaysia on 20 December 2010. Appxplore is principally involved in the design, development, commercialisation and publishing of mobile interactive entertainment for multiple mobile operating system (**OS**) platforms such as iOS, Android, Windows Mobile and Blackberry.

Appxplore is led by the founders, Desmond Lee and Jenn Yu Lim, who have extensive expertise, experience and involvement in multimedia design, 3D animation and artwork and game design and developments in the online and mobile gaming industry. With a team of talented game developers, Appxplore is capable of producing fun and engaging mobile games which enhance gaming experience and 'player stickiness' to foster longer-term player retention.

As at the date of this Prospectus, Appxplore currently owns and operates five high quality mobile casual games – ‘Sporos’, ‘Lightopos’, ‘Caveboy Escape’, ‘Alien Hive’ and ‘Mobfish Hunter’ - under its own brand name which are exclusively designed for the popular mobile OS platforms noted above. Refer to section 7.7 for a summary of Appxplore’s games.

To date, Appxplore’s mobile games have achieved an estimated 10 million downloads worldwide. These downloads were downloaded from Apple App Store and Google Play Store and the download figures were captured by Appxplore’s own internal analytics system. All of Appxplore’s games have been featured in Apple’s App Store Editor Picks and Google Play Store.

In 2012, Appxplore was granted special ‘MSC Status’ by the Malaysian Government which allows the company a 100% tax exemption for a 10 year period ending in 2022, access to various research and development grants and applications for unlimited work visas for the employment of foreign ‘talent’ and skilled labour from around the world to grow Appxplore’s workforce. The ‘MSC Status’ is granted by the Malaysian Government (via its Multimedia Development Corporation) to certain information and communications technology businesses to assist such businesses in developing and using multimedia technologies to produce and enhance products and services.

The Board believes that Appxplore’s expertise and experience in producing quality mobile games positions the company as one of the few mobile interactive entertainment studios in Southeast Asia which produces mobile games that generate millions of downloads.

Appxplore’s notable achievements include the company’s many nominations, accolades and awards won in the Asia Pacific Region such as:

- Best Art or Character – awarded to Alien Hive from Casual Connect Asia 2013;
- Most Innovative Mobile Game – awarded to Lightopos from Casual Connect Asia 2012; and
- Best Mobile Application, Content & Service – awarded to Lightopos from GoMobile innovation Malaysia Awards 2012.

In the opinion of the Board, these awards have furthered strengthened Appxplore’s reputation and recognition in the mobile gaming industry.

7.4 Kensington Ventures Overview

Kensington Ventures was incorporated in Singapore on 22 May 2009. Kensington Ventures is principally involved in the development of proprietary action-based mobile games and in the licensing of the intellectual property of existing title video and online games for re-development on Android and iOS platforms.

Kensington Ventures operates a mobile games studio based in Indonesia under the “Blazable” brand. Kensington Ventures holds a license from the Singapore University of Technology and Design (a joint venture entity between the Massachusetts Institute of Technology, the Singapore Government and Zhejiang University of China) (**SUTD**) to re-develop the SUTD’s games for mobile devices. Please refer to Section 11.1 for further details of this licensing agreement.

At present, Kensington Ventures is developing two new mobile games - Sky Wing (which it owns) and Carneyvale (which it holds the licensing rights to from SUTD) - which are targeted to be launched in the fourth quarter of 2015. A summary of Kensington Ventures' games is set out in Section 7.9.2(d) and (e) below.

7.5 Principle Activities of the Group

The principal activity of the Group is the provision of the design, development and publishing of mobile interactive entertainment across multiple mobile OS platforms such as iOS, Android Windows and Blackberry. The Group has expertise and experience in the development, localisation, programming, game coding and production of graphic design blueprints and drawings which are able to operate on different mobile OS platforms. Since Appxplore commenced operation, it has successfully developed various high traction and recognisable mobile games for the global markets, particularly in the Asia Pacific markets. A summary of each of Appxplore's games is set out in Section 7.7.

7.6 Business Model

7.6.1 Products and Services

The Group embraces the 'freemium-game' business model, whereby players can access unlimited gameplay for free. Instead of paying monthly subscriptions, players are encouraged to purchase in-game items and premium features which enhance the game experience.

In-game items are primarily categorised as 'vanity' items (which alter the cosmetic appearance of the game), 'power' items (which enhance the power of characters and/or weapons in the game) and 'booster' items (which accelerate game progression time and/or unlock higher level advancement). As such, the Group's main source of revenue is created by offering players an increased amount of in-game items and premium features during gameplay.

Currently, the Group only produces and offers casual games for mobile devices. The Group's games are marketed at and played by players across the globe, with the Asia Pacific region being the Group's top selling market. Since Appxplore's inception, it has created and published five high quality mobile casual games of which all are still active to date and which are summarised in Section 7.7.

7.6.2 Business Approach and Monetisation Capabilities

One of the Group's main goals is to enhance its audience's mobile lifestyle by producing mobile entertainment contents which are highly interactive, engaging and fun.

To achieve this goal, the Group adopts the following approaches in the design and development of its mobile interactive entertainment and in its business model in general:

- **Player-Centric Development Approach** - which concentrates on the Group producing casual mobile games which are player-centric and can be played anywhere and at any time;
- **Cross-Platform Integration Approach** – the Group has the capability to produce mobile games which can be played in various mobile OS platforms;

- **Monetisation Approach** – the Group's games are free to download and free to play. This approach enables the Group to sell virtual items and premium features to players to both enhance their game experience and generate revenue; and
- **Gaming Community Development Approach** – the Group aims to create a community for its players to receive news and updates on the Group's products and services.

These four approaches are discussed in more detail below:

(a) Player-Centric Development Approach

In the past, the traditional audience for mobile games generally consisted of young males. However, the mobile gaming market is expanding and there are currently growing numbers of female and older mobile game players. In order that it can design and develop mobile games that are fun, interactive and engaging for all genres of player, the Group needs to understand both individual and group gaming behaviours and preferences.

As such, the Group has adopted a player-centric approach in the design and development of its games. By providing player-centric games, the Group is able to offer players a unique gaming experience and engaging gameplays which are aimed at attracting even more players while also enhancing existing player retention.

Casual mobile games are generally player-centric. Thus, the Group aims to focus mainly on the development of casual games which are typically 'session-based' (i.e. games that are played to a conclusion within a short period of time). Casual games also provide the Group with certain benefits and opportunities to attract a broader range of players through the following factors:

- (i) lower level of game complexity and typically shorter gameplay duration – the Group's games require minimal commitments of time and resources from players without detracting from the quality of the gaming experience;
- (ii) sizeable and growing gaming population - not only in respect of males but also from the female market. Currently, the majority of casual gamers are female, who constitute more than 70% of the total casual gamer population. As such, the Group aims to ensure that its casual games are suitable for a mixed genre of players so it is able to capture as large an audience of casual players as possible; and
- (iii) the Group's mobile casual games are specifically designed for the vast majority of mobile devices, so that they can be easily downloaded, accessed and played by players anywhere, either at home or in 'on-the-go' environments.

(b) Cross-Platform Integration Approach

The Group has the capabilities to develop mobile games for multiple popular mobile OS platforms. With Apple's iOS and Google's Android systems competing for the top system position worldwide, the number of users using mobile devices is increasing daily. Developing a game that

runs on both iOS and Android systems gives the Group the advantage of tapping into a greater market potential where its games can reach more people. As the Group's games run across all popular system platforms, all game updates are immediately synchronised across all devices and platforms which saves the Group money and time.

The Group has also implemented a synchronisation system which allows players to synchronise their information, saved games and game progress data as well as their acquired virtual game items across different mobile devices and platforms via a specific user account. As such, players can switch gameplay between different mobile devices and OS platforms so that a player can continue a game on one device and platform which they stopped playing on another device and platform. The Group's mobile games offer real-time synchronisation.

(c) Monetisation Model Approach

All of the Group's games are 'freemium games' which are free to play. In order to generate revenue from the games which the Group publishes, the Group has developed and adopted the following monetisation models for its mobile games.

(i) In-App Purchases

In-app purchases are the Group's main source of revenue. The Group's main goal is to encourage players to purchase virtual 'items' to be used in its games. These virtual items are used within the Group's games for a variety of reasons including to improve character levels, to speed up in-game progress and to enhance playing experience. The Group also introduces certain 'advanced' or 'premium' game features which are 'gated' and cost money to be unlocked. As such, game players need to spend money to enjoy the full gaming experience. The Group believes that this strategy can help increase levels of engagement of its players.

(ii) In-App Advertising

The Group also employs an 'in-app' advertising model into its games, whereby it advertises relevant promotions and offers to targeted persons. The Group partners with advertisers to allow them to advertise their products and services on the Group's games. The Group earns sponsorship and advertising fees when an advertiser's advertisement pops up in its games. When a player clicks on a specific advertisement, the Group can also earn an additional fee. One of the Group's other main goals is to create a large and stable user base of its games and gather relevant information about those users which information can be sold to other brands and app publishers, who it is proposed will pay the Group fees to place targeted advertisements in its games.

As such, the Group's monetisation approach combines both 'in-app' purchases and advertising monetisation capabilities. This allows the Group to target monetisation advertisements for each player based on their 'in-game' interest, behaviour and preference. The Group's aim is to give the right offer to the right player at the right time, whether it is a

targeted 'in-app' purchase offer or the broadcasting of an advertisement.

The Group can also generate revenue via game merchandise sales whereby players can purchase game related merchandise branded with the logos and artwork of the Company's various games.

(d) **Gaming Community Development Approach**

The Group has built a mobile gaming community from the people who have downloaded its games which, at the date of this Prospectus, consists of 10 million game downloads. With its instant notification platform, the Group is able to easily and quickly announce information to its game players and populations so it can market and promote new products (for example, new game expansion packs and upgrades, new game virtual items and new games to be launched). This approach further enhances the Group's marketing strategy.

The Group's research and development goals and objectives are to design, develop and publish quality games for its players. The Group believes that only quality games can foster long-term player retention and increase downloads. All of Appxplore's game titles have surpassed more than 1 million downloads. It is the Group's objective to launch an additional two to three quality games annually.

7.7 **The Group's Games**

Details of Appxplore's current list of published mobile games is set out in the table below:

Game Title	OS Platform	Date Launched	Status	No. of Downloads ¹
Lightopos	iOS, Android and Blackberry	March 2012	Active	> 1 million
Sporos	iOS, Android and Blackberry	February 2013	Active	> 4 million
Alien Hive	iOS, Android and Blackberry	March 2013	Active	> 2 million
Caveboy Escape	iOS, Android and Blackberry	March 2014	Active	> 1 million
Mobfish Hunter	iOS and Android	April 2014	Active	> 1 million

¹. Refer to Section 7.3 for an explanation of how these download figures were derived.

7.7.1 Lightopus (Appxplore)

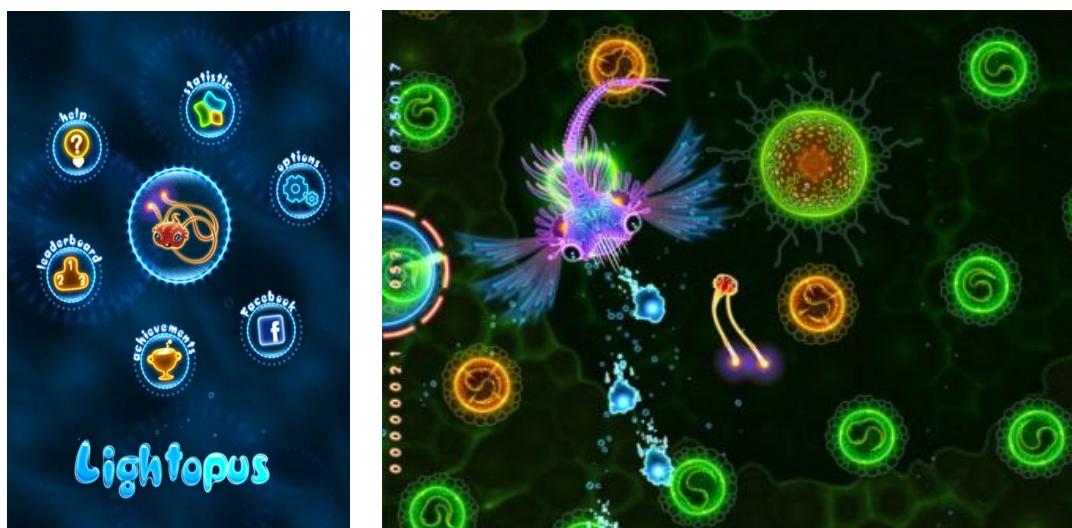


Lightopus is Appxplore's first in-house developed mobile casual game and was published worldwide by the international game publisher, BulkyPix, based in France and the USA (refer to Section 11.2 for further details). Lightopus is a very easy to play, yet challenging maze game which is suitable for all players. The players must find their way out a maze while facing monsters with special powers in each zone. At the same time, the players must collect stars from different zones to unlock the monsters' hives which allows them to destroy as many monsters as possible before their eggs hatch at which point they come after the players.

Lightopus is Malaysia's first mobile game to be featured on Apple App Store and has won many awards in Malaysia and Asia including Most Innovative Mobile Game Award, Best Mobile Application, Content & Service Award and Best of Media & Entertainment Finalist Award as set out in Section 7.3 above.

The website of the Lightopus game is:
<http://www.appxplore.com/index.php/games/lightopus>.

The following images are screenshots from the Lightopus game:



The Lightopus game has the following awards and recognitions:

- featured on Apple App Store;
- featured on Google Play Store;
- received the Most Innovative Mobile Game Award by Casual Connect Asia 2012;
- received the GoMobile InOvation Award 2012 for Best Mobile Application, Content & Service; and
- featured on '148Apps' under 'Editor's Choice' which is a website which reviews and rates iOS applications.

7.7.2 Sporos (Appxplore)



Sporos is a simple yet challenging puzzle game. The objective is to light up the cells in each level with a special seed known as the 'Sporos'. Players drag pieces onto the board one at a time, arranging them to extend all the way down every row and column. Sporos demands a mix of skill, luck, and logic in order to succeed and players need to conduct in-game experiments akin to scientists in a laboratory.

The game also provides soothing music, colourful graphics and 'biological' inspired ambiance. The game starts off with an easy mode and the difficulty level slowly increases as players progress to higher levels.

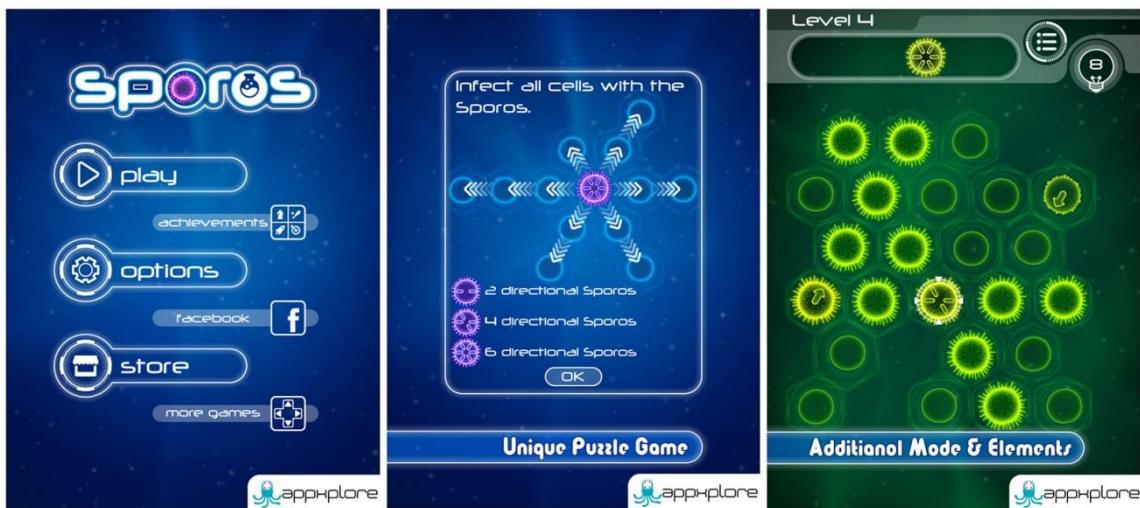
The game comes with the following features:

- simple yet challenging puzzle game environment;
- futuristic theme with neon 'biological' inspired graphics;
- 300 game levels in the 'Essential Labs Challenge' which starts off in easy mode and gets trickier as player advance the game levels;
- thousands of extra levels which offer more challenging gameplay to test players' skills;
- available as a universal iOS app for Apple iPhone and iPad and also available on Android devices;
- features Apple's Game Center leaderboard and achievements function allowing players to compete worldwide;
- features Google Play's leaderboard and achievements function for Android version again allowing players to compete worldwide;
- in-game hints for purchase by players; and
- updated with additional game levels from time to time.

This is the Group's most downloadable and played game. As at the date of this Prospectus the game has achieved over 4 million downloads.

The website of the Sporos game is:
<http://www.appxplore.com/index.php/games/sporos>

The following images are screenshots from the Sporos game:



The Sporos game has the following awards and recognitions:

- featured by Google Play under Staff Picks, Hot Apps, Trending Apps;
- featured on KTLA (a local news station in Los Angeles, USA) under "Apps to Know - March Edition" (11 March 2013);
- featured on Apple App Store; and
- featured on Google Play Store.

7.7.3 Alien Hive (Appxplore)



Alien Hive is a sliding puzzle game which challenges players to match three tile pieces to upgrade game items known as 'alien hives'. The game is based on an alien themed storyline featuring a combination of alien eggs which hatch into baby aliens then fully evolve into 'supreme aliens'.

Players need to use game strategy to avoid the in-game 'Naughty Bots' who block player progress by creating power-ups to eliminate their enemies.

This game comes with following features:

- evolving puzzle gameplay which is a hybrid matching and sliding tile puzzle;
- auto save game progress;
- features leaderboard and achievements function allowing players to compete worldwide;
- high score and achievements sharing function on Facebook;
- available as a universal app for Apple iPad and iPhone and also available on Android devices; and
- includes iCloud and game centre support with Scoreloop support on Android devices.

Alien Hive has achieved more than 2 million downloads and was featured in the Apple App Store as well as winning the Best Art or Character Award from Casual Connect Asia in 2013.

The website of the Alien Hive game is:

<http://www.appxplore.com/index.php/games/alien-hive>

The following images are screenshots from the Alien Hive game:



The Alien Hive game has the following awards and recognitions:

- featured by Google Play under 'Brain Teasers';
- featured by Apple App Store under 'New and Noteworthy';
- featured by Apple App Store in USA and Europe as well as Korea and Japan; and
- awarded Best Art or Character by Casual Connect Asia 2013.

7.7.4 Caveboy Escape (Appxplore)



Caveboy Escape is an innovative puzzle game utilising subtle matching and connecting tile gameplay. It requires players to have a keen eye and quick thinking to navigate 'Caveboy' to find exits from a maze. Players are challenged as the size of the maze grows with progression in the game. Players must also reach the exit within a set time period or the maze will collapse.

Players also need to collect as many 'stars' as possible to unlock new levels of the game. They also can test their skills in the 'Survival Mode' which offers increasingly difficult challenges.

This game comes with the following features:

- maze escape puzzle gameplay featuring a new innovation of matching and connecting tile puzzles;
- set game time period in which players must solve pathway puzzles;
- pastel graphics and a mellow soundtrack;
- game feature allowing you to beat your friends' times in 'Survival Mode';
- high score and achievements function; and
- available as a free to play universal app for Apple iPad and iPhone, Android and Blackberry devices.

The website of the Caveboy Escape game is:

Website: <http://www.appxplore.com/index.php/games/caveboy-escape>

The following images are screenshots from the Caveboy Escape game:



The Caveboy Escape game has the following awards and recognitions:

- featured by Google Play Store; and
- featured by Apple App Store.

7.7.5 Mobfish Hunter (Appxplore)



Mobfish Hunter is an endless action fishing game which gives players the challenge to 'hunt' mutated fish in the ocean.

The game is set in the year 2020 and is based on the premise that a future autocracy has stripped the world of rare earth elements, causing disastrous pollution on the world's oceans which has resulted in fish mutating into a dangerous new species known as 'Mobfish'. Players ('Mobfish Hunters') must combat the Mobfish with a variety of in-game projectile and melee weapons to progress in the game.

This game comes with the following features:

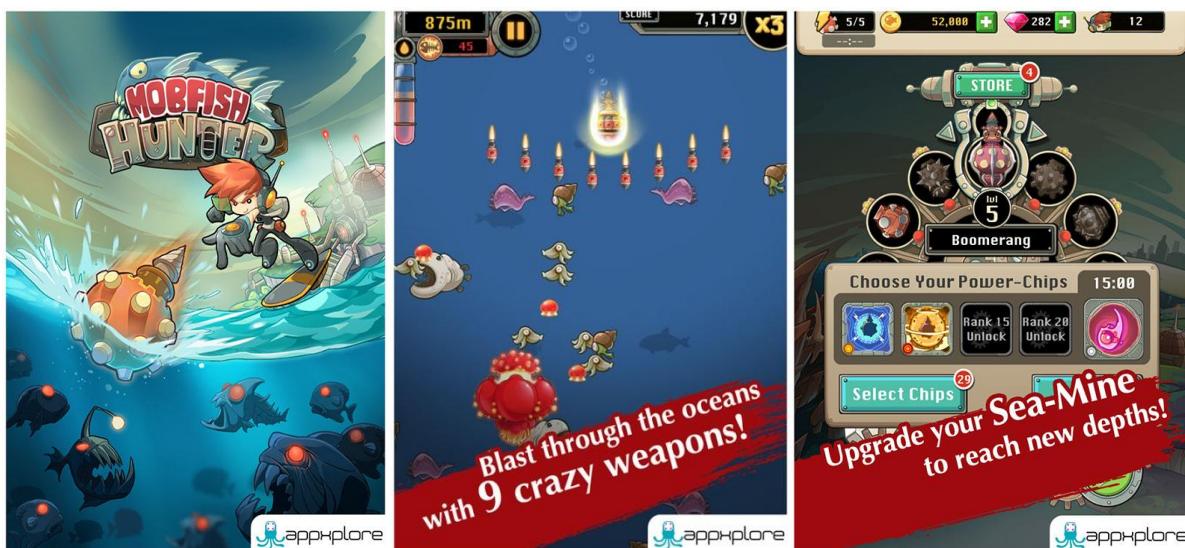
- include a new 'power-chip' system with 60 'power-chip' variations allowing over 50,000 combinations of playing style;
- four unique game zones each of which includes its own species of 'Mobfish' and game challenges;
- allows players to upgrade to a variety of in-game weapons to enhance gameplay;

- offers players customised and additional in-game utilities that allow game progress and enhanced gameplay;
- offers players responsive game controls via detailed manoeuvres controlled by sensitive tilt control of the mobile device;
- facebook integration function whereby players can invite friends to play and compete for high scores;
- compatible with Game Center and Google Play for high scores and achievements function; and
- available as a free to play universal app for Apple iPad and iPhone and Android devices.

The website of the Mobfish Hunter game is:

<http://www.appxplore.com/index.php/games/mobfish-hunter>

The following images are screenshots from the Mobfish Hunter game:



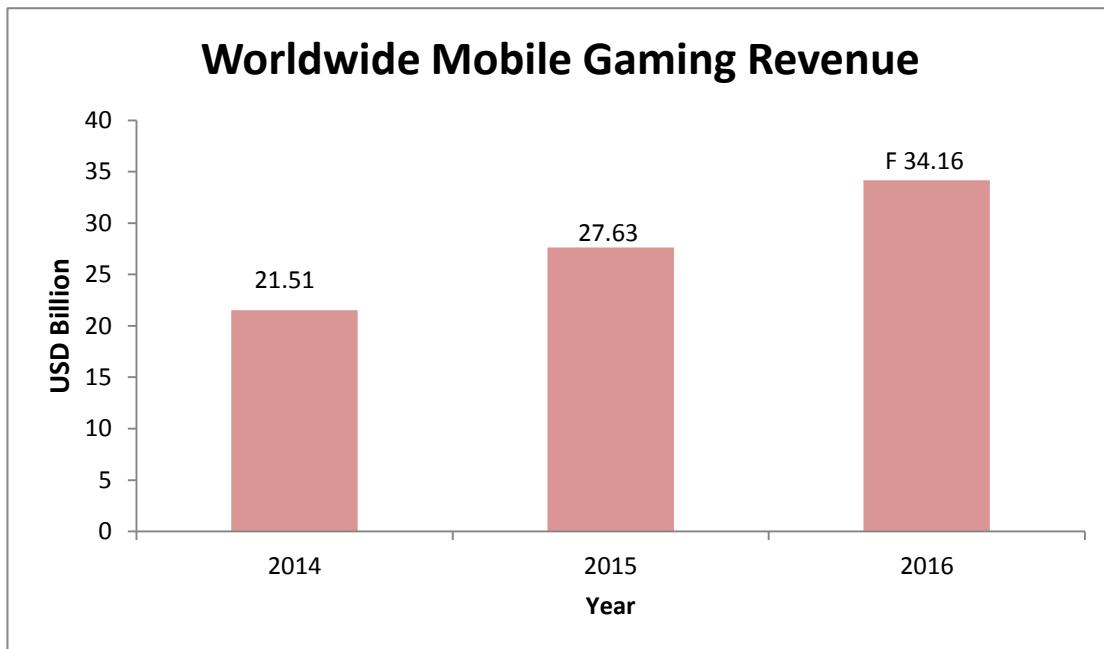
The Mobfish Hunter game has the following awards and recognitions:

- featured by Apple App Store; and
- featured by Google Play Store.

7.8 Market Opportunities

IDC stated in its Worldwide Mobile and Handheld Gaming 2014-2018 report (dated November 2014) that it expects the mobile game market to be promising with global revenue expected to increase (inclusive of game purchases, in-game purchases and in-game advertising) from approximately US\$21.51 billion in 2014 to approximately US\$34.15 billion in 2016 (NB: these totals include smartphone and tablet game-related spending as well as handheld game console hardware and game software spending).

IDC also expects the number of people worldwide using smartphones and tablets for mobile gaming to increase from approximately 919 million to 1.19 billion over the corresponding period of time.



Source: IDC - Worldwide Mobile and Handheld Gaming 2014-2018 report

According to IDC, Western Europe, North America and Asia Pacific remain as the most appealing markets for mobile game developers and publishers with revenues of approximately US\$2.76 billion, US\$4.81 billion and US\$10.34 billion in 2014, respectively. The Asia Pacific region contributed approximately 48.07% in terms of global revenue in 2014, representing the biggest regional market for mobile games.

The growing adoption of mobile smartphones and tablets worldwide is the main catalyst in the expansion of the mobile games market. The number of smartphone and tablet users in 2014 was approximately 1.27 billion and is expected to grow to reach approximately 1.57 billion by 2016. As a result, many mobile game developers and publishers are benefiting from the growing adoption of smartphones and tablets in the market.

With the rapid growth in the mobile gaming industry, the Group believes it is in the right position to take advantage of the emerging mobile gaming space. The Board believes that the prospects of the Group are favourable, in light of the following factors:

- strong game development team with the right expertise and knowledge;
- proven track record in producing quality games consistently;
- effective business model and monetisation strategy;
- capitalising on the right market at the right time; and
- the promising outlook for the mobile gaming market.

7.9 Future Plans of the Group

The Group continuously strives to improve its business and competitiveness. Its immediate objective is to become a world-class mobile interactive entertainments studio. The Group's future plans and business strategies include the following:

- to increase its footprint in new markets such as China, Japan and South Korea through the 'localisation' of its games (see Section 7.9.1 below for further details);
- to continuously develop and commercialise new games;

- to develop its existing games by increasing game levels and introducing new game features;
- to pursue opportunities for potential acquisitions of mobile game studios to expand its market presence, as well as operation capacity and capability; and
- to expand its workforce to produce more quality games for its players.

7.9.1 Localisation of the Group's games for New Markets

According to IDC, Asia Pacific is the world's largest mobile game market with US\$10.34 billion revenue in 2014. IDC expects total revenue to rise to US\$16.95 billion by 2016. As such, the Group cannot overlook the market size, growth and monetisation potentials from the Asia Pacific market.

As a result, the Group is focussing on the 'localisation' of its games to the Chinese, Japanese and South Korean markets, as the Board believes these are the faster growing markets in the Asia Pacific region for mobile games. For example, the Group's Alien Hive game has been featured in Apple App Store for the South Korean and Japanese markets. The Group is also seeking partnerships with other local publishing companies in these respective countries to market and promote its games to the local gaming population. The Group will also continue to develop and localise new and existing games for the Chinese, Japanese and South Korean markets. Currently, the Group's Mobfish Hunter and Sporos games are under a 'localisation' process whereby they are 'translated' from English and modified to adapt to the culture and trends of different countries.

The Chinese, Japanese and South Korean markets do not rely predominantly on Apple App Stores and Google Play Store for downloading mobile games to devices. There are many other telecommunications companies operating their own platforms to offer mobile games for their subscribers in these countries. As such, to ensure the Group captures a market share, it is currently working with platform operators and publishers in China, Japan and South Korea to offer its games to their subscribers. Currently, the Group is working with Mobiroom and Quan Inc to publish its mobile games for the Japanese markets.

7.9.2 Development of New Games

Appxplore and Kensington Ventures are both in the process of developing several new games which it is currently aimed will be launched in the market over the next 12 months.

New Games Roadmap

7 May 2015	14 May 2015	June 2015	August 2015	Sept 2015	Nov 2015	Dec 2015	March 2016
							
Alien Hive Localisation - Japanese - Korean	Mobfish Hunter Localisation - Japanese - Korean	Sporos Localisation - Japanese - Korean	Crab War New Game	Alien Path New Game	Mobfish Hunter Major Update - 50 new levels - New elements	Alien Path New levels Localisation - Japanese - Korean - Chinese	Fifofo New Game
							
			Sky Wing New Game	Alien Hive Localisation - Chinese	Carneyvale New Game		

(a) Alien Path (Appxplore)



Alien Path is the Group's brand new 'path planning strategy battle game', in which players collect virtual alien ancestors' 'power cards', create a best power combination and grow virtual 'aliens' to compete in the game.

Currently, a prototype of the game has been developed for testing. The game will include the following features:

- available on both iOS & Android platforms;
- a 'freemium' strategy battle game offering players in-game purchases;
- richer contents with upgradable characters, in-game weapons and 'power card' options;
- game is fully integrated with social media applications such as Facebook and Google+; and
- features a universal leaderboard and achievements functions.

The following are screenshots from the Alien Path game:



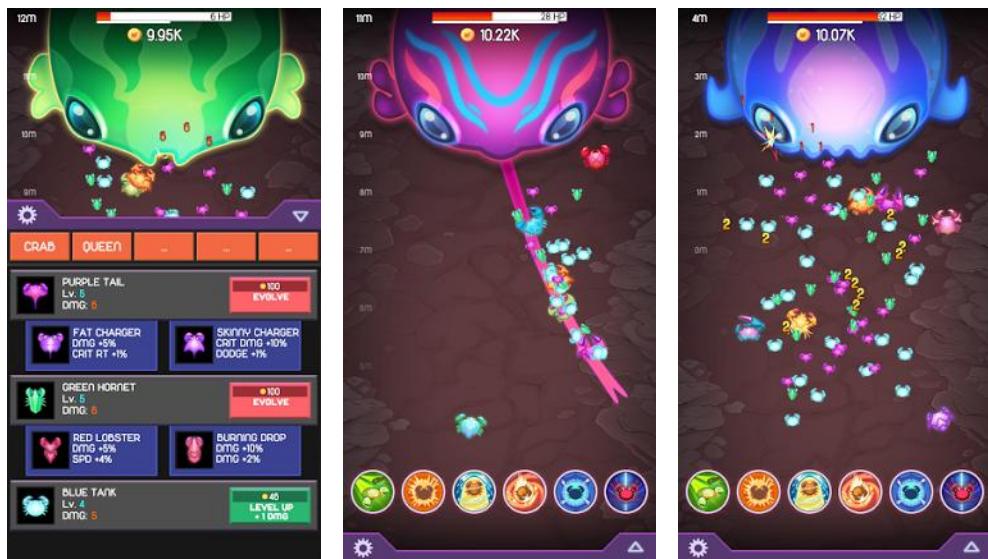
(b) Crab War (Appxplore)



Crab War is another new game of the Group for which a prototype has been developed for testing. The game will include the following features:

- a 'freemium' 'clicker' game offering players in-game purchases; and
- available on both iOS & Android platforms.

The following are screenshots from the Crab War game:



(c) Fifofo (Appxplore)



Fifofo is a puzzle game that fuses matching with an evolutionary gameplay and simple physics. Players can 'swipe' at least 3 cells of the same type together to 'evolve' them. The evolved cells can then assist players to gain an advantage to clear a game level, ultimately helping the 'Fifofo' to reach their goals.

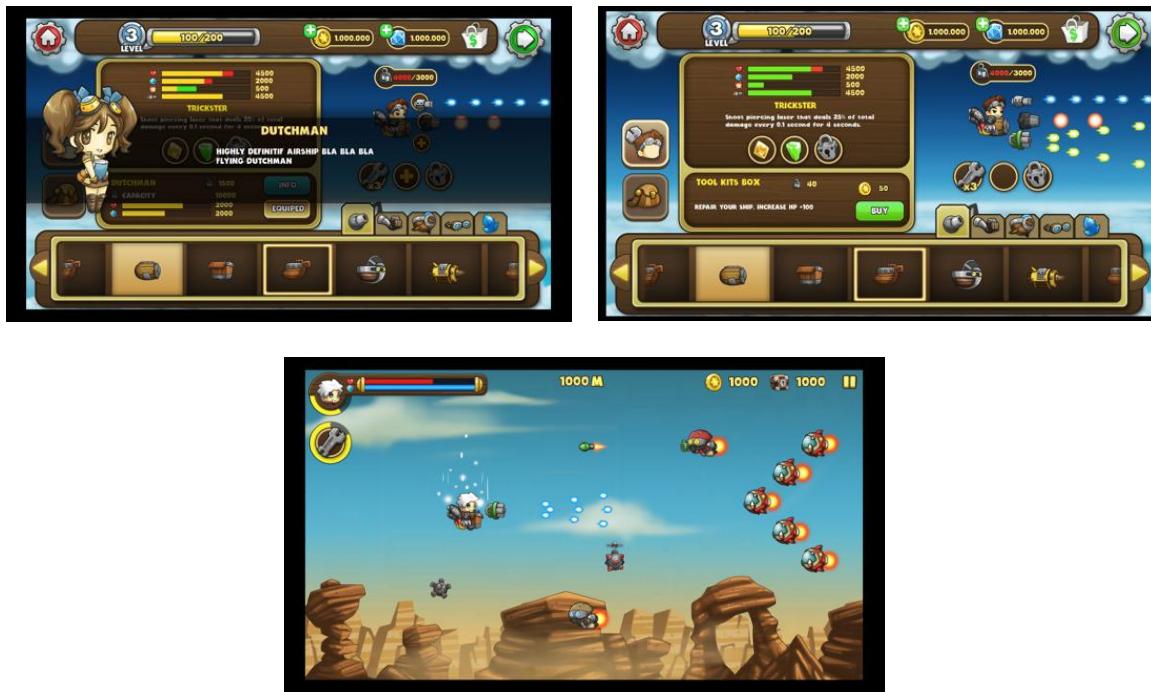
Fifofo is partially funded by the Multimedia Development Corporation of the Malaysian Government. Currently, this game is in its early development stage. Therefore, screenshots of the game are still not available.

(d) Sky Wing (Kensington Ventures)



Sky Wing is an 'air fighting' game where players control an airship by dragging their fingers along the mobile device screens and aim to journey as far as possible, collecting resources in multiple game zones. Each zone scales up in difficulty according to the distance travelled, up to infinity (endless mode). Players can spend their resources acquiring 'boost' items and upgrade airship items to further their journeys. The experiences gained from each journey assist players to advance to other levels and unlock various new achievements.

The following are screenshots from the Sky Wing game:



(e) **Carneyvale (Kensington Ventures)**



Carneyvale is a game developed by the Singapore University of Technology and Design and is published (for the Xbox console) by Microsoft Game Studios. It was initially released on Xbox Live Indie Games (then Xbox Live Community Games) on the Xbox 360 console.

Players play as 'Slinky', a circus acrobat trying to rise up the ranks by performing acrobatic tricks and stunts through increasingly complex arenas. The game won the 2008 Dream-Build-Play Challenge, was declared a finalist in the 2008 Independent Games Festival and was featured as one of the 10 top games at the 2009 Penny Arcade Expo.

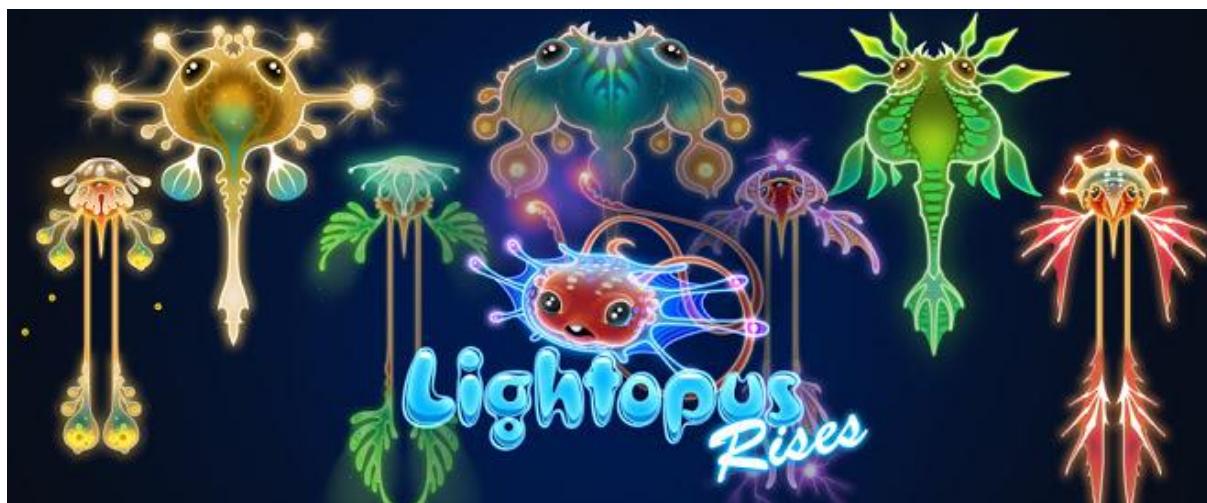
The Singapore University of Technology and Design is a joint venture research and development laboratory between the Massachusetts Institute of Technology, the Singapore Government and Zhejiang University of China to conduct research and development into developing innovative digital media technology for the video games industry.

Kensington Ventures is currently working on the re-development of the Carneyvale game to be played on mobile devices. Refer to Section 11.1 for a summary of the Licensing Agreement between the Singapore University of Technology and the Company.

The following are screenshots from the Carneyvale game:



(f) **Lightopus Rises (Appxplore)**



Lightopus Rises is a sequel to the Group's Lightopus game. The Group is currently working on a new game storyline and gameplay, as well as resolving technical issues. The new Lightopus Rises game will consist of more features, including upgradable in-game 'shields' and 'weapons'. The game is still under review by Group management. Screenshots of the game are not yet available.

It is intended that the game will have the following features:

- multi-player action role playing game;
- offers upgradable in-game characters, weapons and 'power-ups';
- includes an online asynchronous multiplayer function;
- fully integrated with social media sites such as Facebook;
- offers a universal leaderboard and achievements function; and
- offers an improved monetisation and replay value.

7.9.3 Game Enhancement

The Board believes that progressive enhancement of its games is important as it can encourage more players to play the games more often. The Group can enhance its games by adding more challenging levels or introducing new characters, more in-game items for purchase, new storylines, expansion packs etc. The Group is constantly working on new elements to enhance the gameplay experience for its players, which is aimed at increasing downloads of games and encouraging in-game purchases.

7.9.4 Acquisition of Mobile Game Studios

In future years, the Group will consider expanding its operation capacity and capability through the acquisition of other mobile game studios in the South East Asian region. This would enable the Group to recruit local skilled labour from the respective countries as part of an expansion plan to increase development capacity and capability. By doing so, it is possible that the Group could merge creativity and technology as well as diversification into more new game genres to drive growth. At present, the Group believes that this may be the most effective growth method as it would be able to quickly expand its capacity and geographic markets to complement or fill out its product line and achieve economies of scale. The Company notes however that it is not in negotiations for any such acquisitions as at the date of this Prospectus.

7.9.5 Expansion of the Group's workforce

The Group is also planning to expand its workforce to 80 personnel by 2017. The Group is currently utilising an internship programme, recruitment agencies, referrals and contacts from international game developers associations to recruit fresh graduate and experienced game developers from the industry. With an increase in workforce size, it is intended that the Group is able to produce more quality games for players.

8. RISK FACTORS

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and in the Investment Overview Section 4, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(b) Maintenance of key business partner relationships

The Company will rely on relationships with key business partners to enable it to continue to promote its mobile games and services (e.g. via licensing or publishing arrangements). A failure to maintain relationships could result in a withdrawal of business partner support, which in turn could impact the Company's financial position.

(c) Brand establishment and maintenance

The Company believes that establishing and maintaining the Group's brand in the mobile games industry is critical to growing its game user base and product and service acceptance. This will depend largely on the Group's ability to provide innovative and in-demand mobile games. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

(d) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(e) Insurance risk

Investors should note that the Company currently has no insurance policies in place in respect of its business or assets. The Company intends to insure its operations in accordance with industry practice once the Company's operations are of a sufficient magnitude. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

8.3 Industry specific

(a) Credit card chargebacks

There is the constant risk to the Group that purchasers of 'in-game' virtual items may demand refunds from their credit card suppliers for 'in-game' purchases made, either fraudulently or otherwise. Any material increase in these demands (assuming refunds were then made by the credit card companies) would adversely affect the Group's revenues.

(b) Market Risk

Although the mobile game market is an expanding global market expected to grow quickly, there is a constant risk that new technology is developed which is in direct competition with mobile games. Mobile games also currently compete with a variety of mediums and entertainment types. Should consumers elect to spend their time and money on forms of technology or entertainment other than mobile games, the Company's prospects and performance will be adversely affected.

(c) Changes in technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, game user and third party service provider's demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business. The Company will seek to offset such costs where possible through applications for research and development tax concessions. However, these concessions are available in only limited circumstances and the Company cannot assure that any application will be deemed compliant.

(d) Reliance on third party providers

The Group's mobile games are available through the Apple App Store and Google Play Store platforms (and other platforms) meaning that

any change in the practices or provision of these platforms could have an adverse effect on the prospects and financial performance of the Group. There is also the risk that these platforms may suffer technical problems which could impact their ability to provide the Group's games to users and affect the performance of the Group. The Group can also give no guarantee that Apple and Google (or other platform providers) will continue to allow the Group's games to be made available through their respective platforms. Any restriction on the Group's ability to distribute its games via these platforms would likely have a materially detrimental effect on the Group's business.

As set out in this Prospectus, one of the Company's main sources of revenues is via 'in-game' purchases. These purchases are subject to commissions payable to the platform providers. Should the platform providers increase their commission rates, this would have the effect of increasing the Group's mobile game sale costs.

(e) **Mobile games**

The Group may not be successful in developing mobile games which are attractive and are actually played by users. This would obviously have an adverse effect on the Company's profitability and performance. The business model of the Group is dependent upon its ability to maintain and develop existing mobile games and to launch and market new mobile games regularly. If the Group fails to maintain, develop and launch games, its revenues will likely decrease.

8.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company

nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. INDEPENDENT LIMITED ASSURANCE REPORT AND HISTORICAL FINANCIAL INFORMATION

For personal use only

10. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

10.1 Directors and key personnel

Kin Wai Lau Non Executive Director and Chairman

Kin Wai is an experienced entrepreneur and investor in the technology space in Southeast Asia. He has been the Chief Executive Officer of two listed companies on Bursa Malaysia in the software and digital media space and was instrumental in their expansion across the region.

He is a founding Director and investor of the Cellsafe Biotech Group, a fast growing regional stem cell cryogenic and therapeutic company with operations in four countries and 120 employees. More recently, he founded the Fatfish Internet Group, a venture investment firm headquartered in Singapore and Melbourne that invests in technology companies in Southeast Asia which has completed a successful listing on the ASX. Kin Wai is currently Chief Executive Officer and Director of Fatfish. Mr Lau does not expect that his other directorships will impact his ability to act as Chairman of the Company.

Kin Wai graduated with first class honours in Electronic & Electrical Engineering from the University of Manchester, United Kingdom. He was also a faculty research staff and PhD candidate at the Imperial College London.

Donald Han Low Non-Executive Director

Donald holds a Bachelor of Economics from the University of Western Australia. He has worked in the corporate advisory and corporate finance sectors with experience covering the whole business cycle, ranging from start-ups, business creation and exits via initial public offerings, reverse takeovers, trade sales and mergers and acquisitions. Donald takes a hands-on approach in the senior management of companies undertaking corporate restructurings, especially in distressed assets and business models.

Donald has served as Chief Executive Officer and Director on the boards of several private and publicly listed companies in Asia, Australia and Europe with interests ranging from traditional businesses such as agriculture (including oil palm plantations), logistics, finance, mining, manufacturing, food and service to new economy businesses in the telecommunication, media and technology space and the fast growing internet environment. Donald is currently a Non Executive Director of Fatfish. Mr Low does not expect that his other directorships will impact his ability to act as a Director of the Company.

Robert Kolodziej Non-Executive Director

Robert is an advisor at Patersons Securities and has over 20 years' experience in investment management. He applies macroeconomic knowledge across many areas of financial markets and specialises in strategic investment advice for high net worth clients, small cap fund managers and family offices.

Robert has expertise with small capitalisation companies especially in the technology and renewable sector and has been arranging transactions in equity capital markets for these companies. Prior to working in stockbroking, Robert worked for Ernst & Young in the property trust area while at the same time

running a business specialising in eco-tourism. Since then, he has worked in the property development sector specialising in due diligence and strategy. Separately from his role at Patersons, he is also involved in an advisory role to Kollins, a project management firm.

Robert has also acted in the past as a geopolitical advisor to BPW International, a United Nations affiliated non-Governmental organisation. Robert has a broad range of management experience. Mr Kolodziej does not currently hold any other public company directorships.

**Ivan Perry Wu
Executive Director**

Ivan is currently a Director of the Company and ICW Capital, a corporate consulting company in Australia. He holds a Bachelor of Science major in Computer Science from Curtin University, Australia and he has more than 20 years' commercial experience in the utility, technology and resource industries, primarily in a corporate role as a developer of business and systems. He was particularly active in the areas of business optimisation, cost efficiency, business process improvements and change management.

Ivan was previously a founding Director of a private corporate management company in Australia. In 2008, he facilitated the successful ASX listing of Legacy Iron Ore Limited, an iron ore and gold exploration company. He was then appointed as the general manager and company secretary of the company. In 2012, he was appointed as an Executive Director of Swift Resources Limited, a Phosphate exploration company. Mr Wu does not currently hold any other public company directorships.

In recent years, he has been involved in corporate advisory roles assisting corporate restructuring, merger & acquisitions, investor relations and capital raisings for ASX listed companies.

**Desmond Lee
Chief Executive Officer of Appxplore**

Desmond is the founder and Chief Executive Officer of Appxplore. He holds a Bachelor of Fine Arts (Computer Arts) from the Academy of Art University, San Francisco. He has over 5 years' international experience in the USA, working as a multimedia designer for Garmin International, art director for Digital Pipe Inc. and streaming media specialist at Fantastic Corp. In 2004, he worked as a consultant specialising in new media and was appointed by Multimedia Development Corporation as a consultant to assist the Saladin Special Project and later became the producer of Saladin - The Animated Series, which aired for 26 episodes, and was nominated for the International Emmy Awards in 2011 (Malaysia's 1st Emmy Award nomination).

Desmond is a talented and creative multimedia designer and game developer with a passion to produce fun and innovative games for players in all genres. His ultimate goal is to drive Appxplore to become a world class mobile game and content development studio in Malaysia.

**Jenn Yu Lim
Chief Creative Officer of Appxplore**

Jenn Yu is a highly skilled and talented professional with more than 15 years' experience in the creative industry, specialising in game development, video

production, game design, branding design, conceptual drawing, 3D animation and photography. He has won numerous New Media Awards during his career and one of his 3D digital artworks was featured in EXPOSÉ.

Jenn Yu is one of the pioneers in the Malaysian gaming industry where he assisted Phoenix Game Studios to develop Malaysia's first 'massively multiplayer on-line role-playing game' (**MMORPG**), entitled Fung Wan Online back in 2004. During the growth of the animation industry in Malaysia, Jenn Yu was appointed by the Malaysian Government's Multimedia Development Corporation as a creative consultant to assist the Saladin Special Project. In 2007, he joined Codemasters, an international game studio, as a Senior 3D Artist and Assistant Group Leader where he worked on game titles such as Grid, Dirt 2 and Bodycount. In 2010, Jenn Yu joined Cabinet Sdn Bhd as Lead 3D Artist and Game Designer to develop 3D MMORPG and on-line social games.

In 2011, he co-founded Appxplore Sdn Bhd and currently is playing a key role and leading Appxplore as the Chief Creative Officer and Game Designer.

Keng Lou Lee
Chief Technology Officer of Appxplore

Keng Lou graduated with a B. Multimedia (Hons) in Software Engineering and Games Design from Multimedia University, Malaysia in 2009. Keng Lou has over 5 years' experience in the game development industry. After university, he joined Cabinet Sdn Bhd as junior programmer and assisted the company to launch Cubigames, an online games portal that offers players online game contents, e-commerce and community services, and the development and commercialisation of Amazing Zoo, a social networking game on Facebook.

In 2012, he joined Appxplore as a senior programmer and currently he is playing a key role in leading the programming team.

Management and Consultants

The Company is aware of the need to have sufficient management to properly supervise its development and research programmes and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

10.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.icandy.io).

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is initially set by the Directors and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal

financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

10.3 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, the requirements as to the Boards composition, the roles and responsibilities of the Chairman, Company Secretary and management, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is contained in the Company's Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a	YES	(a) The Company has adopted a Diversity Policy. (i) The Diversity Policy provides a framework for the Company to set and achieve measurable objectives

<p>relevant committee of the board:</p> <ul style="list-style-type: none"> (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012. 		<p>(ii) that encompass gender equality.</p> <p>(b) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) The Diversity Policy will be available on the Company's website.</p> <p>(i) The measurable objectives set by the Board will be included in the annual key performance indicators for senior executives. In addition the Board will review progress against the objectives in its annual performance assessment.</p> <p>The Board will include in its Annual Report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board level.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	YES	<p>(a) Currently the role of the Nomination Committee is undertaken by the full Board. The Company intends to establish a separate Nomination Committee once the Company's operations are of a sufficient magnitude.</p> <p>(b) The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.</p> <p>(c) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the 	YES	<p>(a) The Board, as a whole, is responsible for evaluating the performance of senior executives and arranging performance evaluations.</p>

<p>(b) performance of its senior executives; and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		<p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 requires disclosure as to whether or not performance evaluations were conducted during the relevant reporting period and details of the performance evaluations conducted to be contained in the Company's annual reports.</p>
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	NO	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. Pursuant to clause 5(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee are outlined in the Nomination Committee Charter contained in Schedule 5 of the Company's Corporate Governance Plan.</p> <p>The Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with Recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	YES	<p>The Board is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skill matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. This role will be performed by the Nomination Committee once established. The Company will disclose the Board skill matrix in, or in conjunction with, its Annual Reports.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p>		<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. The only current independent Director is Robert Kolodziej. The</p>

<p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	YES	<p>names of the Directors considered by the Board to be independent will be disclosed in the Company's Annual Reports.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions, associations and relationships are provided in this Prospectus.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. Each Director, other than Robert Kolodziej (appointed on 27 May 2015), was appointed on incorporation of the Company (20 March 2015).</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>Details of each Director's independence are provided in this Prospectus. The only current independent Director is Robert Kolodziej.</p> <p>The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	<p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. The Chairman, Kin Wai Lau is a non-executive director but is not considered by the Board to be independent.</p> <p>The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	YES	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Nomination Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p> <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently</p>

			have a Nomination Committee. Pursuant to clause 5(h) of the Company's Board Charter, the full Board will carry out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	(a) The Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is contained in the Corporate Governance Plan available on the Company's website.	
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	YES	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company does not currently have an Audit and Risk Committee. Pursuant to clause 5(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devotes time annually to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.	
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before the Board approves the entity's financial statements for a financial period, the CEO/MD and CFO have declared that in their opinion the financial	

<p>maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>		<p>records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Where there is no CEO/MD or CFO (as at present) the full Board will carry out the duties that would ordinarily be assigned to the CEO/MD and CFO under the Audit and Risk Committee Charter.</p>
<p>Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<p>Recommendation 5.1 A listed entity should:</p> <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	YES	<ul style="list-style-type: none"> (a) Schedule 7 of the Company's Corporate Governance Plan is entitled 'Disclosure-Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Corporate Governance Plan is available on the Company's website.
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available in the Corporate Governance Plan which is available on the Company's website.</p>
<p>Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to Shareholders. The Strategy is contained in Schedule 11 of the Company's Corporate Governance Plan.</p>
<p>Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	<p>The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links will be made available to the</p>

			Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholder queries should be referred to the Company Secretary in the first instance.	
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	YES	Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company currently does not have an Audit and Risk Committee. Pursuant to clause 5(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan which is available online on the Company's website. The Board devotes time annually to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.	
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and	YES	(a) The Company's process for risk management and internal compliance includes a requirement on the Board to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure - Risk Management' and details the Company's disclosure requirements with	

(b) disclose in relation to each reporting period, whether such a review has taken place.		(b) respect to the risk management review procedure and internal compliance and controls. (b) Schedule 8 requires the Board to disclose the number of times the Board (or the Audit and Risk Committee once established) met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Reports.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have an internal audit function. Schedule 3 (Audit and Risk Committee Charter) of the Company's Corporate Governance Plan provides for a future internal audit function of the Company. The Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	Schedule 3 of the Company's Corporate Governance Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and	YES	Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. Pursuant to clause 5(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee. The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan which is available online on the Company's website. The Board devotes time annually to fulfilling the roles and responsibilities associated with setting the level and composition of

<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	YES	The Company's Remuneration Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of non-executive and executive directors and other senior employees.
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company's Remuneration Committee Charter states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Remuneration Committee Charter also states that the Remuneration Committee must review and approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website.</p>

11. MATERIAL CONTRACTS

11.1 CarnveyVale Licence Agreement

On 11 June 2014 (**Execution Date**), Kensington Ventures entered into an agreement with the Singapore University of Technology and Design, a company incorporated in Singapore (**SUTD**) pursuant to which SUTD granted Kensington Ventures the following rights:

- (a) an exclusive, worldwide licence to make, use, sell and distribute products for the Android and iOS operating systems which are enabled by or which implement, incorporate, copy or use any part of the intellectual property rights owned by SUTD and which are comprised in the game 'CarneyVale: Showtime' (**CarneyVale IP**) (**CarneyVale Products**);
- (b) an exclusive, worldwide license to provide services for the Android and iOS operating systems to third parties in respect of the CarneyVale IP (**CarneyVale Services**);
- (c) a non-exclusive licence to use the existing logos, names and marks comprised in the CarneyVale IP in connection with the manufacture, distribution, sale and licence of the CarneyVale Products and CarneyVale Services; and
- (d) a non-exclusive licence to use SUTD's name, logo, trade names and trademarks in connection with the manufacture, distribution, sale and licence of the CarneyVale Products and CarneyVale Services,

(together, the **CarneyVale Licences**).

The CarneyVale Licences have an initial term of 3 years from the Execution Date. Kensington Ventures may sub-lodge the CarneyVale Licences with the prior written consent of SUTD.

Under the CarneyVale Licences, SUTD retains all rights in and to the CarnveyVale IP except for those specifically granted to Kensington Ventures (including the right to use, reproduce, display, perform, distribute and/or modify the CarneyVale IP for SUTD's own internal non-commercial use, for use in any research collaboration between SUTD and third parties, for the purpose of demonstration and for the purpose of competing in any category of games competition).

SUTD and each of the creators of the CarneyVale IP each retain the right to use, reproduce, display, perform, distribute and/or modify the CarnveyVale Products and CarneyVale Services for the purpose of demonstration and personal display. Further, the Media Development Authority of Singapore and the Government of Singapore retain an irrevocable, perpetual, non-exclusive, worldwide, royalty-free licence to use and apply the CarneyVale IP for internal, research and/or non-commercial purposes.

Under the CarneyVale Licences, Kensington Ventures is required to use diligent efforts to develop the CarneyVale Products or perform the CarneyVale Services and make them available to the public and, specifically, is required to:

- (a) develop a first trial version CarnveyVale Product or CarneyVale Service within 8 months of the Execution Date;

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- (b) develop a second trial version CarnveyVale Product or CarneyVale Service within 10 months of the Execution Date; and
 - (c) release or launch for commercial sale to the public a CarnveyVale Product or CarneyVale Service within 12 months of the Execution Date.

In consideration for the CarnveyVale Licences, Kensington Ventures was required to pay SUTD SGD\$2,000 on the Execution Date and is required to pay a royalty equal to 10% of the net sales of the CarneyVale Products and CarneyVale Services billed by Kensington Ventures, payable half yearly. Kensington Ventures indemnifies SUTD against all losses, expenses and damage caused by a breach of the CarnveyVale Licences by Kensington Ventures or in relation to any CarnveyVale Product or CarneyVale Service.

SUTD may terminate the CarneyVale Licences with immediate effect upon a breach by Kensington Ventures of the CarneyVale Licences and where such breach is not remedied. The CarneyVale Licences are governed by the laws of Singapore and otherwise contains terms and conditions (including reporting obligations of Kensington Ventures) considered standard for an agreement of this nature.

11.2 Bulkypix Licence Agreement

On 25 January 2012 (**Effective Date**), Appxplore entered into an agreement with Bulkypix sas, a company incorporated in France (**Bulkypix**) pursuant to which Appxplore granted Bulkypix the following rights:

- (a) the exclusive, worldwide right to copy, reproduce and reprocess the iOS version of the interactive game Lightopus (**Lightopus**) in whole or in part solely for the purpose of creating, advertising, marketing, distributing, selling and renting products for the Apple iOS operating systems which are enabled by or are comprised in Lightopus (**Lightopus Products**);
- (b) the exclusive worldwide right to sell, rent, advertise, distribute, publicly promote, publicly display and otherwise promote, market and sell the Lightopus Products;
- (c) the exclusive right to authorise or license others to advertise, distribute, publicly promote, publicly display and otherwise promote, market, subject to written approval of Appxplore,

(together, the **Lightopus Licences**).

The Lightopus Licences had an initial term of 2 years from the Effective Date (**Initial Term**) and renew automatically for successive terms of two years, unless terminated in accordance with the terms of the Lightopus Licences.

Under the Lightopus Licences, Appxplore retains all ownership and title to Lightopus and the Lightopus Products, and in the event that Bulkypix acquires any rights, title or interest in Lightopus or the Lightopus Products, Bulkypix shall immediately convey all such acquired right, title or interest in full to Appxplore.

Under the Lightopus Licences, Bulkypix is required to use its best efforts to promote, distribute and sell the Lightopus Products and to work diligently to increase sales of the Lightopus Products. Bulkypix shall have additional obligations, including the following:

- (a) provide a publishing package to Appxplore;

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- (b) submitting the game to distribution channels within 5 days after receiving all assets required for submission;
 - (c) promoting, advertising, selling, marketing and distributing the Lightopus Product worldwide;
 - (d) providing reasonable technical support for Lightopus Products;
 - (e) displaying Appxplore's corporate logo; and
 - (f) final testing of a version of the Lightopus Product that functionally operates on the platform and that is suitable for reproduction and distribution commercially.

Appxplore shall have obligations, including:

- (a) providing Bulkypix with a complete Lightopus Products;
- (b) providing digital artwork for the Lightopus Products;
- (c) complying with delivery dates in relation to Lightopus Products milestones, including providing Bulkypix with a fully tested and debugged a version of the Lightopus Products that functionally operates on the platform and that is suitable for reproduction and distribution commercially.

In consideration for the Lightopus Licences, Bulkypix is required to pay Appxplore 100% of net revenues for all sales of the Lightopus Products.

Either party may terminate the Lightopus Licences two months before the expiration of the Initial Term, upon either party becoming insolvent, or in the event that either party commits a material breach of any provision of the Lightopus Licences and such breach is not remedied. The Lightopus Licences are governed by the laws of France and otherwise contains terms and conditions (including reporting obligations of Bulkypix) considered standard for an agreement of this nature.

11.3 iDreamsky Licence Agreement

On 8 May 2012 (**Effective Date**), Appxplore entered into an agreement with Shenzhen iDreamsky Technology Limited, a company incorporated in China (**iDreamsky**) (**iDreamsky Licence Agreement**) pursuant to which Appxplore granted iDreamsky the following rights:

- (a) the exclusive, non-transferable, revocable licence (without the right to sublicence) to market and promote such of Appxplore's games as are mutually agreed between the parties (**Games**) as being for sale on the Android platform in China, Hong Kong, Macau and Taiwan (**Territory**) and to make the Game available for purchase and download by users in the Territory for a period of two years from the launch date of the Game, which will renew automatically for a successive term of one year; and
- (b) a non-exclusive, non-transferable, revocable lines (without the right to sublicence) to use the names, trademarks, copyright, design, graphics, colours, logos, symbols, words, font and images associated with Appxplore for the sole purpose of the promotion and marketing of the

Game in the Territory, from the Effective Date and for the duration of the Term (as defined below).

(together, the **Game Licences**).

The iDreamsky Licence Agreement shall commence on the Effective Date and shall continue until the expiry of the last licence granted in respect of each of the Games (**Term**).

Under the iDreamsky Licence Agreement, no intellectual property rights in the Games shall pass to iDreamsky, whether or not such materials have been incorporated into the Games.

Under the iDreamsky Licence Agreement, iDreamsky is required to:

- (a) make each Game available for sale or download on the Android platform from 2012 and, from the Game's relevant launch date, use its best endeavours to achieve maximum sales and or downloads of the Game in the Territory; and
- (b) shall comply with specific marketing and promotional obligations in relation to each Game.

Appxplore shall have the following obligations:

- (a) integrating the online social gaming platform Skynet into the Games;
- (b) localising the games for the Territory;
- (c) providing iDreamsky with copies of each Game in binary format;
- (d) providing any updates to the Games and ongoing assistance regarding bugs, fixes and updates in relation to the performance of the Games; and
- (e) using its best endeavours to release each Game on the on-line google Android marketplace prior to release by iDreamsky.

In consideration for the Game Licences, iDreamsky is required to pay Appxplore 70% of gross revenues received by iDreamsky relating to the Games.

Either party may terminate the iDreamsky Licence Agreement:

- (a) in the event that either party commits a material breach of any provision of the iDreamsky Licence Agreement, or a party reasonably believes on legitimate grounds that a material breach will occur; or
- (b) upon the other party becoming insolvent; or
- (c) upon the other party being charged with a criminal offence.

The iDreamsky Licence Agreement is governed by the laws of China, Hong Kong and Malaysia and otherwise contains terms and conditions (including reporting obligations of iDreamsky) considered standard for an agreement of this nature.

11.4 Letter Agreement – Ivan Wu/Fatfish

On 10 March 2015, Ivan Wu entered into a letter agreement with Fatfish to provide corporate advice and project management services in relation to the Company and the Offer the subject of this Prospectus (**Letter Agreement**).

Mr Wu's appointment commenced on 10 March 2015 and will terminate on the date the Company is admitted the Official List of ASX. Mr Wu receives a consultancy fee of \$10,000 (excluding GST) per month plus the reimbursement of out of pocket and travel related expenses pursuant to the Letter Agreement. It is proposed that the Company will reimburse Fatfish for all fees made to Mr Wu upon the Company being admitted to the Official List.

11.5 Contract of Employment – Ivan Wu

On 18 May 2015, the Company entered into a contract of employment with Ivan Wu to act in the capacity as Executive Director of the Company (**Employment Contract**).

Mr Wu's employment under the Employment Contract will commence on the date the Company is admitted to the Official List of ASX and will continue for a fixed period of 12 months unless both parties consent to extend such employment or unless such employment is terminated earlier in accordance with the Employment Contract. Mr Wu is employed by the Company on a full time basis.

Mr Wu will receive an annual salary of \$132,000 (inclusive of superannuation), which will be subject to annual review. Under the Employment Contract, Mr Wu may also be entitled to be paid a short term incentive payment in the form of a cash bonus to be calculated based on key performance indicators to be agreed annually with the Board and a long term incentive payment in the form of the issue of Options and performance rights to be made at the discretion of the Board and subject to the relevant shareholder approval being obtained.

The Company or Mr Wu may terminate the Employment Contract early without cause by providing at least 3 months' written notice to the other party. Additionally, the Company may terminate the Employment Contract immediately and without notice upon certain events such as the serious misconduct or incapacity of Mr Wu.

The Employment Contract contains other standard terms and conditions expected to be included in a contract of this nature.

11.6 Lead Manager Mandate – Alto Capital

The Company has entered into a mandate letter with ACNS Capital Markets Pty Ltd as trustee for the ACNS Unit Trust trading as Alto Capital (AFSL 279099) (**Alto Capital**) pursuant to which Alto Capital has agreed to act as Lead Manager of the Offer (**Mandate**). The Company has agreed to pay Alto Capital the following fees and issue Alto Capital (or its nominee) the following Options under the Mandate:

- (a) pay a management fee equal to 4% (excluding GST) of the total amount raised under the Offer;
- (b) pay a placement fee equal to 6% (excluding GST) of the amount raised under the Offer by Alto Capital itself. Any fees paid to third parties

assisting the Offer will be paid by Alto Capital from the placement fee; and

- (c) issue one Option for every 2 dollars raised by Alto Capital.

The Mandate may be terminated by either party by one month's written notice and contains other standard indemnities, terms and conditions expected to be included in a mandate of this nature.

11.7 Loan Agreement – Fatfish & Kensington Ventures

Kensington is party to a Loan Agreement dated 1 July 2015 with Fatfish pursuant to which Fatfish extended a loan of \$445,000 to Kensington (**Kensington Loan**). The current amount outstanding under the Kensington Loan is \$445,000. The Kensington Loan is interest free and unsecured.

\$200,000 of the Kensington Loan is repayable within 24 months of the date the Company is admitted to the Official List (as outlined in the use of funds table in Section 4.9). Repayment of the remaining \$245,000 of the Kensington Loan will be deferred in its entirety for this 24 month period and then after this period will be repayable from any future available cash flows of the Company.

11.8 Loan Agreement – Fatfish & Appxplore

Appxplore is party to a Loan Agreement dated 1 July 2015 with Fatfish pursuant to which Fatfish extended a loan of \$196,000 to Appxplore (**Appxplore Loan**). The current amount outstanding under the Appxplore Loan is \$196,000. The Appxplore Loan is interest free and unsecured.

Repayment of the Appxplore Loan will be deferred in its entirety for a period of 24 months from the date the Company is admitted to the Official List and will then, after this period, be repayable from any future available cash flows of the Company.

12. ADDITIONAL INFORMATION

12.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the

proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying

the intention to propose the resolution as a special resolution must be given.

12.3 Options

The Options offered under this Prospectus will be issued on the following terms and conditions:

- (a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.21 (**Exercise Price**)
- (c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the fourth year anniversary after the date of Official Quotation of the Shares (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quoted**

The Company will apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

12.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- 
- (d) as an inducement to become, or to qualify as, a Director; or
 - (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

12.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 9 of this Prospectus. The Company estimates it will pay Grant Thornton Corporate Finance Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton Corporate Finance Pty Ltd has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

ACNS Capital Markets Pty Ltd as trustee for the ACNS Unit Trust trading as Alto Capital (**Alto Capital**) has acted as Lead Manager in relation to the Offer. The Company estimates it will pay Alto Capital the fees set out in Section 11.6 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Alto Capital has not received fees from the Company for any other services.

12.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Grant Thornton Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 9 of this Prospectus in the form and context in which the information and report is included. Grant Thornton Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Grant Thornton Audit Pty Ltd has given its written consent to being named as Auditor in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Alto Capital has given its written consent to being named as Lead Manager to the Offer. Alto Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

International Data Corporation has given its written consent to being named in this Prospectus. International Data Corporation has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

12.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$565,700 for minimum subscription or \$667,800 for full subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Full Subscription (\$)
ASIC fees	2,300	2,300
ASX fees	108,400	110,500
Broker Commissions*	150,000	210,000
Lead Manager Fees	100,000	140,000
Legal Fees	80,000	80,000
Investigating Accountant's Fees	10,000	10,000
Printing and Distribution	30,000	30,000
Miscellaneous	85,000	85,000
TOTAL	565,700	667,800

* Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company (refer to Section 6.8 of this Prospectus for further information). The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

12.8 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.icandy.io.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic

Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.10 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

12.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

12.12 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Kin Wai Lau
Non Executive Chairman
For and on behalf of
iCandy Interactive Limited

For personal use only

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Alto Capital means ACNS Capital Markets Pty Ltd as trustee for the ACNS Unit Trust trading as Alto Capital (AFSL 279099).

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer or the Lead Manager Offer.

Appxplore means Appxplore (M) Sdn Bhd, a company incorporated in Malaysia.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offers as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

Company or **iCandy** means iCandy Interactive Limited (ACN 604 871 712).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Fatfish means Fatfish Internet Group Limited (ACN 004 080 460).

Fatfish Capital means Fatfish Capital Limited, a company incorporated in the British Virgin Islands.

Fatfish Internet means Fatfish Internet Pte Ltd, a company incorporated in Singapore.

Fatfish Medialab means Fatfish Medialab Pte Ltd, a company incorporated in Singapore.

Group means the Company and its Subsidiaries.

High Joyful means High Joyful International Ltd, a company incorporated in the British Virgin Islands.

IDC means International Data Corporation.

Kensington Ventures means Kensington Ventures Pte Ltd, a company incorporated in Singapore.

Lead Manager means Alto Capital.

Lead Manager Application Form means the application form attached to or accompanying this Prospectus relating to the Lead Manager Offer.

Lead Manager Mandate means the mandate between the Company and the Lead Manager summarised in Section 11.6.

Lead Manager Offer means the offer of Options to the Lead Manager pursuant to this Prospectus as set out in Section 6 of this Prospectus.

Offer means the offer of Shares and Options pursuant to this Prospectus as set out in Section 6 of this Prospectus.

Offers means the Offer and the Lead Manager Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offers as set out in the indicative timetable in Section 3 of this Prospectus.

Option means an option to acquire a Share on the terms and conditions set out in Section 12.3.

Optionholder means a holder of an Option.

OS means operating system in respect of a mobile communications device.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Options and Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Subsidiaries means High Joyful, Appxplore and Kensington Ventures.

WST means Western Standard Time as observed in Perth, Western Australia.