



**1. Details of the reporting period and the prior corresponding period**

Current period:	1 January 2021 - 30 June 2021
Prior corresponding period:	1 January 2020 - 30 June 2020

**2. Results for announcement to the market**

	Half-year ended 30 June 2021	Half-year ended 30 June 2020	Up/Down	Change (%)
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Revenue from ordinary activities	925,785	1,038,216	Down	11%
Loss from ordinary activities after tax attributable to members of the parent	(1,008,814)	(927,008)	Down	-9%
Total comprehensive income for the period attributable to members of the parent	(1,045,096)	(938,110)	Up	11%

**3. Dividend Information**

	Amount per share (share)	Franked amount per share (cents)
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Interim Dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend	N/A	N/A

**4. Dividend Information**

	Half-year ended 30 June 2021 (cents)	Half-year ended 30 June 2020 (cents)
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Net tangible assets per security (with the comparative figures for the previous corresponding period)	2.02	0.29
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**5. Details of entities over which control has been gained**

Name of entity:	Cmedia Asia Limited
Date of control:	1 May 2021



# **ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES**

**ABN: 87 604 871 712**

**Financial Report For The Half-Year Ended  
30 June 2021**

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**ICANDY INTERACTIVE LIMITED  
AND CONTROLLED ENTITIES**



**ABN: 87 604 871 712**

**Financial Report For The Half-Year Ended  
30 June 2021**

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Your directors of iCandy Interactive Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of iCandy Interactive Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

#### **General Information**

##### **Directors**

The following persons were directors of iCandy Interactive Limited during or since the end of the end of the half-year up to the date of this report:

Mr Kin Wai Lau  
Mr Robert Kolodziej  
Mr Marcus Ungar  
Mr Christopher Whiteman (appointed 3 March 2021)  
Mr Masahiko Honma (resigned 3 March 2021)  
Mr Lum Piew (resigned 3 March 2021)

##### **DIRECTORS' REPORT**

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange for the half-year.

##### **Review of Operations**

The consolidated loss for the six-month period ended 30 June 2021 was \$1,017,649. (2020 loss: \$919,211).

The net assets of the Group as at 30 June 2021 were \$16,079,525. (31 December 2020: \$15,454,097)

The Group recorded lower revenue of \$925,785 from its game development and publishing arm during the six-month ended 30 June 2021 (30 June 2020: \$1,038,216), due to the declining performance of the Animoca Brands Limited's casual game portfolio.

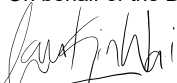
Nevertheless, this is offset by the improvement in the revenue of the Group's self-developed games, most notably Masketeers. The Group also expects more revenue from its new game Claw Stars, which was launched on 30 June 2021 (the revenue from Claw Stars were not reflected in the six-month ended 30 June 2021).

##### **Auditor's Independence Declaration**

The lead auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Kin Wai Lau  
Director

Dated: 31 August 2021

To the Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of iCandy Interactive Limited for the half year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

*Hall Chadwick*

**HALL CHADWICK**  
Chartered Accountants

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
Partner

Dated at Perth this 31<sup>st</sup> day of August 2021

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES  
 ABN: 87 604 871 712  
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
 AND OTHER COMPREHENSIVE INCOME  
 FOR THE HALF-YEAR ENDED 30 JUNE 2021



	Note	Group	
		30 June 2021 \$	30 June 2020 \$
<b>Continuing operations</b>			
<b>Revenue</b>	2	925,785	1,038,216
Other income	2	25,786	311,283
Cost of sales		(475,751)	(409,481)
		<u>475,820</u>	<u>940,018</u>
Marketing expenses		(46,429)	(303,380)
Audit fees		(18,931)	(23,537)
Legal and professional fees		(99,999)	(36,024)
Occupancy expenses		(3,169)	(10,323)
Employee benefits expense		(317,337)	(616,511)
Depreciation and amortisation expense		(606,630)	(486,962)
Share based payments		(305,471)	-
Impairment expense		-	(307,244)
Computer expenses		(23,725)	(5,167)
Other expenses		(183,177)	(90,192)
Travel expenses		(3,376)	(3,830)
Share of net profits of associates and joint ventures		(54,335)	(23,409)
Finance costs		(3,663)	-
Unrealised movement in fair value of intangibles		172,773	47,350
		<u>(1,017,649)</u>	<u>(919,211)</u>
<b>Profit before income tax</b>			
Tax expense		-	-
<b>Net loss for the period</b>		<u>(1,017,649)</u>	<u>(919,211)</u>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign operations, net of tax		(36,902)	(12,203)
<b>Total other comprehensive income for the year</b>		<u>(36,902)</u>	<u>(12,203)</u>
<b>Total comprehensive income for the year</b>		<u>(1,054,551)</u>	<u>(931,414)</u>
Net profit attributable to:			
Owners of the parent entity		(1,008,814)	(927,008)
Non-controlling interest		(8,835)	7,797
		<u>(1,017,649)</u>	<u>(919,211)</u>
Total comprehensive income attributable to:			
Members of the parent entity		(1,045,096)	(938,110)
Non-controlling interest		(9,455)	6,696
		<u>(1,054,551)</u>	<u>(931,414)</u>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic loss per share (cents)		(0.18)	(0.27)
Diluted loss per share (cents)		(0.18)	(0.27)

The accompanying notes form part of these financial statements.

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES  
 ABN: 87 604 871 712  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2021



	Note	Group	
		30 June 2021	31 December 2020
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		9,982,829	11,826,228
Trade and other receivables	4	1,482,442	1,454,978
Other financial assets	5	340,238	1,248,758
Other assets	8	113,447	228,424
<b>TOTAL CURRENT ASSETS</b>		<b>11,918,956</b>	<b>14,758,388</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		107,227	112,518
Other financial assets	5	1,180,229	-
Intangible assets	7	4,269,297	2,677,469
Investments accounted for using the equity method		46,236	-
Right-of-use assets		162,746	200,979
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,765,735</b>	<b>2,990,966</b>
<b>TOTAL ASSETS</b>		<b>17,684,691</b>	<b>17,749,354</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,141,442	1,609,160
Lease liabilities		71,575	88,173
Other financial liabilities	10	295,259	480,790
Current tax liabilities		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,508,276</b>	<b>2,178,123</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		93,583	113,792
Deferred tax liabilities		3,307	3,342
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>96,890</b>	<b>117,134</b>
<b>TOTAL LIABILITIES</b>		<b>1,605,166</b>	<b>2,295,257</b>
<b>NET ASSETS</b>		<b>16,079,525</b>	<b>15,454,097</b>
<b>EQUITY</b>			
Issued capital	11	44,131,830	42,700,446
Reserves	17	(18,535,011)	(18,531,180)
Retained earnings		(9,645,081)	(8,852,411)
Equity attributable to owners of the parent entity		15,951,738	15,316,855
Non-controlling interest		127,787	137,242
<b>TOTAL EQUITY</b>		<b>16,079,525</b>	<b>15,454,097</b>

The accompanying notes form part of these financial statements.

**ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES**  
**ABN: 87 604 871 712**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	Issued Capital	Accumulated Losses	Reserve			Subtotal	Non-controlling interests	Total
			Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve			
	\$	\$	\$	\$	\$	\$	\$	
<b>Consolidated Group</b>								
<b>Balance at 1 January 2020</b>	30,306,207	(8,572,973)	64,383	999,590	(20,289,999)	2,507,208	(125,338)	2,381,870
<b>Comprehensive income</b>								
Loss for the period	-	(927,008)	-	-	-	(927,008)	7,797	(919,211)
Other comprehensive income for the year	-	-	(11,102)	-	-	(11,102)	(1,101)	(12,203)
<b>Total comprehensive income for the year</b>	-	(927,008)	(11,102)	-	-	(938,110)	6,696	(931,414)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Shares issued during the period	651,669	-	-	-	-	651,669	-	651,669
Transactions costs net of tax	-	-	-	-	-	-	-	-
<b>Total transactions with owners and other transfers</b>	651,669	-	-	-	-	651,669	-	651,669
<b>Balance at 30 June 2020</b>	30,957,876	(9,499,981)	53,281	999,590	(20,289,999)	2,220,767	(118,642)	2,102,125
<b>Balance at 1 January 2021</b>	42,700,446	(8,852,411)	(282,918)	2,041,737	(20,289,999)	15,316,855	137,242	15,454,097
<b>Comprehensive income</b>								
Loss for the period	-	(1,008,814)	-	-	-	(1,008,814)	(8,835)	(1,017,649)
Other comprehensive income for the year	-	-	(36,282)	-	-	(36,282)	(620)	(36,902)
<b>Total comprehensive income for the year</b>	-	(1,008,814)	(36,282)	-	-	(1,045,096)	(9,455)	(1,054,551)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Shares issued during the year	1,431,384	-	-	(56,876)	-	1,374,508	-	1,374,508
Transaction costs net of tax	-	-	-	-	-	-	-	-
Options expired during the year	-	216,144	-	(216,144)	-	-	-	-
Options and rights issued during the year	-	-	-	305,471	-	305,471	-	305,471
<b>Total transactions with owners and other transfers</b>	1,431,384	216,144	-	32,451	-	1,679,979	-	1,679,979
<b>Balance at 30 June 2021</b>	44,131,830	(9,645,081)	(319,200)	2,074,188	(20,289,999)	15,951,738	127,787	16,079,525

The accompanying notes form part of these financial statements.



ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES  
 ABN: 87 604 871 712  
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE HALF-YEAR ENDED 30 JUNE 2021



	Group	
	30 June 2021	30 June 2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	839,649	600,423
Interest received	25,717	1,266
Grants received	-	157,641
Payments to suppliers and employees	(1,921,881)	(995,395)
Net cash (used in) operating activities	<u>(1,056,515)</u>	<u>(236,065)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,406)	(12,481)
Purchase of intangibles	(383,454)	
Payments made for short-term investments	(352,305)	-
Payments made for subsidiary	(270,302)	
Acquisition of subsidiary cash	1,076	
Payments made for joint ventures	(310,436)	
Loans to related parties		
- payments made	(509,130)	-
- proceeds from repayments	49,821	114,991
Net cash (used in)/generated by investing activities	<u>(1,791,136)</u>	<u>102,510</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Proceeds from exercise of options	1,043,259	-
Payments for capital raising costs	-	-
Repayment of lease liabilities	(37,955)	(34,995)
Net cash provided by (used in) financing activities	<u>1,005,304</u>	<u>(34,995)</u>
Net increase in cash held	(1,842,347)	(168,550)
Cash and cash equivalents at beginning of financial year	11,826,228	414,229
Effect of exchange rates on cash holdings in foreign currencies	(1,052)	5,773
Cash and cash equivalents at end of financial year	<u><u>9,982,829</u></u>	<u><u>251,452</u></u>

The accompanying notes form part of these financial statements.

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The condensed consolidated financial statements of iCandy Interactive Limited for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 31 August 2021 and covers the consolidated entity consisting of iCandy Interactive Limited and its controlled entities ("the Group") as required by Corporations Act 2001.

The financial statements were authorised for issue on 31 August 2021 by the directors of the company.

## Note 1 Summary of Significant Accounting Policies

### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 31 December 2020 and any public announcements made by the Company since 31 December 2020 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

### Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reporting annual financial statements as at 31 December 2020, unless otherwise stated.

#### (a) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

#### Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

**Note 1: Summary of Significant Accounting Policies (continued)**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

**(b) Accounting for Common Control**

Where the acquisition of entities that are deemed to be under common control occurs then consideration is required to determine the accounting acquirer. A new entity formed to effect a business combination through the issue of equity interests will not be regarded as the accounting acquirer, rather one of the combining entities that existed prior to the business combination shall be identified as the accounting acquirer.

The pooling of interest method is adopted for business combinations under common control. Existing book values for assets and liabilities at the date of acquisition will be recognised and fair value adjustments including new intangibles or goodwill will not be recognised. Any premium between the fair value of consideration paid and the book value of net assets is debited to a separate category of equity.

**(c) Digital Currencies**

Digital currencies are indefinite life intangible assets initially recognised at cost. The digital currencies are subsequently measured at fair value by reference to the quote price in an active digital currency market.

Any increases or decreases in the fair value of the digital currencies are recognised through the profit and loss, similar to any gains or losses upon the disposals of digital currencies.

**(d) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The company's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Company makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

**(e) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

**Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

**The Group**

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

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**Note 1: Summary of Significant Accounting Policies (continued)**

**(f) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(g) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

*(i) Key judgments and estimates - Intellectual Property - Research and Development*

In determining the development expenditures to be capitalised, the Group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of those development expenditures. Other important estimates and assumptions in this assessment process are the distinction between R&D and the estimated useful life.

Development costs associated with intangible assets are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect to software are internally generated, and have a finite useful life. The amortisation method is straight line over the period of the expected benefits, being 5 years. Impairment testing is undertaken when impairment indicators exist.

*(ii) Key Estimate - Taxation*

Deferred tax assets are not brought to account, the benefits will only be realised if it is probable that taxable profit will be available against which the unutilised tax losses can be utilised.

*(iii) Key judgments and estimates - Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There is also judgement applied in determining recoverability of asset.

**Note 2 Revenue and Other Income**

**(a) Revenue from continuing operations**

	Group	
	30 June 2021	30 June 2020
	\$	\$
Sales revenue		
- sale of in-app applications	635,772	690,467
- ads and sponsorships	284,257	151,985
- services	5,756	195,764
	925,785	1,038,216
Other revenue		
- interest received	25,786	29,117
- grants received	-	288,436
- realised foreign exchange gain/(loss)	-	(6,270)
	25,786	311,283
	951,571	1,349,499

**Note 3 Dividends**

No dividends have been paid, declared or recommended for payment during the reported period.

**Note 4 Trade and Other Receivables**

	Group	
	30 June 2021	31 December 2020
	\$	\$
<b>CURRENT</b>		
Trade receivables	1,146,752	1,290,045
Provision for impairment	(4,226)	(4,193)
	1,142,526	1,285,852
Other receivables	316,415	72,720
GST receivables	23,501	96,406
Total current trade and other receivables	1,482,442	1,454,978

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 is determined as follows; the expected credit losses also incorporate forward-looking information.

The "amounts written off" are all due to customers declaring bankruptcy, or term receivables that have now become unrecoverable.

	Current	>30 days past due	>60 days past due	>90 days past due	Total
	\$	\$	\$	\$	\$
<b>30 June 2021</b>					
Expected loss rate	0.37%	-	-	-	
Gross carrying amount	1,146,752	-	-	-	1,146,752
Loss allowing provision	(4,226)	-	-	-	(4,226)
<b>31 December 2020</b>					
Expected loss rate	0.33%	-	-	-	
Gross carrying amount	1,290,045	-	-	-	1,290,045
Loss allowing provision	(4,193)	-	-	-	(4,193)

**Credit risk**

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 4. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographic basis, the Group has significant credit risk exposures in Malaysia given the substantial operations in that region. The Group's exposure to credit risk for receivables at the end of the reporting period in those regions are as follows:

	Group	
	30 June 2021	31 December 2020
	\$	\$
<b>AUD</b>		
Australia	815,016	770,950
Singapore	923	937
Malaysia	657,932	664,802
British Virgin Island	70	-
Indonesia	8,501	18,289
	1,482,442	1,454,978

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

(a) **Collateral Held as Security**

No collateral was held as security at balance date or date of this report.

	Group	
	30 June 2021	31 December 2020
	\$	\$
(b) <b>Financial Assets Measured at Amortised Cost</b>		
Trade and other Receivables		
— Total current	1,482,442	1,454,978
Total financial assets measured at amortised cost	1,482,442	1,454,978

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**Note 5 Other Financial Assets**

	Note	Group	
		30 June 2021	31 December 2020
		\$	\$
<b>CURRENT</b>			
Amount receivable from:			
- other related parties		109,118	1,182,832
- others		50,469	1,008
		<u>159,587</u>	<u>1,183,840</u>
Other short-term investments		115,733	-
Convertible notes		64,918	64,918
<b>Total current assets</b>		<u><b>340,238</b></u>	<u><b>1,248,758</b></u>
<b>NON-CURRENT</b>			
Amount receivable from:			
- other related parties		1,180,229	-
<b>Total non-current assets</b>		<u><b>1,180,229</b></u>	<u><b>-</b></u>
<b>Total Other Financial Assets</b>			
Current		340,238	1,248,758
Non-Current		1,180,229	-
		<u><b>1,520,467</b></u>	<u><b>1,248,758</b></u>

Terms of Receivables:

All receivables are at call.

There are no securities attached.

Amount of \$1,180,229 (SGD \$1,193,094) has an interest rate of 5% per annum attached.

**Note 6 Interests in Subsidiaries**

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group.

Name of subsidiary	Place of Incorporation	Ownership interest held by the Group		Proportion of non-controlling interests	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
iCandy Digital Pte Ltd	Singapore	100%	100%	-	-
Appxplore (iCandy) Limited	British Virgin Island	100%	100%	-	-
Appxplore (iCandy) Sdn Bhd	Malaysia	100%	100%	-	-
Inzen (iCandy) Pte Ltd	Singapore	100%	100%	-	-
iCandy Play Limited	British Virgin Island	100%	100%	-	-
iCandy Games Limited	British Virgin Island	100%	100%	-	-
PT Joyseed Berhagi Sukses	Indonesia	67%	67%	33%	33%
Beetleroar Sdn Bhd	Malaysia	80%	40%	20%	60%
Cmedia Asia Limited	British Virgin Island	100%	-	-	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use asset and settle liabilities of the Group.

**Note 7 Intangible Assets**

	Group	
	30 June 2021	31 December 2020
	\$	\$
Goodwill		
Cost	-	283,862
Accumulated impairment losses	-	(283,862)
Net carrying amount	-	-
Games Portfolio		
Cost	2,600,000	2,600,000
Accumulated amortisation and impairment losses	(2,600,000)	(2,370,000)
Net carrying amount	-	230,000
Computer software:		
Cost	2,839,815	2,817,518
Accumulated amortisation and impairment losses	(1,791,476)	(1,585,003)
Net carrying amount	1,048,339	1,232,515
Research and development		
Cost	1,773,666	1,380,989
Accumulated amortisation and impairment losses	(428,420)	(294,078)
Net carrying amount	1,345,246	1,086,911
Gaming platform		
Cost	1,308,177	-
Accumulated amortisation and impairment losses	-	-
Net carrying amount	1,308,177	-
Cryptocurrency		
Cost	567,535	128,043
Accumulated amortisation and impairment losses	-	-
Net carrying amount	567,535	128,043
Total intangible assets	4,269,297	2,677,469

**Consolidated Group:**

	Goodwill	Games Portfolio	Computer Software	Research and Development	Gaming Platform	Cryptocurrency	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2020</b>							
Balance at the beginning of the year	283,862	750,000	576,350	74,421	-	62,402	1,747,035
Additions	-	-	982,687	1,141,797	-	10,941	2,135,425
Disposals	-	-	-	-	-	(65,366)	(65,366)
Amortisation charge	-	(520,000)	(304,096)	(132,564)	-	-	(956,660)
Impairment losses	(283,862)	-	-	-	-	-	(283,862)
Movement in fair value	-	-	-	-	-	134,522	134,522
Movement in foreign currency	-	-	(22,426)	3,257	-	(14,456)	(33,625)
	-	230,000	1,232,515	1,086,911	-	128,043	2,677,469
<b>Six months ended 30 June 2021</b>							
Balance at the beginning of the year	-	230,000	1,232,515	1,086,911	-	128,043	2,677,469
Additions	-	-	-	388,225	-	261,437	649,662
Acquisitions through business combinations	-	-	-	-	1,308,177	-	1,308,177
Amortisation charge	-	(230,000)	(190,679)	(129,802)	-	-	(550,481)
Movement in fair value	-	-	-	-	-	172,999	172,999
Movement in foreign currency	-	-	6,503	(88)	-	5,056	11,471
	-	-	1,048,339	1,345,246	1,308,177	567,535	4,269,297

**Note 8 Other Assets**

	Group	
	30 June 2021	31 December 2020
	\$	\$
CURRENT		
Prepayments	87,882	202,584
Deposits paid	25,565	25,840
	113,447	228,424

**Note 9 Trade and Other Payables**

	Group	
	30 June 2021	31 December 2020
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	179,084	266,979
Sundry payables and accrued expenses	962,358	1,342,181
	1,141,442	1,609,160
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	1,141,442	1,609,160
— Total non-current	-	-
Financial liabilities as trade and other payables	1,141,442	1,609,160

**Note 10 Other Financial Liabilities**

	Group	
	30 June 2021	31 December 2020
	\$	\$
CURRENT		
Amounts payable to:		
- other related parties	295,259	480,790
	295,259	480,790
<b>Total Other Financial Liabilities</b>		
- Current	295,259	480,790
- Non-Current	-	-
	295,259	480,790

Terms of payables:

All payables are at call.

There are no securities attached.

No interest is payable on amounts owing.

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**Note 11 Issued Capital**

	Group	
	30 June 2021	31 December 2020
	\$	\$
585,211,471 fully paid ordinary shares (31 December 2020: 547,313,849 fully paid ordinary shares)	44,131,830	42,700,446
	<u>44,131,830</u>	<u>42,700,446</u>

The Group has authorised share capital amounting to 585,211,471 ordinary shares.

**(a) Ordinary Shares**

	Group			
	30 June 2021		31 December 2020	
	No.	\$	No.	\$
At the beginning of the reporting period	547,313,849	42,700,446	337,190,644	30,306,207
Shares issued during the year	37,897,622	1,431,384	210,123,205	14,932,254
Transaction costs	-	-	-	(2,538,015)
At the end of the reporting period	<u>585,211,471</u>	<u>44,131,830</u>	<u>547,313,849</u>	<u>42,700,446</u>

During the six months ending 30 June 2021, a total of 30,038,067 ICIOBs were exercised, raising a total of \$750,952, net of capital raising costs.

On 25 March 2021, 1,241,500 unlisted options with an exercise price of \$0.08, expiry date of 14 June 2021 were exercised. A total of \$99,320 was raised.

On 25 March 2021, 2,222,222 unlisted options with an exercise price of \$0.05, expiry date of 31 December 2022 were exercised. A total of \$111,111 was raised.

On 30 March 2021, 3,000,000 fully paid ordinary shares were issued at a deemed price of \$0.13 per share. These shares were issued as part consideration of the acquisition of Nextgamer.io. No cash was raised.

On 30 March 2021, 979,167 fully paid ordinary shares were issued at a deemed price of \$0.09 per share. These shares were issued as final consideration of the acquisition of PT Joyseed Berhagi Sukses. No cash was raised.

On 30 April 2021, 416,666 unlisted options with an exercise price of \$0.06, expiry date of 22 July 2022 were exercised. A total of \$25,000 was raised.

**(b) Options**

The following reconciles with the outstanding listed options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year.

	Group	
	30 June 2021	31 December 2020
	No.	No.
Balance at beginning of the period	116,032,143	-
Issued during the financial period	-	116,032,143
Expired during the financial period	-	-
Exercised during the financial period	(30,038,067)	-
Balance and Exercisable at the end of the period	<u>85,994,076</u>	<u>116,032,143</u>

Listed Class	No. of Options	Expiry Date	Exercise Price
ICIOA	45,532,143	15 December 2022	\$0.220
ICIOB	40,461,933	31 December 2022	\$0.025
	<u>85,994,076</u>		

The following reconciles with the outstanding unlisted options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year.

	Group	
	30 June 2021	31 December 2020
	No.	No.
Balance at beginning of the period	8,725,882	26,749,998
Issued during the financial period	31,916,668	-
Expired during the financial period	(6,851,050)	(500,000)
Exercised during the financial period	(3,463,722)	(17,524,116)
Balance and Exercisable at the end of the period	<u>30,327,778</u>	<u>8,725,882</u>

**Note 12 Contingent Liabilities and Contingent Assets**

**Acquisition of Animoca Brands Limited's Games Portfolio**

There is 1 contingent liability in relation to the purchase and they are listed below.

**Earn Out Payment**

For a period of 5 years from the Completion Date, AB1 shall be entitled to share in the Net Games Profits from the Games, in accordance with the following conditions:

- During any year in which the Net Games Profit from the Games reaches AUD \$1,000,000, AB1 shall receive a cash payment equal to at least 10% of such Net Profit as AB1's profit share payable within 15 days of the final determination of the Net Games Profit. The value of AB1's profit share for any such year shall increase by 10% for each addition AUD \$500,000 in Net Games Profit reached by the Games during such year, up to a maximum of 50%. The table below illustrates how the Company and AB1 intend for the profit share scheme to work:

Net Games Profit (AUD)	Profit Share
1,000,000 - 1,499,999.99	10%
1,500,000 - 1,999,999.99	20%
2,000,000 - 2,499,999.99	30%
2,500,000 - 2,999,999.99	40%
3,000,000 - 3,499,999.99	50%
3,500,000	50%

**Note 13 Operating Segments**

**General Information**

**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment.

**Types of products and services by segment**

- (i) *Development and sale of digital media (except games)*

The Group is engaged in the development of software for interactive digital media (except games).

- (ii) *Design and development of intellectual properties for software applications and games*

The Group is also engaged in the design and development of intellectual properties for software applications and games which brings in revenue from in-app purchase as well as ads and sponsorships.

**Basis of accounting for purposes of reporting by operating segments**

- (a) **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

- (b) **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

- (c) **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

- (d) **Unallocated items**

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Intangible assets

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Note 13: Operating Segments (continued)

(e) Segment information

(i) Segment performance

Half-year ended 30 June 2021

REVENUE

External sales

Total segment revenue

Reconciliation of segment revenue to group revenue

Total group revenue

Segment result from continuing operations before tax

Reconciliation of segment result to group net profit/loss before tax

Intersegment elimination

Net loss before tax from continuing operations

Development of digital media	Development of Intellectual Properties	All Other Segments	Total
\$	\$	\$	\$
1,408	780,809	169,354	951,571
1,408	780,809	169,354	951,571
			951,571
(213,688)	(140,257)	(663,704)	(1,017,649)
			-
			(1,017,649)

Half-year ended 30 June 2020

REVENUE

External sales

Total segment revenue

Reconciliation of segment revenue to group revenue

Total group revenue

Segment result from continuing operations before tax

Reconciliation of segment result to group net profit/loss before tax

Intersegment elimination

Net loss before tax from continuing operations

Development of digital media	Development of Intellectual Properties	All Other Segments	Total
\$	\$	\$	\$
1,797	933,423	414,279	1,349,499
1,797	933,423	414,279	1,349,499
			1,349,499
817,542	(64,847)	(1,324,821)	(572,126)
			(347,085)
			(919,211)

(ii) Segment assets

30 June 2021

Segment assets

Segment assets include:

— Additions to non-current assets (other than financial assets and deferred tax)

Reconciliation of segment assets to group assets

Intersegment eliminations

Total group assets

Development of digital media	Development of Intellectual Properties	All Other Segments	Total
\$	\$	\$	\$
4,826	2,161,776	40,561,903	42,728,505
-	3,441,974	30,296,345	33,738,319
			(25,043,814)
			17,684,691

31 December 2020

Segment assets

Segment assets include:

— Additions to non-current assets (other than financial assets and deferred tax)

Reconciliation of segment assets to group assets

Intersegment eliminations

Total group assets

Development of digital media	Development of Intellectual Properties	All Other Segments	Total
\$	\$	\$	\$
257,776	5,408,895	40,123,948	45,790,619
253,634	3,919,062	27,907,315	32,080,011
			(28,041,265)
			17,749,354

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Note 13: Operating Segments (continued)

(iii) Segment liabilities

	Development of digital media	Development of Intellectual Properties	All Other Segments	Total
	\$	\$	\$	\$
<b>30 June 2021</b>				
<b>Segment liabilities</b>	218,990	946,543	817,405	1,982,938
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(377,772)
<b>Total group liabilities</b>				<u>1,605,166</u>
	Development of digital media	Development of Intellectual Properties	All Other Segments	Total
	\$	\$	\$	\$
<b>31 December 2020</b>				
<b>Segment liabilities</b>	174,441	1,216,877	903,939	2,295,257
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				-
<b>Total group liabilities</b>				<u>2,295,257</u>

(iv) Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the principal place of business:

	Group	
	30 June 2021 AUD \$	30 June 2020 AUD \$
Australia	169,354	411,298
Singapore	5,752	7,111
Malaysia	732,366	884,975
Indonesia	44,099	46,115
<b>Total revenue</b>	<u>951,571</u>	<u>1,349,499</u>

(v) Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	Group	
	30 June 2021 \$	31 December 2020 \$
Australia	15,518,089	12,512,561
Singapore	795,143	264,088
Malaysia	1,295,532	4,855,570
Indonesia	75,927	117,135
<b>Total Assets</b>	<u>17,684,691</u>	<u>17,749,354</u>

**Note 14 Share-based Payments**

The aggregate share-based payments for the six months ended 30 June 2021 are set out below:

	30 June 2021		31 December 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
<b>Options outstanding as at 1 January</b>	26,725,882	0.115	26,749,998	0.068
Granted	5,250,002	0.090	18,000,000	0.133
Exercised	(1,658,166)	0.073	(17,524,116)	0.063
Expired	(6,851,050)	0.080	(500,000)	0.050
<b>Options outstanding as at</b>	<b>23,466,668</b>	<b>0.115</b>	<b>26,725,882</b>	<b>0.115</b>

	30 June 2021		31 December 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
<b>Performance Options outstanding as at 1 January</b>	-	-	-	-
Granted	1,160,000	0.130	-	-
<b>Performance Options outstanding as at</b>	<b>1,160,000</b>	<b>0.115</b>	<b>-</b>	<b>-</b>

	30 June 2021		31 December 2021	
	Number	Fair Value \$	Number	Fair Value \$
<b>Performance Rights outstanding as at 1 January</b>	-	-	-	-
Granted	2,400,000	278,877	-	-
<b>Performance Rights outstanding as at</b>	<b>2,400,000</b>	<b>278,877</b>	<b>-</b>	<b>-</b>

The following share-based payment arrangements were in existence during the current reporting period:

	Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Vesting Period
(i) Options granted	216,666	22 July 2019	22 July 2022	\$0.060	9,208	N/A
(ii) Options granted	8,000,000	4 December 2020	31 December 2022	\$0.025	654,822	N/A
(iii) Options granted	10,000,000	4 December 2020	31 December 2022	\$0.220	1,104,687	N/A
(iv) Options granted	5,000,000	4 December 2020	31 December 2022	\$0.050	235,022	N/A
(iv) Options granted	250,002	4 December 2020	31 December 2022	\$0.130	29,050	N/A
(v) Performance Options granted	1,160,000	31 March 2021	31 March 2025	\$0.130	278,877	18 - 36 months
(vi) Performance Rights granted	2,400,000	31 March 2021	31 March 2025	N/A	116,000	18 - 36 months

Options were priced using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate of the effects of non-transferability of exercise restrictions. Expected volatility is based on the historical share price volatility of the Company over the reporting period.

Number	Share price at grant date	Exercise Price	Expected volatility	Option life	Risk-free interest rate
216,666	\$0.036	\$0.060	160%	3 years	1.02%
8,000,000	\$0.155	\$0.025	134%	2 years	9.00%
10,000,000	\$0.120	\$0.220	131%	2 years	0.10%
250,002	\$0.100	\$0.130	160%	4 years	1.49%

**Note 15 Events After the Reporting Period**

On 27 July 2021, the Company issued 320,000 fully paid shares. These were issued as a result of 320,000 ICIOBs being exercised. A total of \$8,000 was raised.

**Note 16 Fair Value Measurements**

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- investments accounted for using the equity method.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) *Fair value hierarchy*

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

*Valuation techniques*

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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**Note 17 Reserves**

**a. Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	Group	
	30 June 2021	31 December 2020
	\$	\$
Balance at beginning of the period	282,918	(64,383)
Foreign currency movements during the period	36,282	347,301
	319,200	282,918

**b. Premium on assets acquired**

When the Company acquired Appxplore (iCandy) Limited, formerly known as iCandy Ventures Limited, a company incorporated in British Virgin Island and iCandy Digital Pte Ltd, a company incorporated in Singapore, this transaction was assessed as a transaction involved entities under common control. The Company was formed to effect the business combination and consideration was settled via the issue of equity interests. As the Company was incorporated to effect the transactions, it was determined that iCandy Interactive Limited would be the legal acquirer and Appxplore (iCandy) Limited would be the accounting acquirer as it was an entity that was carrying on a business prior to the business combination.

In accordance with the accounting policy adopted, all assets and liabilities will be recorded at their book value at the date of acquisition. The remaining difference between the fair value of the consideration paid and the book value of the net assets acquired is allocated to equity.

	Group	
	30 June 2021	31 December 2020
	\$	\$
Balance at beginning of the period	20,289,999	20,289,999
Foreign currency movements during the period	-	-
	20,289,999	20,289,999

**c. Option Reserve**

The option reserve records the fair value movement on options.

	Group	
	30 June 2021	31 December 2020
	\$	\$
Balance at beginning of the period	(2,041,737)	(999,590)
Issue of options during the period	(305,471)	(1,759,510)
Exercise of options during the period	56,876	694,489
Expiry of options during the period	216,144	22,874
	(2,074,188)	(2,041,737)

**Total Reserves**

	Group	
	30 June 2021	31 December 2020
	\$	\$
Foreign currency translation reserve	319,200	282,918
Other components of equity	20,289,999	20,289,999
Option reserve	(2,074,188)	(2,041,737)
	18,535,011	18,531,180

**Note 18 Earnings per Share**

	Group	
	30 June 2021	30 June 2020
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Loss	(1,008,814)	(927,008)
Losses used to calculate basic EPS	(1,008,814)	(927,008)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year	575,376,886	338,483,031
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	575,376,886	338,483,031
Basic loss per share from continuing operations	(0.18)	(0.27)

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**ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES**  
**ABN: 87 604 871 172**  
**DIRECTORS' DECLARATION**



In accordance with a resolution of the directors of iCandy Interactive Limited, the directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director

A handwritten signature in black ink, appearing to read "Kin Wai Lau".

**Mr Kin Wai Lau**

Dated this

31 August 2021

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ICANDY INTERACTIVE LIMITED

We have reviewed the accompanying half-year financial report of iCandy Interactive Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

### Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iCandy Interactive Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Hall Chadwick

**HALL CHADWICK**  
**Chartered Accountants**

Mark Delaurentis

**MARK DELAURENTIS CA**  
**Partner**

Dated at Perth this 31<sup>st</sup> day of August 2021

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