

  
IVAN WU  
DIRECTOR  
15 DECEMBER 2015

ICANDY INTERACTIVE LIMITED  
ACN 604 871 712  
SECOND SUPPLEMENTARY PROSPECTUS

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1. **IMPORTANT INFORMATION**

This is a supplementary prospectus (**Second Supplementary Prospectus**) to be read with the replacement prospectus dated 17 July 2015 (**Replacement Prospectus**) and the supplementary prospectus dated 2 October 2015 (**First Supplementary Prospectus**) issued by iCandy Interactive Limited (ACN 604 871 712) (**Company**). The Replacement Prospectus replaced the prospectus issued by the Company on 3 July 2015.

This Second Supplementary Prospectus is dated 15 December 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC and its officers take no responsibility for the contents of this Second Supplementary Prospectus.

Other than as set out below, all details in relation to the Replacement Prospectus remain unchanged. Terms and abbreviations defined in the Replacement Prospectus and the First Supplementary Prospectus have the same meaning in this Second Supplementary Prospectus. If there is a conflict between the Replacement Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the Replacement Prospectus and the First Supplementary Prospectus as an electronic prospectus and may be accessed on the Company's website at [www.icandy.io](http://www.icandy.io). The Company will send a copy of the Second Supplementary Prospectus to all applicants who have subscribed for Securities pursuant to the Replacement Prospectus and the First Supplementary Prospectus prior to the date of this Second Supplementary Prospectus.

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors. This Second Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material. As such, this is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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2. **FATFISH IN-SPECIE DISTRIBUTION**

2.1 **Background**

As set out in Section 3.1 of the First Supplementary Prospectus, Fatfish's intention at the date of the First Supplementary Prospectus (and subject to regulatory compliance and obtaining approval from its shareholders), was to procure the in-specie distribution, by way of dividend, of Shares in the Company held by Fatfish Internet to Fatfish in a sufficient quantity to enable Fatfish to implement the In-specie Distribution (defined below) (**Distribution Shares**) and for Fatfish to then undertake an in-specie distribution, by way of dividend, of all of the Distribution Shares to Fatfish's shareholders registered at the applicable record date on a pro-rata basis such that each Fatfish shareholder would receive 1 Share in the Company for every 8 Shares held in Fatfish (with fractional entitlements rounded up) (**In-specie Distribution**). It was expected that the In-

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**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 17 July 2015 and the supplementary prospectus dated 2 October 2015 issued by iCandy Interactive Limited (ACN 604 871 712).**

specie Distribution would involve a distribution of between approximately 16,600,000 and approximately 32,800,000 Shares in the Company (depending on whether any options in Fattfish were exercised before the applicable record date).

On 21 October 2015, ASX confirmed to the Company that it was a condition of the Company being admitted to the Official List that Fattfish shareholders approved the In-specie Distribution and that the In-specie Distribution was completed within six months of the Company's admission to the Official List of ASX.

## **2.2 No In-specie Distribution**

After consultation between ASX, the Company and Fattfish, and due to the additional complexities, processing and time involved, it is now intended that the proposed spin-out of the Company from Fattfish proceeds without the In-specie Distribution (**Spin-out**). As such, there will no longer be a distribution of shares in the Company to the Fattfish shareholders.

Further details of the Spin-out are contained in Fattfish's notice of meeting (announced on 12 November 2015) pursuant to which shareholder approval for the Spin-out was obtained at a further extraordinary meeting of Fattfish held on 11 December 2015. The Spin-out is to be implemented in such manner as the Fattfish board determines, in accordance with the ASX Listing Rules and the Corporations Act, including by continuing to pursue the listing of the Company and possible future transactions with non-related parties in connection with the Shares in the Company held by Fattfish.

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## **3. LEAD MANAGER**

The Company advises investors that Alto Capital is no longer acting as Lead Manager of the Offer.

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## **4. AMENDMENTS TO THE REPLACEMENT PROSPECTUS**

### **4.1 Fattfish's Intentions**

Section 4.2 of the Replacement Prospectus (as amended by section 3.1 of the First Supplementary Prospectus) is replaced by the following:

At the date of this Prospectus, the Company is controlled by Fattfish which holds approximately 90.7% of the undiluted issued share capital of the Company via its subsidiary company Fattfish Internet. Fattfish 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 Fattfish Medialab. Refer to Section 4.11 for further details.

Fattfish's present intention, subject to regulatory compliance and obtaining approval from its shareholders, is for Fattfish to undertake the Spin-out in such manner as the Fattfish board determines, in accordance with the ASX Listing Rules and the Corporations Act, including by continuing to pursue the listing of the Company and possible future transactions with non-related parties in connection with the sale of Shares in the Company held by Fattfish. There will be no In-specie Distribution of Shares in the Company to Fattfish shareholders as previously intended.

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ASX requires Fatfish to obtain shareholder approval for the Spin-out prior to the Company being admitted to the Official List. Such shareholder approval was obtained at a meeting of Fatfish shareholders held on 11 December 2015.

It is also a condition of the Company listing on the Official List that ASX is satisfied that the Company has free float (the percentage of its main class of securities held by parties other than (a) related parties of the Company, (b) an associate of a related party of the Company, and (c) a person whose relationship to a person referred to in (a) or (b) is such that, in ASX's opinion, they should be treated as been affiliated with the Company) of at least 10% (**Free Float Condition**).

The Company currently has 206,783,334 Shares on issue, 201,916,668 of which are held by related parties and, so, are not included in the Company's free float. As such, at the date of this Second Supplementary Prospectus, the Company has a free float of approximately 2.35%. The Company intends to satisfy the Free Float Condition by the issue of Shares subscribed for under the Offer. The Company estimates that it needs to issue approximately 17,600,000 Shares under the Offer in order to satisfy the Free Float Condition. Assuming the Company issues less than 17,600,000 Shares under the Offer, the Company (and Fatfish) intends to satisfy the Free Float Condition by Fatfish selling up to 5% of the Shares it currently holds in the Company to an unrelated third party purchaser, such sale to be completed before the Company is admitted to the Official List.

It is Fatfish's current intention as a substantial shareholder of the Company to maintain its shareholding in the Company (subject to any possible future sales of Shares to non-related parties which are required to ensure the Company meets the Free Float Condition) 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.

#### **4.2 Key Risks – Concentration of Ownership**

Section 4.6(a) of the Replacement Prospectus (as amended by section 3.2 of the First Supplementary Prospectus) is replaced by the following:

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 satisfy the Free Float Condition by the issue of Shares subscribed for under the Offer. The Company estimates that it needs to issue approximately 17,600,000 Shares under the Offer in order to satisfy the Free Float Condition. Assuming the Company issues less than 17,600,000 Shares under the Offer, the Company (and Fatfish) intends to satisfy the Free Float Condition by Fatfish selling up to 5% of the Shares it currently holds in the Company to an unrelated third party purchaser, such sale to be completed before the Company is admitted to the Official List.

### 4.3 Key Risks – Liquidity

Section 4.6(b) of the Replacement Prospectus (as amended by section 3.3 of the First Supplementary Prospectus) is amended by deleting the second and third paragraphs and replacing them with the following:

As noted in Section 4.6(a) above, the Company's (and Fattfish's) plan is to satisfy the Free Float Condition by the issue of Shares subscribed for under the Offer.

### 4.4 Substantial Shareholders

Section 4.11 of the Replacement Prospectus (as amended by section 3.4 of the First Supplementary Prospectus) is amended by:

- (a) deleting the second footnote to the second substantial shareholder table;
- (b) replacing the third table with the following:

Fattfish Shareholder	Fattfish Shares	%
Kin Wai Lau <sup>2</sup>	15,709,609	11.8%
Ong Chang Jeh <sup>1</sup>	15,023,017	11.3%
Navistar Cap Grp Ltd	14,233,573	10.7%
Chen Pang Hao	10,094,873	7.6%
Acquiniti Ltd	9,883,445	7.4%
Micropia Sdn Bhd	7,571,155	5.7%

<sup>1</sup> Ong Chang Jeh is a related party of the Company by virtue of being a director of Kensington Ventures.

<sup>2</sup> Kin Wai Lau is a related party of the Company by virtue of being a Director.

- (c) replacing the fourth table with the following:

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Fattfish Internet Group Limited <sup>1</sup>	192,500,000	nil	85.8%	77.1%

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

### 4.5 Restricted Securities

Section 4.12 of the Replacement Prospectus (as amended by section 3.5 of the Second Supplementary Prospectus) is amended by deleting the penultimate paragraph.

### 4.6 Disclosure of Interests

Section 4.18 of the Replacement Prospectus (as amended by section 3.6 of the Second Supplementary Prospectus) is amended by replacing the final paragraph and second Directors' Interests table with the following:

The relevant interest of each of the Directors and each of the directors of the Subsidiaries in the securities of Fattfish as at the date of this Prospectus is set out in the table below.

Director	Shares in Fattfish	Options in Fattfish
Kin Wai Lau	15,709,609	nil
Donald Han Low	nil	nil
Robert Kolodziej	nil	nil
Ivan Perry Wu	239,970	nil
Ong Chang Jeh <sup>1</sup>	15,023,017	nil

<sup>1</sup> Director of Kensington Ventures.

#### 4.7 In-specie Distribution

All other references to the In-specie Distribution are deleted from the Prospectus.

#### 4.8 Lead Manager

All references to the Lead Manager, the Lead Manager Offer and the Lead Manager Mandate are deleted from the Prospectus.

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### 5. EXTENSION OF TIME TO OBTAIN QUOTATION ON ASX

The Company has also issued this Second Supplementary Prospectus to:

- (a) extend the Closing Date under the Offer to 15 January 2016; and
- (b) advise that, at the date of this Second Supplementary Prospectus, the Company's Securities have not become admitted to quotation on ASX and the minimum subscription under the Replacement Prospectus has not yet been raised.

In accordance with the Corporations Act, if a person offers securities under a disclosure document (e.g. a prospectus) and the disclosure document states or implies that the securities are to be quoted on a financial market (e.g. ASX) and the securities are not admitted to quotation within 3 months after the date of the disclosure document (**Quotation Condition**) then an issue or transfer of securities in response to an application made under the disclosure document is void and the person offering the securities must return the money received by the person from the applicants as soon as practicable.

In addition, the Corporations Act provides that where a disclosure document states that the securities will not be issued or transferred unless a minimum amount is raised and that condition is not satisfied within 4 months after the date of the disclosure document, the person offering the securities must repay the money received from applicants or give applicants a supplementary disclosure document and 1 month to withdraw their application and be repaid.

On 2 October 2015, the Company was granted a modification of the Corporations Act by ASIC (**ASIC Modification**). The effect of the ASIC Modification is to give the Company:

- (a) a further 3 months after the date of the latest disclosure document lodged by the Company (e.g. supplementary prospectus) to satisfy the Quotation Condition; and
- (b) a further 4 months after the date of the latest disclosure document lodged by the Company to raise the Minimum Subscription.

The Company lodged the First Supplementary Prospectus on 2 October 2015 and, accordingly, the Company has until 2 January 2016 to comply with the Quotation Condition under the Replacement Prospectus and has until 2 February 2016 to raise the minimum subscription under the Replacement Prospectus of \$2,500,000 (**Minimum Subscription**). As at the date of this Second Supplementary Prospectus, the Minimum Subscription has not yet been raised.

As the Company has extended the Closing Date of the Offer until 15 January 2016, the Company will be unable to issue any Securities pursuant to the Replacement Prospectus and subsequently satisfy the Quotation Condition by 2 January 2016. In addition, the Company may not be able to raise the Minimum Subscription by 2 February 2016.

As at the date of this Second Supplementary Prospectus, the Company has received:

- (c) 69 applications for Securities; and
- (d) \$283,242 pursuant to such applications.

As at the date of this Second Supplementary Prospectus, the Company has not processed any applications or issued any Securities pursuant to the Replacement Prospectus.

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## 6. APPLICATIONS

### 6.1 Withdrawal of previous Applications

In accordance with Section 724(2) of the Corporations Act, if you applied for Securities under the Replacement Prospectus (or the First Supplementary Prospectus) before the date of this Second Supplementary Prospectus, you may withdraw your application and be repaid your application monies, provided you give the Company written notice of your wish to do so before 15 January 2016.

Any repayments made by the Company pursuant to an applicant exercising their right to withdraw their application will be made in full without interest.

An Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company via e-mail to [ir@icandy.io](mailto:ir@icandy.io) so that it is received within 1 month of the date of this Second Supplementary Prospectus (i.e. **by close of business on 15 January 2016**).

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that applicant.

If you do not wish to withdraw your application, you do not need to take any action.

## 6.2 New Applications

Applications for Securities after the date of this Second Supplementary Prospectus **must** be made using the Application Form attached to or accompanying this Second Supplementary Prospectus. The Application Form contains detailed instructions on how it is to be completed. Applications after the date of this Second Supplementary Prospectus **must not** be made on the Application Form attached to or accompanying the Replacement Prospectus or the First Supplementary Prospectus.

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## 7. FURTHER AMENDMENTS TO REPLACEMENT PROSPECTUS

### 7.1 Minimum Subscription

Section 6.2 of the Replacement Prospectus is replaced by the following:

Following the ASIC Modification, if the Minimum Subscription to the Offer of \$2,500,000 has not been raised within 4 months after the date of this Second Supplementary Prospectus (i.e. 15 April 2016), 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.

### 7.2 ASX Listing

The second paragraph of Section 6.4 of the Replacement Prospectus is replaced by the following:

Following the ASIC Modification, if the Securities are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Second Supplementary Prospectus (i.e. 15 March 2016), 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.

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## 8. DIRECTORS' AUTHORISATION

This Second Supplementary 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 Second Supplementary Prospectus with the ASIC.

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**Kin Wai Lau**  
**Non-Executive Chairman**  
**For and on behalf of**  
**ICANDY INTERACTIVE LIMITED**