ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES

ABN: 87 604 871 712

Financial Report For The Year Ended 31 December 2017

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CORPORATE GOVERNANCE STATEMENT

iCandy Interactive Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council as well as current standards of best practice. The corporate governance statement is current as at the date of this report and has been approved by the board.

Our approach to corporate governance

(a) Framework and approach to corporate governance and responsibility

The Board of iCandy Interactive Limited ("the Company") is committed to maintaining the highest standards of corporate governance.

Corporate governance is about having a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

The Board's approach has been guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements.

(b) Compliance with the ASX Corporate Governance Principles and Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations in the reporting period.

Listed companies must identify the recommendations that have not been followed and provide reasons for the company's decision and can be found on pages 7 - 14.

Date of this statement

This statement reflects our corporate governance policies and procedures as at 31 December 2017.

The Board of Directors

(a) Membership and expertise of the Board

The Board has a broad range of relevant financial and other skills, experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out in the Directors Report which is included in this Annual Report.

(b) Board role and responsibility

The Board is accountable to shareholders for iCandy Interactive Limited's performance. In summary, the Board's responsibilities include:

- providing strategic director and approving corporate strategic initiatives;
- planning for Board and executive succession;
- selecting and evaluating future Directors, the Chief Executive Office ("CEO");
- setting CEO and Director remuneration within shareholder approved limits;
- approving budget and monitoring management and financial performance;
- considering and approving the Annual Financial Report (including the Directors' Declaration) and the interim and final financial statements;
- approving iCandy Interactive Limited's risk management strategy, monitoring its effectiveness and maintaining a director and ongoing dialogue with iCandy Interactive Limited's auditors and regulators; and
- considering and reviewing the social and ethical impact of iCandy Interactive Limited's activities, setting standards for social and ethical practices and monitoring compliance with iCandy Interactive Limited's social responsibility policies and practices.

The Board of Directors (continued)

The Board would normally delegate to management responsibility for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing iCandy Interactive Limited's annual budget, recommending it to the Board for approval and managing day-to-day operations within budget; and
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board.

The current circumstances, however, require all these functions to be exercised by the Board members or the Company Secretary. The company does not currently have a performance evaluation method due to the current size and limited nature of operations.

The company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Board's composition, the roles and responsibilities of the Chairman, Company Secretary and management, the establishment, operations 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.

(c) Board size and composition

The Board determines its size and composition, subject to the limits imposed by iCandy Interactive Limited's Constitution. The Constitution requires a minimum of three and a maximum of twenty Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. Currently, the Board consists of four directors. The Board supports the principles of diversity; however, due to the size and scale of the company's operations, its has no female representative on the board at the present time.

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

(d) The selection and role of the Chairman

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role includes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

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.

The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.

(e) Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Materiality is assessed on a case-by-case basis by reference to each Directors' individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or other relationship with iCandy Interactive Limited, either directly, or as a partner, shareholder or officer of a company or other Company that has an interest, or a business or other relationship, with iCandy Interactive Limited or another iCandy Interactive Limited group member. Presently, the only independent Director is Robert Kolodziej. The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.

The Board of Directors (continued)

(f) Avoidance of conflicts of interest by a Director

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter.

(g) Meetings of the Board and their conduct

Meetings of the Board happen when and as appropriate. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of this Annual Report.

(h) Succession planning

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and iCandy Interactive Limited's future direction. The Board is also responsible for CEO succession planning.

(i) Review of Board performance

The Board of iCandy Interactive Limited 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 advisory, if deemed required. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.

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.

(j) Nomination and appointment of new Directors

iCandy Interactive Limited 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.

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.

(k) Retirement and re-election of Directors

iCandy Interactive Limited's Constitution states that one-third of our Directors must retire each year. The maximum time that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting. Eligible Directors who retire each year may offer themselves for re-election by shareholders at the next annual general meeting.

(l) Compulsory retirement of Directors

The Board has no limit on the number of terms of office which any Director may serve.

(m) Board access to information and advice

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational report. The Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, iCandy Interactive Limited's Constitution and the law. The Board collectively, and each Director individually has the right to seek independent professional advice at iCandy Interactive Limited's expense to help them carry out their responsibilities. Which the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval my be sought.

(n) 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. The Diversity Policy of iCandy Interactive Limited is available on the Company's website.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next five years as director and senior executive positions become vacant and appropriately qualified candidates become available:

The Board of Directors (continued)

	2017		2018 - 2023	
	No.	**%**	**No.**	**%**
Women on the Board	-	-	1	25%
Women in senior executive positions	-	-	-	-
Women employed by the company	-	-	-	-

(o) Securities trading policy

Directors and employees are subject to the Corporations Act restrictions on trading securities in the Company if they are in possession of inside information. This is regarded as any information that is non-public and, if it were public that a reasonable person would expect to have a material effect on the price of the Company's securities.

In addition, the Company has established a policy on the trading in iCandy Interactive Limited's securities, which applies to all Directors and employees. Key aspects of this policy are as follows:

- Directors and employees are encouraged to be long term holders of the company's securities and are discouraged from any short-term trading;
- Directors and employees may trade shares for 4 weeks following announcements of the annual results, half year results and the annual general meeting, provided the market has been fully informed. However, a trading embargo of 2 days applies immediately after any significant announcement;
- Directors and employees need to ensure that the market is fully informed before they can trade and to protect themselves should discuss the intended share trading with the Chairman or Company Secretary; and
- Trading outside the four-week period is required to be approved by the Chairman, prior to any transaction occurring. Generally, if the market is fully informed, the approval will be granted.

Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in the company shares.

Directors are also required to obtain a written acknowledgement of the Chairman (or the Board in the case of the Chairman) prior to trading.

Directors' interest in the company's securities have not changed materially in the last 12 months.

Board committees

(a) Board committees and membership

(b) Audit committee

(c) Board Risk Oversight Committee

(d) Board Nominations Committee

(e) Board Remuneration Committee

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have the committees listed above other than Audit and Board Risk Oversight committees. 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 above Committees under the written terms of reference for those committees.

Audit governance and independence

(a) Approach to audit governance

The Board is committed to these basic principles:

- iCandy Interactive Limited must produce trust and fair financial reports; and
- Its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies.

(b) Engagement and rotation of external auditor

iCandy Interactive Limited's independent external auditor is Bentleys Audit & Corporate (WA) Pty Ltd.

(c) Discussions with external auditor on independence

The Board requires the external auditor to confirm that they have maintained their independence.

Audit governance and independence (continued)

(d) Relationship with auditor

- the audit partners and any audit firm employee on the iCandy Interactive Limited's audit are prohibited from being an officer of iCandy Interactive Limited;
- an immediate family member of an audit partner or any audit firm employee on the iCandy Interactive Limited's audit is prohibited from being a Director or an office in a significant position at iCandy Interactive Limited;
- a former audit firm partner or employee on the iCandy Interactive Limited's audit is prohibited from becoming a Director or officer in a significant position at iCandy Interactive Limited for at least five years and after the five years, can have no continuing financial relationship with the audit firm;
- members of the audit team and firm are prohibited from having a business relationship with iCandy Interactive Limited or any officer of iCandy Interactive Limited unless the relationship is clearly insignificant to both parties;
- the audit firm, its partners, its employees on the iCandy Interactive Limited's audit and their immediate family members are prohibited from having a direct or material indirect investment in iCandy Interactive Limited;
- officers of iCandy Interactive Limited are prohibited from receiving any remuneration from the audit firm;
- the audit firm is prohibited from having a financial interest in any Company with a controlling interest in iCandy Interactive Limited; and
- the audit firm engagement team in any given year cannot include a person who had been an officer of iCandy Interactive Limited during that year.

(e) Restrictions on non-audit services by the external auditor

The external auditor is not restricted in the provision of non-audit services to iCandy Interactive Limited except as required by the Corporations Act or the ASX Listing Rules.

(f) Attendance at Annual General Meeting

iCandy Interactive Limited's external auditor attends the annual general meeting and is available to answer shareholders questions.

Controlling and managing risk

(a) Approach to risk management

Taking and managing risk are central to business and to building shareholder value. iCandy Interactive Limited's approach is to identify, assess and control the risks which affect is business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links iCandy Interactive Limited's vision and values, objectives and strategies, and procedures and training.

(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing iCandy Interactive Limited's risk management strategy and policy. The Risk Oversight Committee is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and management risks in all of iCandy Interactive Limited's activities.

iCandy Interactive Limited does not comply with ASX recommendations on these issues as it does not have a formal verifiable system of risk management or any employees to implement such a system as it does not view this to be appropriate at the current time. It relies on the oversight of the Directors and the various committees, together with the periodic verification of the external auditor.

(c) Company secretarial assurance

The Board received periodic reports about the financial condition and operational results of iCandy Interactive Limited. The CEO periodically provide formal statements to the Board that in all material respects:

- the company's periodic financial statements present a true and fair view of iCandy Interactive Limited's financial condition and operational results for those reporting periods; and
- that risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Remuneration framework

(a) Overview

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, (e.g. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine whether 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.

(b) Employee Share Options Scheme

There are no Employee Share Options Schemes (ESOS) granted over un-issued shares to directors or executives as part of their remuneration. The issue of any options would require approval by Shareholders.

Corporate responsibility and sustainability

(a) Approach to corporate responsibility and sustainability

iCandy Interactive Limited's approach to corporate responsibility and sustainability is to manage its business in a away that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, iCandy Interactive Limited accepts that the responsibilities flowing from this go beyond both strict legal obligations and financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin our everyday activities and corporate responsibility practices.

(b) Code of conduct

iCandy Interactive Limited's Board and management are committed to their Code of Conduct (Code) which is based on their core values and on the expectations of their clients, of shareholders and of the broader community.

The Code aims to promote a high level of professionalism and provide a benchmark for ethical and professional behaviour throughout the Company. It also promotes a healthy, respectful workplace and environment for all their employees.

At the same time, the Code aims to support their business reputation and corporate image within the wider community and make employees aware of the consequences they face if they breach the Code.

The ASX recommendations require that the Code of Conduct is reviewed periodically, specifically to reflect the ASX Corporate Governance Principles and Recommendations.

(c) Insider trading policy and trading in iCandy Interactive Limited shares

The Company Secretary has responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules, and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

iCandy Interactive Limited is committed to giving all shareholders comprehensive and equal access to information about our activities, and to fulfil continuous disclosure obligations to the broader market. iCandy Interactive Limited's policy is designed to ensure compliance with ASX Listing Rules continuous disclosure requirements. It ensures any information that a reasonable person would expect to have a material effect on the price of iCandy Interactive Limited's securities is disclosed.

At the same time, the Code aims to support their business reputation and corporate image within the wider community and make employees aware of the consequences they face if they breach the Code.

iCandy Interactive Limited currently maintains its own website and relies on communication in this medium on the ASX Company Announcements platform carrying all the relevant information.

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CORPORATE GOVERNANCE STATEMENT

Compliance with ASX Corporate Governance Council Good Practice Recommendations

The table below outlines each of the ASX Best Practice Recommendations and the Company's compliance with those recommendations. Where the Company has met the relevant recommendation during the reporting period, this is indicated by a "YES" in the relevant column. Where the Company has not met or complied with a recommendation, this is indicated by a "NO" and an accompanying note explaining the reasons why the Company has not met the recommendation.

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 of the 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 disclose: (a) undertake appropriate checks before appointing a person, or putting forward 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 h9olders 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.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 1.5 A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board; (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; (b) disclose that policy of a summary of it; and (c) disclose as at the end of each reporting period: (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. (ii) either: (A) the respective portions of men and women on 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.	Yes	(a) The Company has adopted a diversity policy (i) The diversity policy provides a framework for the Company to set out and achieve measurable objectives that encompass gender equality. (ii) 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. (b) The Diversity Policy is available on the Company's website. (c) (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. 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.
Recommendation 1.6 A listed entity should: (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	(a) Currently, the roles 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 significant magnitude. (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. (c) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. No performance evaluations were conducted during the relevant reporting period.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; 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	(a) The Board, as a whole, is responsible for evaluating the performance of senior executives and arranging performance evaluations. (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.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Principle 2: Structure the Board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination 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 (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 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.	No	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. The duties of the Nomination Committee are outlined in the Nomination Committee Charter contained in Schedule 5 of the Company's Corporate Governance Plan. 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. 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.
Recommendation 2.2 A listed entity should have and disclose a broad skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	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.
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 if 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 (c) the length of service of each director	Yes	(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. (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 interest disclosed by Directors. Details of the Directors interest, positions, associations and relationship are provided in this report. (c) The Board Charter provides for the determination of Directors' terms and requires the length of service of each Director to be disclosed. Date of appointments for each director are disclosed in the Company's Annual Report.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	No	The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence are provided in this report. The only current independent Director is Robert Kolodziej. The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.
Recommendation 2.5 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.	No	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. The Company may seek to appoint additional independent Directors in the future to address the lack of independence of its Directors.
Recommendation 2.6 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.	Yes	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. 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 Remuneration Committee under the written terms of reference for that committee.
Principle 3: Act Ethically and Responsibly		
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 executive and employees. (b) The Company's Corporate Code of Conduct is contained in the Corporate Governance Plan available on the Company's website.

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
CORPORATE GOVERNANCE STATEMENT

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Principle 4: Safeguard Integrity in Corporate Reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, 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 verifies and safeguards the integrity of its financial reporting, including the processes for the appointing and removal of the external auditor and the rotation of the external auditor.	Yes	The Board has established a formal audit committee and such a committee will operate under an audit committee charter which has already been approved by the Board. In the meantime, the Board as a whole carries out the functions of an audit committee in accordance with the audit committee charter.
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 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.	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 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 (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.
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 Annual Report.	Yes	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.
Principle 5: Make timely and balances disclosure		
Recommendation 5.1 A listed entity: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy of a summary of it; and	Yes	(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
Principle 6: Respect the rights of Security Holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available in the Corporate Governance Plan which is available on the Company's website.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	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.
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.	Yes	The Shareholder Communications 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 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 board.	Yes	Security holders can register with the Company to receive email notifications where an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary in the first instance.
Principle 7: Recognise and manage risk		
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 (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	The Board has established a formal risk oversight committee and such a committee will operate under a risk committee charter which will be approved by the Board.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
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 (b) disclose in relation to each reporting period, whether such a review has taken place.	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 theses 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 respect tot eh risk management review procedure and internal compliance 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 structed 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 process.	No	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 8 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.
Principle 8: Remunerate fairly and responsibly		
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 (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 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.	No	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 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 remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Compliance with ASX Corporate Governance Council Good Practice Recommendations (continued)

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 8.2 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 difference 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.	Yes	The Company discloses its policies and practices regarding the remuneration of non-executive and executive directors and other senior employees within the Annual Financial Report.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limited the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it	Yes	Equity based executive remuneration is made in accordance with thresholders set in plans approved by shareholders. In addition, the Company has issued equity based remuneration to both Executive and Senior Management which has been approved by shareholders at a general meeting, at which a summary of the incentive plan was provided to shareholders.

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of iCandy Interactive Limited and its controlled entities for the financial period ended 31 December 2017.

General Information

Directors

The following persons were directors of iCandy Interactive Limited during the whole of the financial period and up to the date of this report, unless otherwise stated.

Kin Wai Lau

Non-Executive Director and Chairman

Appointed on 20 March 2015

Kin-Wai is a serial tech entrepreneur with extensive international start-up, senior management and investment experience

Since founding his first company at the age of 23, Kin-Wai has built companies across telecom software, internet media and biotech. He is one of the handful of entrepreneurs in Southeast Asia that have real track-record of multiple exists. Kin-Wai was named by the media as one of the youngest ever MDs of a publicly traded firm in Southeast Asia when he IPO'd his first company at the age of 28. He has since been involved in building other tech companies, with three of them being listed on major stock exchanges in the region.

Kin-Wai began his career as research staff and a PhD candidate at the Imperial College, London before starting up his own company.

Kin-Wai frequently supports entrepreneurial campaigns in colleges and universities and is a regular judge at innovation and start-up competitions in Singapore.

Kin-Wai graduated with first class honours in Electronic & Electrical Engineering from the University of Manchester, United Kingdom. He also has a Master in Business, Administration from the University of Oxford.

Other current directorships of listed companies

Fatfish Internet Group Limited - appointed July 2014

Former directorships of listed companies in last three years

N/A

Phillip Lord

Executive Director

Appointed 11 October 2017

Phillip has been a serial investor in tech and early stage companies with 20 years of experience in global equity, debt, and M&A markets. He was fomerly MD for Jefferies & Nomura, working in Tokyo, Hong Kong, Singapore & London.

He expressed that he is super excited about joining iCandy and to have the opportunity to drive growth for them within the gaming industry, and its surrounding verticals like in-game advertising and micropayment. He has also stated that there is a revolution happening in blockchain technology and is positive that the blockchain technology could facilitate in-game micro-payment purchase in the gaming industry for the free-to-play business model of mobile games.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Robert Kolodziej

Non-Executive Director

Appointed 27 May 2015

Robert is a senior advisor at Bell Porter Securities and has over 20 years' experience in investment management. He has wide macroeconomic understanding across many areas of financial markets and specialises in strategic investment advice for high net worth clients, small cap fund managers and family officers.

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 Bell Potter Securities, he is also an Executive Director at Kollins Capital, a financial services and corporate advisory firm.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Donald Low

Non-Executive Director

Appointed on 20 March 2015

Donald has worked in the corporate advisory and corporate finance section with experience covering the whole business cycle, ranging from start-ups, business creating and exits via Initial Public Offerings (IPOs), Reverse Take Overs (RTO), Trade Sales and Mergers and Acquisitions (M&A). As part of all corporate restructurings, especially in distressed assets and business models, Donald takes a hands-on approach in the senior management of the companies post transactions.

He has served as Chief Executive Officer (CEO) and as director on boards of private and publicly listed companies in Asia, Australian and Europe with interests ranging from traditional businesses such as agriculture (oil palm plantations, etc.), logistics, finance, mining, manufacturing, goods and service (A&W) to new economy businesses in TMT (Telecommunication, Media & Technology) space and the fast growing internet environment.

Other current directorships of listed companies

Fatfish Internet Group Limited - appointed April 2008

Former directorships of listed companies in last three years

Gladiator Resources Limited - resigned February 2017

Company Secretary

Mr Donald H Low is the Company Secretary of the entity. He was appointed on 29 February 2016.

Shareholdings of directors and other key management personnel

The interest of each Director and other key management personnel, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

	31 December 2017		31 December 2016	
	Ordinary Shares	**Share Options**	**Ordinary Shares**	**Share Options**
Kin Wai Lau*	192,500,000	-	192,500,000	-
Phillip Lord	-	-	-	-
Donald Han Low*	192,500,000	-	192,500,000	-
Robert Kolodziej	250,000	-	250,000	-

* Shares are held in Fatfish Internet Pte Ltd, a fully owned subsidiary of Fatfish Internet Group Limited, of which Mr Kin Wai Lau and Mr Donald Han Low are directors of.

Meetings of Directors

During the financial year, 15 meetings of directors were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Kin Wai Lau	15	15
Phillip Lord	5	5
Donald Han Low	15	15
Robert Kolodziej	15	15

Principle Activities and Significant Changes in Nature of Activities

The Company's business plan is to develop and publish 'freenium' games for smartphones, which are free-to-download and free-to-play for platers. The 'freenium' 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 service in the Company's games; and
- Game merchandise sales - players can purchase game related merchandise branded with logos and artwork of the Company's various games.

REVIEW OF OPERATIONS

For this second year the Group entered into the Early Access program of Google Play app-store, a global program that sees selected game developers working closely with the Google Play team to test and experiment soon-to-be-launched game titles and apps to a global app-store community. The Group’s latest game title, Light A Way, was selected to be in the Early Access program. Light A Way is the first fantasy-themed game that the Group develops and publishes. It has received good response the Early Access program and all indications point to an eventual successful full-fledged launch expected to be carried out through-out the first quarter period of 2018.

Appxplore, a game studio of the Group, a Excellence in Gameplay Award of the coveted International Mobile Gaming Awards (IMGA) Southeast Asia. The prestigious IMGA award recognises the Group’s creativity and capability in the art of making high-quality entertainment products. The Group has also expanded its operation in Malaysia by setting up a dedicated Marketing and Analytics department to better analyse behaviours of its gaming community and take a proactive stance in designing better game titles and game mechanics that gamers will be inclined to like. The Group has continue to build up its creativity resources and pipeline during the period and through that the process the Group has invested into a talent pool that is now able to provide for a larger creativity and productivity throughput for the coming year of 2018.

Operating Results

The consolidated loss of the consolidated entity after providing for income tax amounted to $3,113,914 (2016: loss of $422,090)

Dividend Paid or Recommended

It is not recommended that a dividend be declared and no dividends were paid or declared during and since the end of the financial year.

Financial Position

The net assets of the Group have increased by $732,070 from $3,061,090 as at 31 December 2016 to $3,793,160 as at 31 December 2017.

Matters subsequent to the End of the Financial Year

At 31 December 2017, the Group had prepaid for 1,449,696 NOX tokens, and value at 31 December 2017 was $610,780. At the date of this report, NOX is being traded with a value of AUD $0.0945 per token (USD $0.0726). The fair value of the tokens held as at the date of this report is AUD $137,017 (USD $105,248)

At the date of this report, the matter regarding the Company's application to the Federal Court of Australia for orders providing for the retrospective curing of the offers for sale, or sale, by the subscribers of shares issued on 9 October 2017 was heard before the Honorable Justice Banks-Smith in the Federal Court on the 26 March 2018. Justice Banks-Smith had reserved judgement and ordered that ASIC file and service further submissions by 9 April 2018 and the Company file and serve any submissions (if necessary) in reply within 7 days of ASIC submissions.

ASX has advised that the Company's shares will remain in voluntary suspension until such time as orders are made by the Federal Court. The Company will make a further announcement once a judgement is received.

At the date of this report, the transaction to purchase the Casual Games Portfolio from Animoca Brands Corporation Limited ("AB1") has yet to be completed. The transaction is expected to complete within the second quarter of the 2018 year subject to the Company getting shareholder approval and fulfillment of customary closing conditions, after which the Company will pay AB1 an upfront consideration of AUD 1 million in cash and AUD 4 million in the Company's shares at a fixed valuation of AUD 0.16 per share (25,000,000 shares). To the date of this report, a total deposit of AUD 250,000 has been paid to AB1. The total remaining cash consideration left to be paid is AUD 750,000.

In addition to the upfront consideration described above, AB1 will also receive deferred payments of up to AUD 3 million in 2018 and 2019, subject to revenue hurdles and payable in the Company's shares, as well as earn-out payments on profit generated by the games sold for a period of five years after the closing of the Transaction.

The Company had entered into a binding term sheet with Animoca Brands Corporation Limited ("AB1") and Nitro Interactive Limited ("Nitro") to co-develop and co-invest in a global iOS and Android mobile game application based on the *Masterchef* franchise, one of the world's top-rate competitive cooking reality television programs.

The Company, AB1 and Nitor have committed to co-develop the *Masterchef* mobile app, with AB1 contributing 50% of the total development, publishing, and market costs while the Company and Nitro will contribute 25% each of the same. AB1 will own all intellectual property rights relating to the mobile app and grants to Nitro an irrevocable, fully paid-up, royalty-free worldwide license to those rights.

Mr Donald Low has resigned as the Company's director and Company Secretary, effective 1 April 2018. Mr Marcus Ungar would be appointed as an Non-Executive Director. Mr Andrew Draffin and Ms Jiahui Lan would be appointed joint Company Secretary on that date.

Future Developments

The Company plans to implement its business strategy as outlined above.

The Company will continue to keep stakeholders informed of any future developments via its compliance with the continuous disclosure requirements.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Audit/ Non-Audit Services

Auditors' remuneration is disclosed in Note 6. No non-audit services have been provided by the auditor or their related practices.

Indemnifying Officers or Auditor

An indemnity has been given by the Company in favour of the directors to the extent that the Corporations Act 2001 allows. No payment or agreement has been given in relation to a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

No other insurance premium or indemnity has been paid or provided in respect of any directors or auditors.

Capital Raising and Capital Structure

As at 31 December 2017, the Company has 277,192,746 fully paid ordinary shares. During the year, a total of 47,909,412 fully paid ordinary shares were issued. Please refer to Note 18 - Issued capital for further details.

Summary of Options on issue

Issuing entity	Issue Date	Number of shares under option	Class of shares	Exercise Price	Expiry Date
iCandy Interactive Limited	10 June 2015	8,033,333	Listed options	$0.210	4 February 2020
iCandy Interactive Limited	1 February 2016	22,500,000	Listed options	$0.210	4 February 2020
iCandy Interactive Limited	9 October 2017	20,500,000	Unlisted options	$0.100	9 October 2019
iCandy Interactive Limited	9 October 2017	10,000,000	Unlisted options	$0.065	9 October 2018

Option holders do not have any rights to participate in any issues or other interest in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to Remuneration Report.

There have been no shares issued since the end of the financial year resulting from exercise of options.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307c of the Corporations Act 2001 is attached on page 21.

REMUNERATION REPORT - AUDITED

This remuneration report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

Remuneration Policies

Remuneration levels are competively set to attract the most qualified and experienced Directors and Senior Executives. The Board may obtain independent advice on the appropriateness of remuneration packages. No independent advice was sought during or since the end of the period under review with regards to remuneration.

There are no schemes for retirement benefits.

The directors are reimbursed for expenses incurred by them in the course of their duties as directors of the company.

There is no link between the provision of any monetary benefits and performance of the company.

The Group's earnings and movement in shareholder's wealth for financial year ended 31 December 2017 are detailed in the following table:

	31 December 2017	31 December 2016	Nine months ending 31 December 2015
	$	$	$
Revenue	1,656,454	1,573,817	154,246
Net (loss) before tax	(3,362,941)	(408,768)	(250,254)
Net (loss) after tax	(3,113,914)	(422,090)	(250,254)
Share price at start of the year	0.14	-	-
Share price at end of the year	0.16	0.14	-
Dividends paid	-	-	-
Basic (loss) per share	(1.23)	(0.19)	(0.14)

Key management remuneration policy

The key management personnel of the company are represented by the directors and company secretary.

The key management personnel remuneration policy is therefore the same as the directors' remuneration policy.

Directors and executives disclosed in this report

Name (current directors)	Position Held
Kin Wai Lau	Non-Executive Director and Chairman
Phillip Lord (appointed 11 October 2017)	Executive Director
Donald Han Low	Non-Executive Director and Company Secretary
Robert Kolodziej	Non-Executive Director

Remuneration of Directors and Other Key Management Personnel (KMP) for the Year Ended 31 December 2017

2017	Salaries, fees and leave	Shares, Options/ Incentive Rights	Superannuation	Total
Group KMP	$	$	$	$
Kin Wai Lau	23,024	-	-	23,024
Phillip Lord (appointed 11 October 2017)	108,738	-	-	108,738
Donald Han Low	24,000	-	-	24,000
Robert Kolodziej	12,000	-	-	12,000
	167,762	-	-	167,762

Remuneration of Directors and Other Key Management Personnel (KMP) for the Year Ended 31 December 2016

2016	Salaries, fees and leave	Shares, Options/ Incentive Rights	Superannuation	Total
Group KMP	$	$	$	$
Kin Wai Lau	19,111	-	-	19,111
Donald Han Low	22,000	-	-	22,000
Robert Kolodziej	11,000	-	-	11,000
Ivan Perry Wu - Resigned 29.02.2016	4,500	-	-	4,500
	56,611	-	-	56,611

No post-employment benefits were paid to the directors. The directors do not participate in any incentive programs.

KMP Shareholdings

The number of ordinary shares in iCandy Interactive Limited held by each KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Granted as Remuneration during the year	Issued on Exercise of Options during the year	Other changes during the year	Balance at End of Year
Group KMP					
Kin Wai Lau*	192,500,000	-	-	-	192,500,000
Phillip Lord	-	-	-	-	-
Donald Han Low*	192,500,000	-	-	-	192,500,000
Robert Kolodziej	250,000	-	-	-	250,000

*Shares are held in Fatfish Internet Pte Ltd, a fully owned subsidiary of Fatfish Internet Group Limited, of which Mr Kin Wai Lau and Mr Donald Han Low are directors of.

The number of listed and unlisted options in iCandy Interactive Limited held by each KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Granted as Remuneration during the year	Issued on Exercise of Options during the year	Other changes during the year	Balance at End of Year
Group KMP					
Kin Wai Lau	-	-	-	-	-
Phillip Lord	-	-	-	-	-
Donald Han Low	-	-	-	-	-
Robert Kolodziej	-	-	-	-	-

Share options granted to directors and executives

No shares or options were granted to Directors or Executives during the year.

At the end of the financial year, no unlisted options were held by any Director and other key management personnel, directly and indirectly.

Other transactions and balances with Key Management Personnel:

Mr Kin Wai Lau had loaned iCandy Ventures Limited, a wholly owned subsidiary of iCandy Interactive Limited AUD $191,865 (SGD $200,000) during the reporting year.

This concludes the remuneration report, which has been audited.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

Mr Kin Wai Lau
Director
Dated this 29 March 2018

Bentleys®
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of iCandy Interactive Limited for the financial year ended 31 December 2017, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

Mark Delaurentis

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 29th day of March 2018

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Group 2017 $	Group 2016 $
Continuing operations			
Revenue	3	1,656,454	1,573,817
Other income	3	(11,137)	41,277
Cost of sales		(939,533)	(896,632)
Gross Profit		705,784	718,462
Marketing expenses		(65,269)	(261,091)
Audit fees		(50,196)	(38,552)
Legal and Professional fees		(129,108)	(364,048)
Share based payments		(885,980)	-
Occupancy expenses		(37,834)	(17,075)
Employee benefits expense		(514,729)	(114,026)
Depreciation and amortisation expense		(651,745)	(162,951)
Impairment expense		(1,488,570)	-
Computer expenses		(11,274)	(6,169)
Other expenses		(113,322)	(150,927)
Travel expenses		(120,698)	(8,542)
Finance expenses		-	(3,849)
Profit before income tax		(3,362,941)	(408,768)
Tax (benefit)/expense	4	249,027	(13,322)
Loss for the year attributable to members of the company		(3,113,914)	(422,090)
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		62,889	(132,697)
		62,889	(132,697)
Total other comprehensive income/(loss) for the year		62,889	(132,697)
Total comprehensive income for the year		(3,051,025)	(554,787)
Earnings per share			
Basic loss per share (cents)	7	(1.23)	(0.19)
Diluted loss per share (cents)	7	(1.23)	(0.19)

The accompanying notes form part of these financial statements.

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	Group 2017 $	Group 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	142,241	645,505
Trade and other receivables	9	287,256	204,570
Other financial assets	10	1,379,023	1,268,550
Other assets	14	18,501	-
TOTAL CURRENT ASSETS		1,827,021	2,118,625
NON-CURRENT ASSETS			
Other financial assets	10	-	37,509
Property, plant and equipment	12	97,910	20,827
Intangible assets	13	1,713,129	1,283,606
Other non-current assets	14	1,184,334	303,693
TOTAL NON-CURRENT ASSETS		2,995,373	1,645,635
TOTAL ASSETS		4,822,394	3,764,260
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	134,139	161,279
Other financial liabilities	16	832,696	520,191
Current tax liabilities	17	2,006	10,962
TOTAL CURRENT LIABILITIES		968,841	692,432
NON-CURRENT LIABILITIES			
Other financial liabilities	16	-	9,049
Deferred tax liabilities	17	60,393	1,689
TOTAL NON-CURRENT LIABILITIES		60,393	10,738
TOTAL LIABILITIES		1,029,234	703,170
NET ASSETS		3,793,160	3,061,090
EQUITY			
Issued capital	18	27,056,445	24,159,330
Reserves	26	(19,477,027)	(20,425,896)
Retained earnings		(3,786,258)	(672,344)
TOTAL EQUITY		3,793,160	3,061,090

The accompanying notes form part of these financial statements.

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

			Reserves			
	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Other components of Equity	Total
	$	$	$		$	$
Consolidated Group						
Balance at 1 January 2016	20,061,697	(250,254)	(3,200)	-	(20,289,999)	(481,756)
Comprehensive income						
Loss for the year	-	(422,090)	-	-	-	(422,090)
Other comprehensive income for the year	-	-	(132,697)	-	-	(132,697)
Total comprehensive income for the year	-	(422,090)	(132,697)	-	-	(554,787)
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year	4,500,000	-	-	-	-	4,500,000
Transaction costs	(402,367)	-	-	-	-	(402,367)
Total transactions with owners and other transfers	4,097,633	-	-	-	-	4,097,633
Balance at 31 December 2016	24,159,330	(672,344)	(135,897)	-	(20,289,999)	3,061,090
Balance at 1 January 2017	24,159,330	(672,344)	(135,897)	-	(20,289,999)	3,061,090
Comprehensive income						
Loss for the year	-	(3,113,914)	-	-	-	(3,113,914)
Other comprehensive income for the year	-	-	62,889	-	-	62,889
Total comprehensive income for the year	-	(3,113,914)	62,889	-	-	(3,051,025)
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year	2,977,065	-	-	-	-	2,977,065
Transaction costs	(79,950)	-	-	-	-	(79,950)
Options issued during the year	-	-	-	885,980	-	885,980
Total transactions with owners and other transfers	2,897,115	-	-	885,980	-	3,783,095
Balance at 31 December 2017	27,056,445	(3,786,258)	(73,008)	885,980	(20,289,999)	3,793,160

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Group 2017 $	Group 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,553,137	818,284
Payments to suppliers and employees		(2,166,699)	(1,777,134)
Net cash provided by (used in) operating activities	20a	(613,562)	(958,850)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash acquired with acquisition of Inzen Studio Pte Ltd		631	-
Interest received		60,323	53,200
Purchase of property, plant and equipment		(89,802)	(14,281)
Purchase of intangible assets		(464,585)	(1,235,524)
Deposit paid for acquisition of investment		(250,000)	(302,533)
Payments for investments		(601,390)	-
Loans to related parties:			
- payments made		-	(1,223,729)
- proceeds from repayments		(104,351)	196,328
Net cash provided by (used in) investing activities		(1,449,174)	(2,526,539)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,332,500	4,121,584
Payments for capital raising costs		(87,945)	(406,367)
Loans from related parties			
- payments made		-	(20,797)
- proceeds from borrowings		314,490	10,986
Net cash provided by (used in) financing activities		1,559,045	3,705,406
Net increase in cash held		(503,691)	220,017
Cash and cash equivalents at beginning of financial year		645,505	427,197
Effect of exchange rates on cash holdings in foreign currencies		427	(1,709)
Cash and cash equivalents at end of financial year	8	142,241	645,505

The accompanying notes form part of the financial statements.

These consolidated financial statements and notes represent those of iCandy Interactive Limited and Controlled Entities ("group").

The financial statements were authorised for issue on 29 March 2018 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

iCandy Interactive Limited's financial statements consolidated those of the Parent Company and all of its subsidiaries as of 31 December 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

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

over the acquisition date fair value of net identifiable assets acquired.

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.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

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.

Note 1: Summary of Significant Accounting Policies (Cont'd)

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. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Refer to Note 11 for information on the goodwill policy adopted by the Group for acquisitions.

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.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Note 1: Summary of Significant Accounting Policies (Cont'd)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) 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 interests 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 (premium on assets acquired - Note 21)

(f) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Note 1: Summary of Significant Accounting Policies (Cont'd)

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(g) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Note 1: Summary of Significant Accounting Policies (Cont'd)

(h) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into 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 where deferred in equity as a qualifying cash flow or net investment hedge.

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 profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group'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 average exchange rates for the period; and
— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Note 1: Summary of Significant Accounting Policies (Cont'd)

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks. Bank overdrafts are reporting within short-term borrowings in current liabilities in the statement of financial position.

(m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax.

(n) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(l) for further discussion on the determination of impairment losses.

(o) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(r) 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 statement is presented.

Note 1: Summary of Significant Accounting Policies (Cont'd)

(s) 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 Group.

(i) Key judgements and estimates - Intellectual Property - Software

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 these 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 line over the period of the expected benefit, being 5 years. Impairment testing is undertaken when impairment indicators exist.

(ii) Key Estimate - Taxation

Refer to Note 4 - Income Tax

(iii) Key judgements 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.

(iv) Key Estimate - Impairment of Goodwill

Refer to Note 13 - Intangible Assets

(v) Key judgements and estimates - Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 21 - Share-based payments.

(t) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

— AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Hedge accounting requirements are required to be prospectively applied.

— Further reduction in the carrying amount of trade receivables and investments in related parties as at 31 December 2017 due to additional loss allowances (measured as 12-month and life-time expected credit losses) provided for such instruments that are not yet past due and past due but not yet impaired. The assessment of financial impact on account of the above is still in progress;

— Listed and Unlisted investments that are classified as available-for-sale financial assets (not held for trading) will be continued to be measured at fair value through other comprehensive income through an irrevocable option as permitted by AASB 9. As such no financial impact is expected to arise from this reclassification.

— Unlisted investments at cost are not held for trading and as such will be measured at fair value through other comprehensive income through an irrevocable option as permitted by AASB 9. However Management believes that there is a wide range of possible fair value measurements for these instruments and their cost represents the best estimate of fair value within that range. Hence, as per the relevant principle in AASB 9, cost of these investments is regarded to be an appropriate estimate of their fair value. As such no financial impact is expected to arise due to the above mentioned reclassification.

— Government and fixed interest securities are held in a business model of collecting all contractual cash flows (principal and interest) and therefore will continue to be measured at amortised cost. Therefore there will be no financial impact.

Note 1: Summary of Significant Accounting Policies (Cont'd)

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018)

When effective, this Standard will replace the current accounting requirements in AASB 118 and the related interpretations. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Revenue is recognised through a five-step process that notably involves identifying a contract with customer and the related performance obligations and recognising revenue (as a portion of transaction price allocated to such performance obligations) as and when the performance obligation is satisfied.
The key areas of change that may impact the Group's financial statements have been identified below:

- identification and categorisation of performance obligations on each contract, which would influence the timing of revenue recognition on each contract deliverable;
- capitalisation of costs incurred in procuring a contract that is expensed under the existing accounting policies;
- upfront estimation of credit risk applicable to each customer and factoring the same in the revenue recognition of each contract;
- estimation of the variable consideration in the transaction price and including that portion in the revenue recognition on the contract for the current year; and
- additional qualitative and quantitative disclosures regarding contracts and the related amounts.

The assessment of the financial impact on account of the above changes in accounting policies is still in progress and as such not known at this stage.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

— AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018.

(u) Going Concern Note

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the year after tax of $3,113,914 net cash outflows from operating activities of $613,562.

During the year, the entity entered a term sheet with Animoca Brands Limited ("AB1") for the acquisition of its mobile games business. On settlement which is expected in the first half of 2018, a cash payment of AUD 750,000 will be required to be made to AB1 representing the remainder of the cash consideration.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2017 $	2016 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	368,117	474,135
Non-current Assets	3,471,914	23,503,452
TOTAL ASSETS	3,840,031	23,977,587
LIABILITIES		
Current Liabilities	93,491	34,668
Non-current Liabilities	(46,620)	106,418
TOTAL LIABILITIES	46,871	141,086
NET ASSETS	3,793,160	23,836,501
EQUITY		
Issued Capital	27,056,444	24,159,330
Reserves	885,980	-
Retained earnings	(24,149,264)	(322,829)
TOTAL EQUITY	3,793,160	23,836,501
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Profit/(Loss) for the year	(23,826,435)	(275,614)
Other comprehensive income for the year	-	-
Total comprehensive income	(23,826,435)	(275,614)

On consolidation of the Group, iCandy Interactive Limited's investment cost in iCandy Ventures Limited ($15,000,000) and iCandy Digital Pte Ltd - formerly known as Kensington Ventures Pte Ltd ($5,000,000) has been allocated to equity. Refer to Note 21(b) for a detailed explanation on the adoption of this accounting policy.

Contingent liabilities

In relation to the acquisition of Inzen Studio Pte Ltd, iCandy will issue SGD 1 million (AUD $959,325) worth of shares to the previous shareholders of Inzen Studio Pte Ltd upon the new game title "Dark Dot" or other game-titles published by the Company achieving revenue of SGD 500,000 (AUD $479,662) within 24 months from the closing date (12 April 2017). In addition, iCandy will issue an addition SGD 1 million (AUD $959,325) worth of shares to the previous shareholders of Inzen Studio Pte Ltd upon the new game title "Dark Dot" or other game-titles published by the Company achieving revenue of SGD 1,000,000 (AUD $959,325) within 24 months from the closing date (12 April 2017)

Note 3 Revenue and Other Income

	Group 2017 $	Group 2016 $
(a) Revenue from continuing operations		
Sales revenue		
— Sale of mobile game applications	1,656,454	1,486,201
— Game developing income	-	87,616
—	-	-
	1,656,454	1,573,817
Other revenue		
— interest received	60,323	52,886
— Unrealised foreign exchange gain/(loss)	(50,370)	3,476
— Realised foreign exchange gain/(loss)	(29,330)	(15,085)
— Other income	8,240	-
	(11,137)	41,277
Total revenue	1,645,317	1,615,094

Note 4 Tax Expense

		Note	Group 2017 $	Group 2016 $
(a)	The components of tax (expense) income comprise:			
	Current tax		250,988	(10,962)
	Deferred tax	17	(1,961)	(1,689)
	Foreign currency translation difference		-	(671)
			249,027	(13,322)
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
	Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2016: 28.5%)			
	— consolidated group		(924,809)	(116,499)
	Add:			
	Tax effect of:			
	— current year tax loss not brought into account		924,809	116,499
	— income tax payable by foreign subsidiary		(3,969)	13,322
	— write back of deferred tax liabilities brought into account		(245,058)	-
			(249,027)	13,322
(c)	**Deferred tax assets not brought into account**			
	Deferred tax assets not brought to account, the benefits of which will only be realised if it is probable that taxable profit will be available against which the unutilised tax losses can be utilised.			
	Temporary differences			
	Tax Losses:			
	- Operating Losses		678,564	659,022
(d)	**Deferred tax liabilities**			
	Deferred tax liabilities brought into account on purchase of Inzen Studio Pte Ltd		58,432	-
	Deferred tax liabilities brought into account by foreign subsidiary		1,961	1,689
			60,393	1,689

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 December 2017.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2017 $	2016 $
Short-term employee benefits	59,024	56,611
Share-based payments	-	-
Total KMP compensation	59,024	56,611

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Share-based payments

– these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Note 6 Auditor's Remuneration

	Group 2017 $	Group 2016 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report of iCandy Interactive Limited	30,701	31,115
— auditing or reviewing the financial report of subsidiaries	19,495	7,437
	50,196	38,552

Note 7 Earnings per Share

	Group 2017 $	Group 2016 $
(a) Reconciliation of earnings to profit or loss		
Loss	(3,113,914)	(422,090)
Loss used to calculate basic and dilutive EPS	(3,113,914)	(422,090)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	253,761,838	227,377,596
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	253,761,838	256,005,192

Note 8 Cash and Cash Equivalents

	Note	Group 2017 $	Group 2016 $
Cash at bank and on hand		142,241	645,505
	25	142,241	645,505

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2017 $	2016 $
Cash and cash equivalents	142,241	645,505
	142,241	645,505

Note 9 Trade and Other Receivables

	Group 2017 $	Group 2016 $
CURRENT		
Trade receivables	165,854	153,537
Provision for impairment	-	-
	165,854	153,537
Other receivables	96,834	49,702
GST receivables	24,567	1,331
Total current trade and other receivables	287,256	204,570

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 9. 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 Australia and the Malaysia given the substantial operations in those regions. The Group's exposure to credit risk for receivables at the end of the reporting period in those regions is as follows:

	Group 2017 $	Group 2016 $
AUD		
Australia	21,792	2,567
Singapore	88,131	1,374,355
Malaysia	177,333	176,874
	287,256	1,553,796

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

Note 9: Trade and Other Receivables (Cont'd)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2017	$	$	$	$	$	$	$
Trade and term receivables	165,854	-	-	-	-	-	165,854
Other receivables	121,401	-	-	-	-	-	121,401
Total	287,256	-	-	-	-	-	287,256

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2016	$	$	$	$	$	$	$
Trade and term receivables	153,537	-	-	43,523	5,152	857	104,005
Other receivables	51,033	-	-	-	-	-	51,033
Total	204,570	-	-	43,523	5,152	857	155,038

(b) **Collateral Held as Security**

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

	Note	Group 2017 $	Group 2016 $
(c) **Financial Assets Classified as Loans and Receivables**			
Trade and other Receivables			
— Total current		287,256	204,570
— Total non-current		-	-
Total financial assets classified as loans and receivables	25	287,256	204,570

Note 10 Other Financial Assets

	Group 2017 $	Group 2016 $
CURRENT		
Amounts receivable from :		
— other related parties	1,328,595	1,268,550
— others	50,428	-
Total current assets	1,379,023	1,268,550
NON-CURRENT		
Amounts receivable from:		
— other related parties	-	37,509
Total non-current assets	-	37,509
Total Other Financial Assets		
Current	1,379,023	1,268,550
Non-Current	-	37,509
	1,379,023	1,306,059

Terms of Receivables:

All receivables are at call.
There are no securities attached
No interest are charged on receivables.

Note 11 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. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group 2017 (%)	2016 (%)
iCandy Digital Pte Ltd (formerly known as Kensington Ventures Pte Ltd)	Singapore	100	100
iCandy Ventures Limited	British Virgin Island	100	100
Appxplore Sdn Bhd (100% owned by iCandy Ventures Limited)	Malaysia	100	100
Inzen Studio Pte Ltd	Singapore	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 assets and settle liabilities, of the Group.

Note 12 Property, Plant and Equipment

	Group 2017 $	2016 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	87,836	39,634
Accumulated depreciation	(34,196)	(25,595)
	53,640	14,039
Leasehold improvements		
At cost	51,928	10,327
Accumulated depreciation	(8,256)	(4,220)
	43,672	6,107
Signage		
At cost	849	849
Accumulated depreciation	(251)	(168)
	598	681
Total property, plant and equipment	97,910	20,827

(a) **Movements in Carrying Amounts**

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Leasehold Improvements $	Plant and Equipment $	Signage $	Total $
Consolidated Group:				
Balance at 1 January 2016	3,680	11,066	373	15,119
Additions	4,364	9,482	435	14,281
Depreciation expense	(1,937)	(6,509)	(127)	(8,573)
Balance at 31 December 2016	6,107	14,039	681	20,827
Additions	41,601	48,202	-	89,803
Depreciation expense	(4,036)	(8,601)	(83)	(12,720)
Balance at 31 December 2017	43,672	53,640	598	97,910

Note 13 Intangible Assets

	Group 2017 $	Group 2016 $
Goodwill		
Cost	305,300	-
Accumulated impairment losses	(305,300)	-
Net carrying amount	-	-
Computer software:		
Cost	1,759,275	1,346,355
Accumulated amortisation and impairment losses	(554,499)	(203,000)
Net carrying amount	1,204,776	1,143,355
Research and development		
Cost	2,014,213	175,314
Accumulated amortisation and impairment losses	(1,505,860)	(35,063)
Net carrying amount	508,353	140,251
Total intangible assets	1,713,129	1,283,606

Consolidated Group:

	Goodwill $	Computer Software $	Research and Development $	Total $
Year ended 31 December 2016				
Balance at the beginning of the year	-	202,461	-	202,461
Additions	-	1,060,210	175,314	1,235,524
Disposals	-	-	-	-
Amortisation charge	-	(119,316)	(35,063)	(154,379)
	-	1,143,355	140,251	1,283,606
Year ended 31 December 2017				
Balance at the beginning of the year	-	1,143,355	140,251	1,283,606
Additions	-	412,920	53,663	466,583
Acquisitions through business combinations	305,300	-	1,785,236	2,090,536
Amortisation charge	-	(351,499)	(287,526)	(639,025)
Impairment losses	(305,300)	-	(1,183,271)	(1,488,571)
Closing value at 31 December 2017	-	1,204,776	508,353	1,713,129

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful life.

Goodwill has been impaired as the cash generating unit was in a loss making situation.

A discount cashflow forecast for the intangibles brought in through business acquisition was prepared based on the expected life of games. The calculations were done based on sales received to date and an estimate of future revenue. The present value of the intangibles does not support the value that was brought in. An impairment was provided for the intangibles to the present value as calculated using the method described before.

Note 14 Other Assets

	Group 2017 $	Group 2016 $
CURRENT		
Prepayments	18,501	-
	18,501	-
NON-CURRENT		
Prepayment on acquisition of business	573,553	303,693
Prepayment on cryptocurrency	610,781	-
	1,184,334	303,693
Total Other Assets		
Current	18,501	-
Non-Current	1,184,334	303,693
	1,202,835	303,693

Note 15 Trade and Other Payables

	Group 2017 $	Group 2016 $
CURRENT		
Unsecured liabilities		
Trade payables	58,854	4,863
Sundry payables and accrued expenses	75,285	156,416
	134,139	161,279

	Note	Group 2017 $	Group 2016 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		134,139	161,279
— Total non-current		-	-
Financial liabilities as trade and other payables	25	134,139	161,279

Note 16 Other Financial Liabilities

	Group 2017 $	Group 2016 $
CURRENT		
Amounts payable to:		
— other related parties	832,696	520,191
	832,696	520,191
NON-CURRENT		
Amounts payable to:		
— other related parties	-	9,049
	-	9,049
Total Other Financial Assets		
Current	832,696	520,191
Non-Current	-	9,049
	832,696	529,240

Terms of payables

All payables are at call
There are no securities attached
No interest payable on amounts owing.

Note 17 Tax

	Group 2017 $	Group 2016 $
CURRENT		
Income tax payable	2,006	-
	2,006	-

NON-CURRENT	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Consolidated Group	$	$	$	$	$	$
Deferred tax liabilities						
Other	-	-	1,689	-	-	1,689
Balance at 31 December 2016	-	-	1,689	-	-	1,689
Intangible assets	-	-	58,432	-	-	58,432
Other	1,689	-	229	-	43	1,961
Balance at 31 December 2017	1,689	-	58,661	-	43	60,393

Note 18 Issued Capital

	Group 2017 $	Group 2016 $
277,192,746 fully paid ordinary shares (2016: 229,283,334 fully paid ordinary shares)	27,056,445	24,159,330
	27,056,445	24,159,330

The company has authorised share capital amounting to 277,192,746 fully paid ordinary shares.

(a) **Ordinary Shares**	Group 2017 No.	2017 $	2016 No.	2016 $
At the beginning of the reporting period	229,283,334	24,159,330	206,783,334	20,061,697
Shares issued during the year	47,909,412	2,977,065	22,500,000	4,500,000
Transaction costs	-	(79,950)	-	(402,367)
At the end of the reporting period	277,192,746	27,056,445	229,283,334	24,159,330

On 12 April 2017, 27,409,412 fully paid ordinary shares were issued as part consideration for the Company's acquisition of Inzen Studio Pte Ltd. Value of the shares at issue date was $1,644,565. Refer to Note 21 for further details.

On 9 October 2017, 20,500,000 fully paid ordinary shares were issued in a private placement raising a total of $1,332,500 before costs.

(b) **Options**

There were 27,716,666 listed options on issue for the financial year ended 31 December 2017. 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.

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 2017 No.	Group 2016 No.
Balance at beginning of the year	27,716,666	5,216,666
Granted during the financial year	-	22,500,000
Expired during the financial year	-	-
Balance at end of the financial year	27,716,666	27,716,666
Exercisable at the end of the financial year	27,716,666	27,716,666

Note 18: Issued capital (Cont'd)

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	
	2017	2016
	No.	No.
Balance at beginning of the year	2,816,667	2,816,667
Granted during the financial year	30,500,000	-
Expired during the financial year		-
Balance at end of the financial year	33,316,667	2,816,667
Exercisable at the end of the financial year	33,316,667	2,816,667

A total of 20,500,000 unlisted options were issued in conjunction with the private placement on 9 October 2017. The options have an exercise price of $0.10 and an expiry date of 9 October 2019.

An additional 10,000,000 unlisted options were issued to the brokers involved in the private placement as mentioned above. The options were issued in consideration of broking services provided to the Company. Options have an exercise price of $0.065 and an expiry date of 9 October 2018.

(c) **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group’s debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group’s capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		Group	
		2017	2016
	Note	$	$
Total borrowings		832,696	529,240
Less cash and cash equivalents	8	(142,241)	(645,505)
Net debt		690,455	(116,265)
Total equity		3,793,160	3,061,090
Total capital		4,483,615	2,944,825
Gearing ratio		15%	N/A

Note 19 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 basis.

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.

Note 19: Operating Segments (Cont'd)

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
- Current tax liabilities
- Other financial liabilities
- Intangible assets

(f) **Segment information**

(i) **Segment performance**

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2017	$	$	$	$
REVENUE				
External sales	-	1,656,454	-	1,656,454
Total segment revenue	-	1,656,454	-	1,656,454
Reconciliation of segment revenue to group revenue				
Total group revenue				1,656,454
Segment net loss from continuing operations before tax	(739,054)	355,353	(1,172,519)	(1,556,220)
Reconciliation of segment result to group net profit/loss before tax				
Intersegment elimination				(1,557,694)
Net loss before tax from continuing operations				(3,113,914)

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2016	$	$	$	$
REVENUE				
External sales	87,616	1,001,673	-	1,089,289
Other income	(6,356)	(5,244)	(9)	(11,609)
Interest revenue	-	33,185	19,701	52,886
Total segment revenue	81,260	1,029,614	19,692	1,130,566
Reconciliation of segment revenue to group revenue				
Total group revenue				1,130,566
Segment net loss from continuing operations before tax	(803,816)	657,340	(275,614)	(422,090)
Reconciliation of segment result to group net profit/loss before tax				
Intersegment elimination				
Net loss before tax from continuing operations				(422,090)

Note 19: Operating Segments (Cont'd)

(ii) **Segment assets**

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2017	$	$	$	$
Segment assets	1,627,611	3,241,995	26,646,985	31,516,591
Segment assets include:				
— Non-current assets (other than financial assets and deferred tax)	1,623,921	2,915,803	21,896,758	26,436,482
Reconciliation of segment assets to group assets				
Intersegment eliminations				(26,694,197)
Total group assets				4,822,394

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2016	$	$	$	$
Segment assets	1,176,318	2,112,473	475,469	3,764,260
Segment assets include:				
— Non-current assets (other than financial assets and deferred tax)	1,144,673	159,761	-	1,304,434
Reconciliation of segment assets to group assets				
Intersegment eliminations				-
Total group assets				3,764,260

(iii) **Segment liabilities**

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2017	$	$	$	$
Segment liabilities	3,667,538	2,139,952	199,909	6,007,399
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(4,978,165)
Total group liabilities				1,029,234

	Development of digital media	Development of Intellectual properties	All Other Segments	Total
31 December 2017	$	$	$	$
Segment liabilities	482,907	77,845	142,418	703,170
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				-
Total group liabilities				703,170

(iv) **Revenue by geographical region**

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	31 December 2017	31 December 2016
	$	$
Australia	-	19,692
Singapore	-	81,260
Malaysia	1,656,454	1,514,142
Total revenue	1,656,454	1,615,094

(v) **Assets by geographical region**

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

	31 December 2017	31 December 2016
	$	$
Australia	370,310	475,469
Singapore	1,627,611	1,176,318
Malaysia	2,824,473	2,112,473
Total assets	4,822,394	3,764,260

Note 20 Cash Flow Information

	Group 2017 $	Group 2016 $
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**		
Profit after income tax	(3,113,914)	(422,090)
Non-cash flows in profit		
Depreciation, amortisation and impairment	2,140,315	162,951
Options issued for services	885,980	-
Unrealised foreign currency gain	59,606	(56,676)
Interest revenue	(60,324)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	(82,686)	(122,934)
(Increase)/decrease in prepayments	(18,501)	(205,152)
Increase/(decrease) in trade payables and accruals	(170,296)	(327,600)
Increase/(decrease) in income taxes payable	(8,956)	10,962
Increase/(decrease) in deferred taxes payable	(244,786)	1,689
Cash flows from operating activities	(613,562)	(958,850)

Note 21 Share based payments

The aggregate share-based payments for the financial year are set out below:

	Group 2017 $	Group 2016 $
Fair value of options granted to brokers involved in private placement (i)	885,980	-
Expense arising from share-based payments	885,980	-

(i) The Company issued 10,000,000 unlisted options to the brokers involved in a private placement during the year.

Table below details the total number of unlisted options on issue as at 31 December 2017

	2017		**2016**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
		$		**$**
Outstanding during the year	2,816,667		2,816,667	
Granted	20,500,000	0.100	-	-
	10,000,000	0.065	-	
Exercised	-	-	-	-
Outstanding at year-end	33,316,667		2,816,667	
Exercisable at year-end	33,316,667		2,816,667	

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

	Number	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date $
(i) Options granted	10,000,000	9 Oct 2017	9 Oct 2018	7 cents	0.0886

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 an 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
(i) Options granted	10,000,000	0.14	0.07	106%	1 year	1.89%

Note 22 Business Combinations

On 12 April 2017, the Company acquired 100% of the issued capital of Inzen Studio Pte Ltd, a company incorporated in Singapore, in accordance with a Share Sale Agreement executed on 16 December 2017. The total cost of the acquisition is $5.6 million (SGD $6million), subject to performance milestones.

On 12 April 2017, 27,409,412 fully paid ordinary shares were issued as part consideration for the acquisition of Inzen Studio Pte Ltd. This was the first payment of SGD 4.5 million. The value of shares at issue date was $1,644,565.

The Company will further issue SGD 1 million (AUD $959,325) worth of shares to the previous shareholders of Inzen Studio Pte Ltd upon the new game title "Dark Dot" or other game-titles published by the Company achieving revenue of SGD 500,000 (AUD $479,662) within 24 months from the closing date (12 April 2017). In addition, iCandy will issue an addition SGD 1 million (AUD $959,325) worth of shares to the previous shareholders of Inzen Studio Pte Ltd upon the new game title "Dark Dot" or other game-titles published by the Company achieving revenue of SGD 1,000,000 (AUD $959,325) within 24 months from the closing date (12 April 2017)

The fair value of identifiable assets and liabilities of Inzen Studio Pte Ltd as at the date of acquisition were:

	12 April 2017
Consideration (including shares and deferred consideration subject to performance milestones that have been adjusted based on probability assessments at transaction date)	1,644,565
Value of assets acquired	
Cash	631
Intangible assets	1,785,236
Trade creditors	(24,256)
Other creditors	(118,900)
Deferred tax liability	(303,490)
Fair value of net assets acquired	**1,339,221**
Goodwill	305,344

The contribution of Inzen Studio Pte Ltd to the consolidated entity's loss was a profit of $25,924.

Note 23 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

At 31 December 2017, the Group had prepaid for 1,449,696 NOX tokens, and value at 31 December 2017 was $610,780. At the date of this report, NOX is being traded with a value of AUD $0.0945 per token (USD $0.0726). The fair value of the tokens held as at the date of this report is AUD $137,017 (USD $105,248)

At the date of this report, the matter regarding the Company's application to the Federal Court of Australia for orders providing for the retrospective curing of the offers for sale, or sale, by the subscribers of shares issued on 9 October 2017 was heard before the Honourable Justice Banks-Smith in the Federal Court on the 26 March 2018. Justice Banks-Smith had reserved judgement and ordered that ASIC file and service further submissions by 9 April 2018 and the Company file and serve any submissions (if necessary) in reply within 7 days of ASIC submissions.

ASX has advised that the Company's shares will remain in voluntary suspension until such time as orders are made by the Federal Court. The Company will make a further announcement once a judgement is received.

At the date of this report, the transaction to purchase the Casual Games Portfolio from Animoca Brands Corporation Limited ("AB1") has yet to be completed. The transaction is expected to complete within the second quarter of the 2018 year subject to the Company getting shareholder approval and fulfillment of customary closing conditions, after which the Company will pay AB1 an upfront consideration of AUD 1 million in cash and AUD 4 million in the Company's shares at a fixed valuation of AUD 0.16 per share (25,000,000 shares). To the date of this report, a total deposit of AUD 250,000 has been paid to AB1. The total remaining cash consideration left to be paid is AUD 750,000.

In addition to the upfront consideration described above, AB1 will also receive deferred payments of up to AUD 3 million in 2018 and 2019, subject to revenue hurdles and payable in the Company's shares, as well as earn-out payments on profit generated by the games sold for a period of five years after the closing of the Transaction.

The Company had entered into a binding term sheet with Animoca Brands Corporation Limited ("AB1") and Nitro Interactive Limited ("Nitro") to co-develop and co-invest in a global iOS and Android mobile game application based on the Masterchef franchise, one of the world's top-rate competitive cooking reality television programs.

The Company, AB1 and Nitor have committed to co-develop the Masterchef mobile app, with AB1 contributing 50% of the total development, publishing, and market costs while the Company and Nitro will contribute 25% each of the same. AB1 will own all intellectual property rights relating to the mobile app and grants to Nitro an irrevocable, fully paid-up, royalty-free worldwide license to those rights.

Mr Donald Low has resigned as the Company's director and Company Secretary, effective 1 April 2018. Mr Marcus Ungar would be appointed as an Non-Executive Director. Mr Andrew Draffin and Ms Jiahui Lan would be appointed joint Company Secretary on that date.

Note 24 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. **Entities exercising control over the Group:**

The ultimate parent entity that exercises control over the Group is Fatfish Internet Group Limited, which is incorporated in Australia.

ii. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Group 2017 $	Group 2016 $
i. **Director related entities**		
- Directors' fees/wages paid to Kin Wai Lau	23,024	19,111
- Directors' fees paid to Phillip Lord	108,738	-
- Directors' fees and company secretarial fees paid to DHL Corporate Advisory, of which Mr Donald Low is a director and shareholder	24,000	22,000
- Directors' fees paid to Robert Kolodziej	12,000	11,000
- Directors' fees paid to ICW Capital, of which Mr Ivan Perry Wu is a director and shareholder	-	4,500
	167,762	56,611

(c) Amounts payable to and receivable from related parties

	Group 2017 $	Group 2016 $
i. ***Loan from Ultimate Parent Entity - Fatfish Internet Group Limited***		
Beginning of the year	106,418	86,418
Loans advanced	-	20,000
End of the year	106,418	106,418
ii. ***Loan payable to Immediate Parent Entity - Fatfish Internet Pte Ltd***		
Beginning of the year	425,548	537,056
Loans advanced	12,769	-
Loan repayment made	(893)	(111,508)
Foreign currency movement	2,567	-
End of the year	439,991	425,548
iii. ***Loans payable to Other Related Parties***		
Beginning of the year	83,608	77,373
Loans advanced	168,081	32,582
Loan repayment received	-	(26,347)
Foreign currency movement	1,217	-
End of the year	252,906	83,608
iv. ***Loans receivable from Other Related Parties***		
Beginning of the year	1,262,892	61,074
Loans advanced	14,243	1,219,390
Loan repayment received	-	(17,572)
Foreign currency movement	(25,637)	-
End of the year	1,251,498	1,262,892
v. ***Loan receivable from Immediate Parent Entity - Fatfish Internet Pte Ltd***		
Beginning of the year	43,167	-
Loans advanced	50,385	43,167
End of the year	93,552	43,167

Note 24: Related Party Transactions (Cont'd)

(d) Other transactions and balances with Key Management Personnel:

Mr Kin Wai Lau had loaned iCandy Ventures Limited, a wholly owned subsidiary of iCandy Interactive Limited AUD $191,865 (SGD $200,000) during the reporting year.

Note 25 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

		Group	
		2017	2016
	Note	$	$
Financial Assets			
Cash and cash equivalents	8	142,241	645,505
Loans and receivables	9	287,256	204,570
Other financial assets	10	1,379,023	1,306,059
Total Financial Assets		1,808,520	2,156,134
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	134,139	161,279
Other financial liabilities	16	832,696	529,240
Total Financial Liabilities		966,835	690,519

Financial Risk Management Policies

The directors are responsible for iCandy Interactive Limited's risk management strategy and management is responsible for implementing the directors' strategy. A risk management program focuses on the unpredictability of finance markets and seeks to minimise potential adverse effects on financial performance. iCandy Interactive Limited uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case on interest rate and market risk. iCandy Interactive Limited does not use derivatives.

The consolidated entity's financial instruments consist of deposits with banks and accounts receivables and payables. The main purpose of non-derivative financial instruments is to raise finance for group operations.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- only investing surplus cash with major financial institutions; and

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Note 25: Financial Risk Management (Cont'd)

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
Consolidated Group	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	134,139	161,279	-	-	-	-	134,139	161,279
Amounts payable to related parties	832,696	529,240	-	9,049	-	-	832,696	538,289
Total contractual outflows	966,835	690,519	-	9,049	-	-	966,835	699,568
Total expected outflows	966,835	690,519	-	9,049	-	-	966,835	699,568

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
Consolidated Group	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	142,241	645,505	-	-	-	-	142,241	645,505
Trade, term and loans receivables	287,256	204,570	-	-	-	-	287,256	204,570
Amounts receivable from related parties	1,379,023	1,268,550	-	37,509	-	-	1,379,023	1,306,059
Total anticipated inflows	1,808,520	2,118,625	-	37,509	-	-	1,808,520	2,156,134
Net (outflow) / inflow on financial	841,685	1,428,106	-	28,460	-	-	841,685	1,456,566

c. Market Risk

i. *Interest rate risk*

The Group's exposure to market risk primarily consists of financial risks associated with changes in interest rates as detailed below. As the level of risk is low, the Group does not use any derivatives to hedge its exposure.

The Group is not exposed to interest rate risk on its non-current borrowings as the terms of the loan agreement stipulates that no interest is payable.

ii. *Foreign currency risk*

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in SGD Dollar and Malaysia Ringgit may impact on the Group's financial results unless those exposures are appropriately hedged.

The following significant exchange rates were applied during the year.

	31 December 2017		**31 December 2016**	
$1 AUD	**Average Rate**	**Spot Rate**	**Average Rate**	**Spot Rate**
Singapore	0.9446	0.9593	0.9735	0.9556
Malaysia	0.3033	0.3159	0.3332	0.3224

iii. Sensitivity Analysis

The following table illustrates sensitivities to the Group’s exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Group	
	Profit	**Equity**
Year ended 31 December 2017	**$**	**$**
+/- 0.75% in interest rates	1,067	1,067
+/- 10% in $A/$SGD	997	997
+/- 10% in $A/$MYR	3,595	3,595

Note 25: Financial Risk Management (Cont'd)

	Group	
	Profit	Equity
Year ended 31 December 2016	$	$
+/- 0.75% in interest rates	4,841	4,841
+/- 10% in $A/$SGD	56,600	56,600
+/- 10% in $A/$MYR	27,500	27,500

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

	Note	2017		2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	8	142,241	142,241	645,505	645,505
Trade and other receivables:	9	287,256	287,256	204,570	204,570
Other financial assets	10	1,379,023	1,379,023	1,306,059	1,306,059
Total financial assets		1,808,520	1,808,520	2,156,134	2,156,134
Financial liabilities					
Trade and other payables	15	134,139	134,139	161,279	161,279
Other financial liabilities	16	832,696	832,696	529,240	529,240
Total financial liabilities		966,835	966,835	690,519	690,519

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

Note 26 Reserves

a. **Foreign Currency Translation Reserve**

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

	Group	
	2017	2016
	$	$
Balance at the beginning of the period	135,897	3,200
Foreign currency movements during the year	(62,889)	132,697
	73,008	135,897

b. **Premium on Assets Acquired**

When the Company acquired iCandy Ventures Limited, a company incorporatead in British Virgin Island and iCandy Digital Pte Ltd (formerly known as Kensington Ventures Pte Ltd), a company incorporated in Singapore, this transaction was assessed as a transaction involving entities under common control. The Company was formeded 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 iCandy Ventures 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	
	2017	2016
	$	$
Balance at the beginning of the period	20,289,999	20,289,999
Foreign currency movements during the year	-	-
	20,289,999	20,289,999

Note 26: Reserves (Cont'd)

c. **Option Reserve**

The option reserve records the fair value movement on options.

	Group 2017 $	Group 2016 $
Balance at the beginning of the period	-	-
Issue of options during the year	(885,980)	-
	(885,980)	-

	Group 2017 $	Group 2016 $
Total Reserves		
Foreign currency translation reserve	73,008	135,897
Other components of equity	20,289,999	20,289,999
Option reserve	(885,980)	-
	19,477,027	20,425,896

Note 27 Company Details

The registered office of the company is:
iCandy Interactive Limited
Level 4, 91 William Street
Melbourne Vic 3000

The principal places of business are:
iCandy Interactive Limited
Level 4, 91 William Street
Melbourne Vic 3000

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
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, as set out on pages 22 to 51, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, 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 31 December 2017 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

Mr Kin Wai Lau

Dated this 29 March 2018

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of iCandy Interactive Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iCandy Interactive Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2017 , the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(u) in the financial report, which indicates that the Consolidated Entity incurred a net loss after tax of $3,113,914 during the year ended 31 December 2017. As stated in Note 1(u), these events or conditions, along with other matters as set forth in Note 1(u), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of Cash Generating Units inclusive of goodwill and other intangible assets - As disclosed in note 13, the Consolidated Entity has goodwill and other intangible assets of $1,713,129 after impairment charges of $1,488,571 which related to the Inzen Cash Generating Unit (CGU); - Impairment of intangible assets is considered to be a key audit matter due to the significance of the assets to the Consolidated Entity's financial position, current year's performance and due to the judgement involved in determining the key assumptions used in the recoverable amount. - An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the CGU is based on certain key assumptions, such as cash flow projections covering a five year period.	Our procedures amongst others included: - Obtaining an understanding of the value in use model and assumptions used; - Critically evaluating management's methodologies and their documented basis for key assumptions utilised in the valuation models which are described in Note 13; - We checked the mathematical accuracy of the cash flow models; - We assessed the reasonableness of forecasts provided by management to historical cashflows; and - We assessed the appropriateness of the disclosures included in Notes 1 and 13 to the financial report.

Key audit matter	How our audit addressed the key audit matter
Accounting for Business Combination - The acquisition of Inzen Studio Pte Ltd as disclosed in note 22 of the consolidated financial statements is a key audit matter due to the size of the acquisition (purchase consideration of $1,644,565) and complexities inherent in a business acquisition. - Management has completed a process to allocate the purchase consideration to tangible assets, goodwill and separately identifiable intangible assets including development costs. This process involved estimation and judgement by management.	Our procedures amongst others included: - Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; - Assessing the deemed consideration with the terms of the acquisition agreement; - Reviewing the acquisition date balance sheet to acquisition agreement and underlying supporting documentation; - Assessing the fair value of assets and liabilities acquired to the fair value assessment conducted by management. - We assessed the appropriateness of the disclosures included in Notes 1(a) and 22 to the financial report.
Recoverability of Other Financial Assets The Consolidated entity has provided loans to multiple entities including related parties and external parties, totalling $1,379,023, as disclosed in note 10. Due to the quantum of the loans, the recoverability of the loans were considered a key audit matter.	Our procedures amongst others included: - Obtaining loan confirmations and / or agreeing to contractual arrangements in place; - Discussions held with management over the recoverability of the loans; - Assessment of the counterparty's capacity to repay the loan; and - We assessed the appropriateness of the disclosures included in Notes 10 and 24 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 31 December 2017, complies with section 300A of the *Corporations Act 2001*.

Bentleys

Mark Delaurentis

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 29th day of March 2018

ICANDY INTERACTIVE LIMITED AND CONTROLLED ENTITIES
ABN: 87 604 871 712
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 29 March 2018:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	No. of Holders	No. of Ordinary Shares
1 – 1,000	64	3,084
1,001 – 5,000	76	278,400
5,001 – 10,000	148	1,374,606
10,001 – 100,000	143	5,910,259
100,001 – and over	92	269,626,397
	523	277,192,746

b. The number of shareholdings held in less than marketable parcels is 94. (2016: 76)

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number No. of Fully Paid Ordinary Shares	% Held of Issued Ordinary Capital
Fatfish Internet Pte Ltd	187,500,001	67.64%

d. The names of the substantial option holders listed in the holding company's register are:

Shareholder	Number No. of Options	% Held of Listed Options
HSBC Custody Nominees (Australia) Limited	10,006,714	32.77%
Poh Khuan Low	2,108,333	6.91%
Blue Boat Group Limited	1,790,000	5.86%

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Listed options

– These options have no voting rights

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Fatfish Internet Pte Ltd	187,500,001	67.64%
2.	HSBC Custody Nominees (Australia) Limited	12,237,652	4.41%
3.	Fatfish Medialab Pte Ltd	5,000,000	1.80%
4.	Dutchman Capital Pte Ltd	4,673,870	1.69%
5.	Incubate Fund 1-G Limited Partnership	4,140,056	1.49%
6.	Mr Choy Tze Lee	3,750,000	1.35%
	Mr Jenn Yu Lim	3,750,000	1.35%
7.	Tock Yung Myn Gerald	2,744,180	0.99%
8.	Lead Nation Holdings Limited	2,580,000	0.93%
9.	Tan Choon Huat	2,535,371	0.91%
10.	Hoo Jia Ling	1,622,171	0.59%
11.	Kie Seik Phai Roland	1,594,059	0.58%
	Liang Zhenlong	1,594,059	0.58%
12.	Quek Seow Kee	1,463,642	0.53%
13.	TA Securities Holdings Berhad	1,450,522	0.52%
14.	Ms Poh Khuan Low	1,376,095	0.50%
15.	Lead Nation Holdings Limited	1,301,500	0.47%
16.	Low Chin Hong	1,270,409	0.46%

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
17.	Ms Lay Chin Moey	1,206,126	0.44%
18.	Citicorp Nominees Pty Limited	1,014,236	0.37%
19.	Jasmeet Kaur	1,009,338	0.36%
20.	Mr Jimmy Fausto Caffieri & Mrs Lucia Caffieri <Caffieri Family A/C>	1,000,000	0.36%
	Chifley Portfolios Pty Limited <David Hannon A/C>	1,000,000	0.36%
	Mr Lee Yoke Khai	1,000,000	0.36%
		246,813,287	89.04%

f. 20 Largest Option Holders - Listed Options

	Name	Number of Listed Options	% Held of Listed Options
1.	HSBC Custody Nominees (Australia) Limited	10,006,714	32.77%
2.	Ms Poh Khuan Low	2,108,333	6.91%
3.	Blue Boat Group Limited	1,790,000	5.86%
4.	TA Securities Holdings Berhad	1,525,000	4.99%
5.	Ms Lay Chin Moey	1,480,000	4.85%
6.	CGAM Pty Ltd	1,333,333	4.37%
7.	Planetbiz Investments Limited	1,166,667	3.82%
8.	RHB Securities Singapore Pte Ltd <Clients A/C>	1,014,000	3.32%
9.	Mr Lee Yoke Khai	1,000,000	3.28%
	Lawley Investments Pty Ltd <Fourth Avenue Superanuation A/C>	1,000,000	3.28%
10.	BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP>	510,000	1.67%
11.	Accent Accounting (WA) Pty Ltd	500,000	1.64%
	Elohim Nominees Pty Ltd <Eagle Equity A/C>	500,000	1.64%
	Mrs Lao Soi Fong	500,000	1.64%
	Mr Teh Chong Jin	500,000	1.64%
12.	Mr Seng Tan	400,000	1.31%
13.	Jersia Pty Ltd	351,220	1.15%
14.	Walbrook Institute Pty Ltd <Raymond Babbitt Family A/C>	319,000	1.04%
15.	Mr Brian Thomas Ryan	300,000	0.98%
16.	Mr Choon Huat Tan	250,000	0.82%
17.	AMW Investments Pty Ltd	225,000	0.74%
18.	Leigh Webster Holdings Pty Ltd <Webster Retirement Fund A/C>	200,000	0.66%
	Mr Graeme Dougald Hutson Miller	200,000	0.66%
	Rock The Polo Pty Ltd <Rock The Polo A/C>	200,000	0.66%
19.	Mr Matthew Ian Banks & Mrs Sandra Elizabeth Banks <Matthew Banks S/F A/C>	140,000	0.46%
20.	Yii Wen Choong	100,000	0.33%
	Mrs Risa Gunawan-ha	100,000	0.33%
	Sayers Investments (ACT) Pty Ltd <Sayers Super Fund A/C>	100,000	0.33%
	Constance Chai Ai Tan	100,000	0.33%
		27,919,267	91.48%

2. The name of the company secretary is Mr Donald Low.

3. The address of the principal registered office in Australia is Level 4, 91 William Street, Melbourne Victoria 3000.

4. Registers of securities are held at the following addresses

   Link Market Services Limited
   Level 4, 152 St Georges Terrace
   Perth WA 6000

5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.