



29 March 2022

Vanessa Nevjestic  
Adviser, Listings Compliance  
ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Sent by email: Vanessa.Nevjestic@asx.com.au  
Copy: ListingsCompliancePerth@asx.com.au

Dear Vanessa,

**Response to ASX aware query**

I refer to your letter dated 24 March 2022 (**ASX Aware Letter**) to iCandy Interactive Limited (**ICI** or the **Company**). Unless specifically defined otherwise, capitalised terms used in this letter have the same meaning as given in the ASX Aware Letter.

The Company responds to each of your queries as follows:

- 1. Does ICI consider the information (including the Agreement) to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If the answer to question 1 is "no", please advise the basis for that view.**

Yes.

- 2. Please provide details of:**

**2.1 the time and date that ICI commenced discussions with Froyo with respect to the Agreement;**

14 February 2022.

**2.2 the time and date that the Agreement was executed by Froyo;**

On or about 8pm (WST) on 22 March 2022.

**2.3 the time and date that the Agreement was executed by ICI**

On or about 8pm (WST) on 22 March 2022.

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3. **If the answer to question 1 is “yes” and ICI was aware of the information prior to the release of the Cleansing Notice, why did the Cleansing notice state that there was no excluded information within the meaning of sections 708A(7) and (8) of the Corporations Act which was required to be disclosed by ICI to the market?**

As set out in the Company's announcement released to ASX on 28 March 2022, the Company notes the following:

- At the time the Notice was lodged the Company did not consider that there was 'excluded information' of the nature referred to in sections 708A(7) and (8) of the Corporations Act that was required to be set out in the Cleansing Notice pursuant to 708A(6)(e) of the Corporations Act on the basis that the Company had previously announced to ASX its intention to develop intellectual property for a pipeline of metaverse gaming and NFT projects (refer to the Company's announcement to ASX dated 11 February 2022).
- The Company has subsequently been advised that at the time the Cleansing Notice was lodged the Company may have been in possession of information to which Listing Rule 3.1A would have excluded from disclosure under Listing Rule 3.1, and thereby meeting the definition of 'excluded information'.
- Out of an abundance of caution, the Company has made an announcement to the market pursuant to and in accordance with section 708A(9)(c) of the Corporations Act for the purposes correcting the Cleansing Notice which may be considered to be defective.
- Notwithstanding the above, the Company advises that all of the shares the subject of the Cleansing Notice are subject to voluntary escrow for a period of 12 months from the date of issue and therefore none of these shares have been on-sold since the date of the Cleansing Notice.

4. **If the Agreement was entered into before the Relevant Date, why did ICI not make any announcement prior to the Relevant Date which disclosed the information? In answering this question, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ICI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ICI took to ensure that the information was released promptly and without delay.**

The Agreement was entered into on or about 8pm (WST) on 22 March 2022 following confirmation from ASX that it had no further comments on the announcement in respect to the Agreement, at which time the ASX was close

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FINANCIAL REVIEW  
**FAST100 2020**  
IN COOPERATION WITH **statista**

*iCandy – Proudly Ranked 25<sup>th</sup>  
of Australia's Fastest Growing*

**iCandy Interactive Limited**  
(ACN 604 871712)  
Level 4, 91 William Street  
Melbourne,  
VIC 3000 Australia

for trade. The Company released an announcement to the market prior to commencement of trading on 23 March 2022.

**5. Please confirm that ICI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**6. Please confirm that ICI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ICI with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Should you have any further queries, please contact the undersigned.

Yours sincerely for and on behalf of iCandy

Ms Jiahui Lan  
Joint Company Secretary  
iCandy Interactive Limited

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24 March 2022

Reference: ODIN49644

Ms Jiahui Lan  
Company Secretary  
iCandy Interactive Limited  
C/- DW Accounting & Advisory Pty Ltd  
Level 4, 91 William Street  
Melbourne, Victoria 3000

By email: jiahui@dwaccounting.com.au

Dear Ms Lan

**iCandy Interactive Limited ('ICI'): General – Aware Query**

ASX refers to the following:

- A. ICI's announcement entitled "iCandy Partners with Froyo Games to Develop Multiple Metaverse Games and NFT Series with the First Project Yielding a Minimum A\$4m Revenue Guaranteed" released on the ASX Market Announcements Platform ('MAP') on 23 March 2022 (the 'Relevant Date') (the 'Announcement'), disclosing, amongst other things, that:
- (i) ICI has entered into a 7 year strategic partnership with Froyo Lab ('Froyo') to develop and commercialise Web 3.0 metaverse games (the 'Agreement');
  - (ii) Froyo has guaranteed gross revenue of A\$4,000,000 to ICI for the commercial launch of the first project, the Misfit series NFTs ; and
  - (iii) Froyo will share a portion of its revenue generated with ICI and the revenue sharing arrangement will be agreed on a project-by-project basis,
- (the 'Information').
- B. ICI's announcement entitled "Completion of Acquisition of Gameconomy – a Leading Gaming Backend Technology Developer" ('Gameconomy Acquisition') released on MAP at 9.11am AEDT on 21 March 2022. The Gameconomy Acquisition was first announced by ICI on 14 January 2022.
- C. ICI's two applications for quotation of securities forms released on MAP at 9.12am AEDT on 21 March 2022, relating to:
- (i) the issue and quotation of 59,942 fully paid ordinary share (part consideration for the Gameconomy Acquisition); and
  - (ii) the issue and quotation of 186,725 fully paid ordinary shares on conversion of ICIOB options (expiring 31 December 2022) exercised on 15 March 2022.
- D. ICI's announcement entitled "Cleansing Notice Issue of Securities Pursuant to ASX Listing Rules, Notice Under Section 708A" (the 'Cleansing Notice') released on MAP at 9.12am AEDT on 21 March 2022, disclosing, amongst other things, that:
- (i) ICI had issued 59,942 fully paid ordinary shares for a deemed value of A\$0.173 per share on 21 March 2022 as part settlement for the Gameconomy Acquisition; and

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- (ii) as of the date of the Cleansing Notice, there was no excluded information within the meaning of sections 708A(7) and (8) of the Corporations Act which was required to be disclosed by ICI to the market.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- It would be a breach of a law to disclose the information;*
  - The information concerns an incomplete proposal or negotiation;*
  - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - The information is generated for the internal management purposes of the entity; or*
  - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed."*
- H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- "Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

### **Request for information**

Having regard to the above, ASX asks ICI to respond separately to each of the following questions and requests for information:

1. Does ICI consider the Information (including the Agreement) to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If the answer to question 1 is "no", please advise the basis for that view.
2. Please provide details of:
  - 2.1 the time and date that ICI commenced discussions with Froyo with respect to the Agreement;
  - 2.2 the time and date that the Agreement was executed by Froyo;

2.3 the time and date that the Agreement was executed by ICI.

3. If the answer to question 1 is “yes” and ICI was aware of the Information prior to the release of the Cleansing Notice, why did the Cleansing Notice state that there was no excluded information within the meaning of sections 708A(7) and (8) of the Corporations Act which was required to be disclosed by ICI to the market?
4. If the Agreement was entered into before the Relevant Date, why did ICI not make any announcement prior to the Relevant Date which disclosed the Information? In answering this question, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe ICI was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps ICI took to ensure that the Information was released promptly and without delay.
5. Please confirm that ICI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ICI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ICI with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AWST Tuesday, 29 March 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ICI’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ICI to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ICI’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ICI’s securities under Listing Rule 17.3.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to ICI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ICI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Vanessa Nevjestic**  
Adviser, Listings Compliance (Perth)