



23 November 2021

Oma Murad
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: Oma.Murad@asx.com.au
tradinghaltspert@asx.com.au

Dear Oma,

Response to ASX aware query

I refer to your letter dated 19 November 2021 (**ASX Aware Letter**) to iCandy Interactive Limited (**ICI** or the **Company**). Unless specifically defined otherwise, capitalized 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 to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable

- 3. When did ICI first become aware of the Information?**

The Company first became aware of the information after close of market on Wednesday, 17 November 2021 upon concluding the negotiations and documentation of the Share Sale & Purchase Agreement ("Agreement").

- 4. If the answer to question 1 is "yes" and ICI first became aware of the Information prior to calling the Trading Halt, did ICI make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, 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 Company finalised its negotiations of the Agreement after the close of market on Wednesday 17 November 2021. The Company then proceeded with executing



the Agreement with the counterparty at approximately 10:30pm (WST) that same evening.

The Company sought a trading halt pre-market open on Thursday, 18 November 2021 on that basis that the negotiations and terms of the Agreement were finalised and the Agreement executed. The trading halt was implemented to allow the Company sufficient time to finalise its communication and the announcement of the Information (which was completed on 19 November 2021).

Prior to finalisation of the Agreement negotiations, the Company had relied on Listing Rule 3.1A on the basis that it was conducting negotiations with Lemon Sky Studio ("Lemon Sky") that were the subject of a confidential, incomplete proposal or negotiation which a reasonable person would not have expected to be disclosed (at that time). At no point did the Company believe that confidentiality had been lost in respect of the negotiations.

Once the negotiation of the Agreement terms were concluded (after market close on Wednesday 17 November), the Company considered that it was no longer in a position to rely on Listing Rule 3.1A and therefore sought a trading halt on 18 November 2020 pending the release of an announcement which was subsequently released on 19 November 2021.

5. Please confirm that ICI is complying 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 authorized 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 authorized and approved by the Board.

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

Yours Sincerely for and on behalf of iCandy

Jiahui Lan
Company Secretary

For more information, please contact:
+61 (03) 8611 5353 or ir@icandy.io



19 November 2021

Reference: ODIN42958

Ms Jiahui Lan
Company Secretary
iCandy Interactive Limited
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. The change in price of ICI's securities from a low of \$0.091 on Thursday 11 November 2021 to an intra-day high of \$0.135 on Wednesday 17 November 2021.
- B. The significant increase in the volume of ICI's securities traded between 11 November 2021 and 19 November 2021.
- C. ICI's request for a trading halt prior to the commencement of trade on Thursday, 18 November 2021 pending an announcement regarding a major acquisition by the company and a capital raise and subsequent grant of a trading halt in ICI's securities by ASX on the same date ('Trading Halt').
- D. ICI's announcements entitled "Landmark Acquisition to Form New Gaming Powerhouse" and "Oversubscribed A\$40m Funding Round" lodged on the Markets Announcement Platform ('MAP') today, Friday 19 November 2021, lifting the trading halt, disclosing that ICI has entered a share sale agreement to acquire 100% of the issued capital of Lemon Sky Animation Sdn. Bhd. ('Information').
- E. The change in price of ICI's securities from a close of \$0.135 on Thursday 18 November 2021 prior to the Trading Halt to an intra-day high of \$0.175 today.
- F. The significant increase in the volume of securities traded today.
- G. 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.
- H. 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."
- I. 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."*

- J. 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 to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view, commenting specifically on the increase in the price of the Company's securities today.
3. When did ICI first become aware of the Information?
4. If the answer to question 1 is "yes" and ICI first became aware of the Information prior to calling the Trading Halt, did ICI make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, 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 **3:00 PM AWST Wednesday, 24 November 2021**. 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.

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

Oma Murad
Listings Compliance (Perth)