

ICANDY INTERACTIVE LIMITED
ACN 604 871 712
SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

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

This Supplementary Prospectus is dated 2 October 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

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

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

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

2. FATFISH EGM

As set out in Section 4.2 of the Replacement Prospectus, Fatfish's intention at the date of the Replacement Prospectus (and subject to regulatory compliance and obtaining approval from its shareholders), was to procure the transfer of 50% of the 187,500,000 Shares (i.e. 93,750,000) in the Company held by Fatfish Internet to Fatfish (**Distribution Shares**) and for Fatfish to then distribute the Distribution Shares to Fatfish's shareholders on a pro-rata basis (**In-specie Distribution**).

On 2 July 2015, ASX confirmed to Fatfish that ASX Listing Rules 11.1.2, 11.1.3 and 11.2 did not apply:

- (a) to the Company's acquisition of High Joyful and Kensington Ventures from Fatfish; or
- (b) to the In-specie Distribution (together, the **Spin-Out**),

on the condition that:

- (a) Fatfish's shareholders approved the Spin-Out prior to the Company being admitted to the Official List of ASX; and
- (b) the In-specie Distribution was completed within 6 months of the Company's admission to the Official List of ASX.

Further, on 24 August 2015, ASX confirmed to the Company that it was a condition of the Company being admitted to the Official List that Fatfish shareholders approved the In-specie Distribution and that the In-specie Distribution was completed within six months of the Company's admission to the Official List of ASX.

On 18 September 2015, the Fatfish shareholders voted against the Spin-Out. After consultation between ASX, the Company and Fatfish, and as announced by Fatfish on 22 September 2015, Fatfish has decided to amend the terms of the In-specie Distribution and again seek approval from its shareholders for the Spin-out (including the amended In-specie Distribution) and for the listing of the Company on the Official List of ASX. This approval will be sought at a further extraordinary meeting of Fatfish currently proposed to be held in November 2015. As set out in Fatfish's announcement of 22 September 2015, both Fatfish and the Company remain committed to pursuing the Spin-Out and listing of the Company on the Official List of the ASX.

3. AMENDMENTS TO THE REPLACEMENT PROSPECTUS

3.1 Fatfish's Intentions

Section 4.2 of the Replacement Prospectus is replaced by the following:

At the date of this Prospectus, the Company is controlled by Fatfish which holds approximately 90.7% of the undiluted issued share capital of the Company via its subsidiary company Fatfish Internet. Fatfish also has a relevant interest in an additional 5,000,000 Shares (being an additional 2.4% undiluted shareholding interest) in the Company via its 50% owned subsidiary company Fatfish Medialab. Refer to Section 4.11 for further details.

Fatfish's present intention, subject to regulatory compliance and obtaining approval from its shareholders, is for Fatfish Internet to undertake an in-specie distribution, by way of dividend, of Shares in the Company to Fatfish in a sufficient quantity to enable Fatfish to implement the In-specie Distribution (defined below) (**Distribution Shares**) and for Fatfish to then undertake an in-specie distribution, by way of dividend, of all the Distribution Shares to Fatfish's shareholders registered at the applicable record date, on a pro-rata basis such that each such Fatfish shareholder will receive 1 Share in the Company for every 8 shares held in Fatfish (with fractional entitlements rounded up) (**In-specie Distribution**). It is expected that the In-specie Distribution will involve a distribution of between approximately 16,600,000 and approximately 32,800,000 Shares in the Company (depending on whether any options in Fatfish are exercised before the applicable record date).

In light of the amended terms of the In-specie Distribution, Fatfish has requested ASX to confirm its previous decision that ASX Listing Rules 11.1.2, 11.1.3 and 11.2 do not apply:

- (a) to the Company's acquisition of High Joyful and Kensington Ventures from Fatfish or;

(b) to the In-specie Distribution (together, the **Spin-Out**).

ASX does, however, require Fatfish (a) to obtain shareholder approval for the Spin-Out **prior** to the Company being admitted to the Official List and (b) to complete the In-specie Distribution within 6 months of the Company being admitted to the Official List.

Fatfish has confirmed to the Company that it intends to hold a shareholder meeting to seek approval of the Spin-out in November 2015 and expects to complete the In-specie Distribution within 2 months of the Company being admitted to the Official List. It is Fatfish's present intention for Fatfish Internet to retain the remaining Shares in the Company it will hold post completion of the In-specie Distribution.

In the period prior to completion of the In-specie Distribution (and also in the period post completion of the In-specie Distribution in respect of the Shares in the Company which Fatfish Internet intends to retain), it will be Fatfish's intention as a substantial shareholder of the Company to maintain its shareholding in, and provide support and assistance to help the Company meet its objectives as well as to maintain the loan funding it has provided to Kensington Ventures and Appxplore. Please refer to Sections 11.7 to 11.8 for further details of the loans provided by Fatfish to each of Appxplore and Kensington Ventures.

3.2 Key Risks – Concentration of Ownership

Section 4.6(a) of the Replacement Prospectus is replaced by the following:

The Company currently has 206,783,334 Shares on issue, meaning that the maximum number of Shares issued under this Offer will represent approximately only 9.8% of the issued Share capital of the Company on completion of the Offer (assuming full oversubscriptions are issued). There will therefore be a concentration of ownership within the existing Shareholders (particularly Fatfish) on completion of the Offer. Some investors may consider that this increases the risk of participating in the Offer. In accordance with section 3.1 of ASX Guidance Note 1, the Company's (and Fatfish's) plan is to increase the percentage of the Company's 'free float' (i.e. the percentage of its Shares held by parties other than related parties) above 10% by completing Fatfish's In-specie Distribution of a minimum of approximately 16,600,000 Shares in the Company to the shareholders of Fatfish within 2 months of the Company being admitted to the Official List.

3.3 Key Risks – Liquidity

Section 4.6(b) of the Replacement Prospectus is amended by deleting the words '6 months' where they appear in the first sentence of the third paragraph and replacing them with the words '2 months'.

3.4 Substantial Shareholders

Section 4.11 is amended by:

- (a) deleting the second footnote to the second substantial shareholder table and replacing it with the following:

² Refer to Section 4.2 above for details of Fattfish's intentions to transfer and distribute between approximately 16,600,000 and approximately 32,800,000 of these Shares to its shareholders;

(b) replacing the third table with the following:

Fattfish Shareholder	Fattfish Shares	%
Ong Chang Jeh ¹	21,027,621	15.8%
Navistar Cap Grp Ltd	18,000,000	13.53%
Kin Wai Lau ²	15,709,609	11.81%
Acquiniti Ltd	14,805,814	11.13%
Chen Pang Hao	10,094,873	7.59%
Micropia Sdn Bhd	7,571,155	5.69%

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

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

(c) replacing the fourth table with the following:

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Fattfish Internet Group Limited ¹	175,900,000	nil	78.43%	69.92%

¹ 170,090,000 Shares held by Fattfish Internet Pte Ltd (a wholly owned entity of Fattfish Internet Group Limited) (assuming 16,600,000 Shares are distributed under the In-specie Distribution) and 5,000,000 Shares held by Fattfish Medialab Pte Ltd (an entity in which Fattfish Internet Group Limited has a 50% shareholding interest).

3.5 Restricted Securities

Section 4.12 of the Replacement Prospectus is amended by deleting the number '30,000,000' where it appears in the second sentence of the penultimate paragraph and replacing it with the number '12,750,000'.

3.6 Disclosure of Interests

Section 4.18 of the Replacement Prospectus is amended by replacing the second Directors' Interests table with the following:

Director	Shares in Fattfish	Options in Fattfish	Shares in the Company to be issued pursuant to the Fattfish In-specie Distribution	% (undiluted)¹ (Company)
Kin Wai Lau	15,709,609	nil	1,963,701	0.88%
Donald Han Low	nil	nil	nil	nil
Robert Kolodziej	nil	nil	nil	0.11%
Ivan Perry Wu	239,970	6,719,990	29,996	0.24%
Ong Chang Jeh ²	21,027,621	nil	2,628,452	1.17%

¹ Including Shares in the Company currently held in respect of Ivan Wu and Robert Kolodziej.

² Director of Kensington Ventures.

4. EXTENSION OF TIME TO OBTAIN QUOTATION ON ASX

The Company has also issued this Supplementary Prospectus to:

- (a) extend the Closing Date under the Offer to 8 December 2015; and
- (b) advise that, at the date of this Supplementary Prospectus, the Company's Securities have not become admitted to quotation on ASX and the minimum subscription under the Replacement Prospectus has not yet been raised.

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

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

Accordingly, the Company has until 2 October 2015 to comply with the Quotation Condition under the Replacement Prospectus and has until 2 November 2015 to raise the minimum subscription under the Replacement Prospectus of \$2,500,000 (**Minimum Subscription**). As at the date of this Supplementary Prospectus, the Minimum Subscription has not yet been raised.

As the Company has extended the Closing Date of the Offer until 8 December 2015 the Company will be unable to issue any Securities pursuant to the Replacement Prospectus and subsequently satisfy the Quotation Condition by 2 October 2015. In addition, the Company may not be able to raise the Minimum Subscription by 2 November 2015.

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

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

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

- (a) 70 applications for Securities; and
- (b) \$245,900 pursuant to such applications.

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

5. APPLICATIONS

5.1 Withdrawal of previous Applications

In accordance with Section 724(2) of the Corporations Act, if you applied for Securities under the Replacement Prospectus before the date of this Supplementary Prospectus, you may withdraw your application and be repaid your application monies, provided you give the Company written notice of your wish to do so before 2 November 2015.

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

An Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company at the address set out below so that it is received within 1 month of the date of this Supplementary Prospectus (i.e. **by close of business on 2 November 2015**).

**iCandy Interactive Limited
c/- Link Market Services Limited
Central Park
Level 4, 152 St Georges Terrace
Perth WA 6000**

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

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

5.2 New Applications

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

6. FURTHER AMENDMENTS TO REPLACEMENT PROSPECTUS

6.1 Minimum Subscription

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

Following the ASIC Modification, if the Minimum Subscription to the Offer of \$2,500,000 has not been raised within 4 months after the date of this Supplementary Prospectus (i.e. 2 February 2016), or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

6.2 ASX Listing

Section 6.4 of the Replacement Prospectus is replaced by the following:

Application for Official Quotation by ASX of the Securities offered pursuant to the Replacement Prospectus was made within 7 days after the date of the Replacement Prospectus.

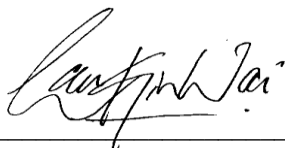
Following the ASIC Modification, if the Securities are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Supplementary Prospectus (i.e. 2 January 2016), or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

7. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



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