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ASX Announcement

FFG's Subsidiary iCandy to acquire games studio Inzen

Subsidiary of Fatfish Internet Group Ltd (ASX:FFG) and leading mobile games studio group iCandy Interactive Limited (ASX:ICI) has announced that it has entered into a termsheet to acquire a 100% interest in Singapore-headquartered Inzen Studio Pte. Ltd. ("Inzen"), a mobile game company and eco-system developer.

Prior to this, Inzen had secured investments from major institutional investors across Asia, namely Incubate Fund (Japan), Hatcher (Singapore) and the Global Mobile Game Confederation (China). It had also secured investment from strategic partner, Baidu Games. Baidu Games is a wholly-owned subsidiary of Baidu Inc, one of the three largest Internet companies in China with a current market capitalisation of US\$63.75 billion (NASDAQ: BIDU).

Inzen has two core strategies that centre around the innovation of mobile games across different cultures. As a mobile game company, Inzen develops games that introduce breakthrough gameplay experiences to players across cultures and partners with publishers in key territories to operate them (such as Baidu Games for China). As an ecosystem developer, Inzen works with strategic partners (such as Baidu Games and Incubate Fund) to establish programmes to incubate new game companies in Southeast Asia and co-publish their games across Southeast Asia and China.



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Inzen's founders are games industry veterans and were part of the core team at the Singapore-MIT GAMBIT Game Lab, an organisation formed and funded by the Singapore Government, in collaboration with the Massachusetts Institute of Technology (MIT) to incubate the next generation of games industry talents in Singapore, fund research in games and develop breakthrough game prototypes for commercialisation. Inzen's CEO, Gerald Tock, was the Head of Operations at Game Lab. In addition, Gerald had operated two previous indie-game companies from startup through to commercialisation (including the indie-hit game, [Toribash](#)).

iCandy is proposing to acquire 100% of the issued and voting capital of Inzen, subject to agreement to binding documentation between iCandy and Inzen. The proposed acquisition is valued at SG\$ 6 million, to be satisfied in ordinary shares of iCandy at a issuance price of 5-day Volume Weighted Average Price (VWAP) of iCandy's shares at closing of the transaction. There will be no change in shareholding control of iCandy. The proposed acquisition will also be subject to iCandy obtaining all regulatory, shareholder and other approvals if and as required under the ASX Listing Rules and applicable laws.

The Board of iCandy believes the proposed acquisition, if successful, will bring synergies across the game development and publishing businesses of both iCandy and Inzen. The iCandy Board also believes the acquisition will provide it with new avenues to publish games in the lucrative smartphone games market of China. It will also allow Inzen to leverage upon iCandy's network of more than 17 million mobile-gamers in Asia Pacific for publishing, as well as iCandy's studio network for mentorship, co-publishing options and incubation initiatives.

iCandy will make further announcements to the market in due course in relation to the proposed acquisition.



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About Fatfish Internet Group

Fatfish Internet Group Ltd ('FFG') is a Southeast Asian and Australian based internet venture investment and development firm. FFG partners with entrepreneurs to help them build and grow internet businesses via a co-entrepreneurship model.

FFG's co-entrepreneurship model seeks an active involvement from its investee companies, from seed funding through to exit. In parallel, FFG seeks to provide a collection of resources and expertise to support entrepreneurs in important areas such as business strategy, market access, talent recruitment, product development and corporate strategy. This unique 'seed-to-exit' approach makes FFG a strategic partner that provides the funding, resources, and platform to hasten the growth of promising technology businesses.

FFG also offers corporate advisory services specialising in working with tech companies to bring to bear alternative funding and growth models for tech companies through Initial Public Offerings (IPOs) or capital market transactions via trade sales or Mergers & Acquisitions (M&A).

About iCandy Interactive – <http://www.icandy.io>

iCandy Interactive Ltd (ASX:ICI) is an Australian incorporated public company, with as core business the development and publishing of games for mobile devices. Specialising in action-packed puzzle games, iCandy has published titles that have achieved over 17 million cumulative downloads (from Google Play and the Apple App Store).

One of the market leaders in the region, with subsidiaries in Malaysia and Singapore (including the award-winning games studio Appxplore), iCandy has stretched its success beyond the borders of Southeast Asia: several of its titles, such as Crab War, Mobfish Hunters and Caveboy's Escape, have been recommended as Best New Games across 30 countries internationally.

About Baidu Games – <http://baidu-mgame.com>

Baidu Games, a wholly-owned subsidiary of Baidu, Inc., provides an integrated platform to publish, distribute and operate game entertainment services through its platforms across various media channels, which include Baidu Mobile Assistant, 91 Assistant, Android Market and in collaboration with Baidu's key services such as Baidu Search, Hao123, Baidu Video, 91 Portal,

18183 etc. In Q4 of 2014, Baidu Game's users amounted to 42.48% of the market and in 2016, the company continues to be one of China's largest mobile game distribution platforms.

About Incubate Fund - <http://incubatefund.com/en/>

Incubate Fund is a Venture Capital Company dedicated to the investment and development of venture companies at the startup phase. Since the establishment of Incubate Capital Partners in 1999, Incubate Fund has operated funds totalling 269 million US\$ and invested in over 200 venture companies. Most recently, the fund has produced leading companies like gumi, Pokelabo, Minnano Wedding, Sansan, Aiming and Froute (currently Axelmark). In addition, since 2010, the company has been organising "Incubate Camp", a seed acceleration programme, in order to reach out to entrepreneurs in the process of starting their company.

About Hatcher - <https://hq.hatcher.com/index.php>

Hatcher is a leading venture investment platform based in Singapore and Dubai. Hatcher's investments include fast-growing startups ASYX, Dropsuite, Heardable, Invit, SocialCops, Telr, ThoughtRiver and Inzen Studio.

About Global Mobile Game Confederation (GMGC) –

<http://www.gmgc.info/>

Global Mobile Game Confederation (GMGC) is a Beijing-based international platform that helps companies form long-lasting partnerships and access new markets. Founded in September 2012, in Beijing, by prominent Asian gaming industry entrepreneur David Song, GMGC works closely with mobile developers, publishers, investors, distributors, and other industry-related companies to facilitate collaboration, market growth and understanding. GMGC also organises the Global Mobile Game Congress series of events in China, as well as the Mobile Game Asia series in Southeast Asia.

For further question on this release, please contact:

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