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**ASX and Media Announcement**

**Fatfish Internet Group (ASX:FFG) to invest into CryptoFoundry, Singapore based Startup Providing Consultancy and Technology Services on Blockchain and Cryptocurrency Technologies**

**Key Highlights:**

- FFG will invest SGD 350,000 into CryptoFoundry Pte. Ltd. ("CryptoFoundry"), a Singapore based startup that is providing consultancy and technology services in the area of blockchain and cryptocurrency technologies.
- FFG will own 60% of CryptoFoundry upon completion of the investment
- CryptoFoundry will provide services on projects related to the use of blockchain and cryptocurrency in multiple application verticals including but not limited to banking, payment and remittance, Initial Coin Offering (ICO), trading settlement and digital asset management.
- CryptoFoundry has started its operation and is currently in advanced discussion to provide its services to 3 potential clients that are looking to launch projects in the blockchain and cryptocurrency space.

**Investment into CryptoFoundry Pte. Ltd.**

Fatfish Internet Group Ltd ("FFG" or "the Company") has entered into a legally binding term sheet to invest S\$350,000 (approximately A\$ 348,000) of seed capital into CryptoFoundry Pte. Ltd. ("CryptoFoundry") which is a Singapore based startup that is set up to provide consultancy and technology services to businesses in the area of blockchain and cryptocurrency technologies.

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CryptoFoundry is based in the Singapore, which gives it access to a growing international market centered around Singapore's cloud as one of the leading global hubs for technology and financial services.

The proposed transaction will see FFG owning 60% of CryptoFoundry upon completion of the investment. Following the investment, FFG will be entitled to appoint two directors to the Board of CryptoFoundry.

To fund this proposed investment the Company will seek to utilise its existing cash reserves. The investment in CryptoFoundry is consistent with the Company's activities as an internet venture builder and fintech incubator with investments into the blockchain and cryptocurrency technology space, enabled by the recent investments into Kryptos-X cryptocurrency exchange and UK based fintech venture builder Altairian Holdings Limited announced earlier.

### **The Business of CryptoFoundry and Regulatory Environment**

The initial focus for CryptoFoundry will be launching of a consultancy and professional service business that will provide strategy, technology and implementation services on projects related to the use of blockchain and cryptocurrency in multiple application verticals including, but not limited to, banking, payment, remittance, digital token offering, trading settlement systems and digital asset management.

The use of blockchain and similar distributed ledger technologies are increasingly becoming an emerging trend in both the consumer internet and financial service industry areas. In particular the use of cryptocurrency as a form of payment is an accompanying trend to these emerging technologies.

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Although the consultancy business that CryptoFoundry is not a regulated business but cryptocurrency is increasingly becoming regulated, requiring cryptocurrency issuers and exchanges to regulate themselves and thus increasing barriers to entry. To this end Singapore has been chosen as the headquarter of CryptoFoundry as Singapore has a sophisticated financial regulatory framework that is forward-looking and friendly to emerging technologies. The Monetary Authority of Singapore ("MAS") has recently in its announcement titled "**A Guide To Digital Token Offerings**" on 14<sup>th</sup> November 2017, published guidelines on how utility based cryptocurrency and securities-like digital tokens should be treated within the existing financial regulatory framework of Singapore. With regards to that CryptoFoundry will seek to ensure that its clients that deal with cryptocurrency will obtain relevant legal advice and conform to local legal and regulatory requirements.

### **Cautionary Statement – Cryptocurrency Related Investments**

FFG notes the following in relation to cryptocurrency-related investments:

- Investment into cryptocurrencies is high risk in nature as cryptocurrencies are currently highly speculative
- The proposed investment into CryptoFoundry has a number of risks factors, including but not limited to the following:
  - I. The development of new regulatory framework involving cryptocurrencies
  - II. Cryptocurrencies, cryptocurrency exchanges and its related topics of Initial Coin Offerings (ICO) have raised legal and regulatory issues across multiple jurisdictions. A number of regulators have issued guidance on the relevance of their existing securities and financial services laws with regards to ICOs that have underlying cryptographic tokens that are securities or investment in nature. The regulatory status of ICOs in some of

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these overseas jurisdictions is subject to potential changes and increasingly stringent regulatory oversight. For example:

- ICOs have been banned altogether in China and South Korea;
- in Singapore, Australia, Japan, Canada and elsewhere changes are being made to regulate. and
- in many countries cryptocurrencies are subject to anti-money laundering legislation and this could materially affect their value over time.

#### **Preparation for Commencing Operation**

CryptoFoundry has started its operation and is currently in advanced discussion to provide its services to 3 potential clients that are looking to launch projects in the blockchain and cryptocurrency space. CryptoFoundry expects to secure its first client within the first quarter 2018.

CryptoFoundry, although still at its infancy, is led by a management team that is experienced in building technology businesses in consumer internet, payment systems, blockchain and cryptocurrency technologies.

CryptoFoundry's day-to-day operation will initially have 4 employees. The FFG team will be headed by FFG's CEO, Kin Wai Lau, and a team of 2 of other FFG employees will provide support to the operation of CryptoFoundry on a on-going basis.

#### **Use of Proceeds from the Proposed Investment**

The proposed investment of S\$350,000 into CryptoFoundry will be used for general working capital purpose.

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### **Rationale for the Investment**

The investments into cryptofoundry is inline with FFG's vision to be the leading technology venture investment and development firm that leads investment into disruptive technology space across consumer and business markets. The investment into CryptoFoundry is a follow-on downstream investment that has synergies with the earlier announced investments into Kryptos-X cryptocurrency exchange and Altairian Holdings Limited.

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### **About Fatfish Internet Group**

Fatfish Internet Group Ltd (ASX Code: FFG) is a publicly traded international internet venture investment and development firm with presence across Southeast Asia, Australia and Europe. 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.

For further question on this release, please contact Investor Relations Team [ir@fatfish.co](mailto:ir@fatfish.co) or visit [www.fatfish.co](http://www.fatfish.co)

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