

FATFISH INTERNET GROUP LIMITED  
ABN 88 004 080 460

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

---

RESULTS FOR ANNOUNCEMENT TO THE MARKET

---

Revenue from ordinary activities	Up	24%	to	\$ 1,340,315
Profit from ordinary activities attributable to members	Down	92%	to	\$ 1,913,797
Net profit for the period attributable to members	Down	91%	to	\$ 1,951,056

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year end.

Revenue from ordinary activities \$1,340,315 compared to last year's revenue of \$1,082,789

Net profit attributable to members \$1,951,056 compared to last year's profit of \$22,844,881

Earnings per share of (.76 cents) compared with last year's earnings of (14.03 cents)

Diluted earnings per share of (.59 cents) compared with last years earnings of (14.03 cents)

**REVIEW OF OPERATIONS**

For second half of financial year ending 31 December 2017, the Group continues to work closely with its investee companies to help them expand their business while implementing its own corporate strategy.

Notably the spin-out of the Group's consumer internet ventures to its Swedish subsidiary Fatfish Global Ventures AB (publ) was completed during this period. Fatfish Global Ventures AB (publ) is subsequently looking to seek an IPO on the First North market of NASDAQ Nordic of Sweden.

During this period the Group has started investing into the blockchain and cryptocurrency sector in-line with its interest in the fintech industry since its inception. The Group has committed to make several new investments that include:

- Investment into APAC Mining Corp, a blockchain mining company
- Investment into CryptoFoundry Pte. Ltd., a blockchain and token sale advisory business
- Investment into Kryptos-X , a cryptoasset exchange set up by founding CEO and Chairman of Chi-X Global
- Investment into Altairian Capital Holdings, a fintech and financial services venture builder based out of London, UK

Moving forward, the Company will continue to seek an active participation in assisting its investee companies to grow their businesses globally. The Company will continue to be active in the two main tech sectors it is now involved in, i.e. consumer internet technologies and blockchain technologies.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revenue	1,340,315	1,082,789
Cost of sales	(622,545)	(195,198)
<b>Gross Profit</b>	<b>717,770</b>	<b>887,591</b>
Other income/(expenses)	222,415	2,865,796
Fair value gain on investments upon adoption of exception to consolidation	-	27,738,877
Unrealised gains/(losses) on investments at fair value	3,412,446	(5,625,000)
Employee benefits expense	(429,883)	(401,676)
Depreciation and amortisation expense	(83,360)	(337,359)
Impairment of receivables	(23,774)	(250,059)
Administration expenses	(1,165,377)	(1,712,309)
Marketing expenses	(472,865)	(192,279)
Listing and filing fees	(69,886)	(124,972)
Occupancy expenses	(171,157)	(70,570)
Finance costs	(22,532)	-
<b>Profit before income tax</b>	<b>1,913,797</b>	<b>22,778,040</b>
Tax expense	-	-
<b>Net Profit for the year</b>	<b>1,913,797</b>	<b>22,778,040</b>
<b>Other comprehensive income:</b>		
<b>Items may be reclassified subsequently to profit or loss</b>		
Fair value gains on available-for-sale financial assets, net of tax	4,200,286	1,490,324
Exchange differences on translating foreign operations, net of tax	(332,952)	(207,236)
<b>Total other comprehensive income for the year</b>	<b>3,867,334</b>	<b>1,283,088</b>
<b>Total comprehensive income for the year</b>	<b>5,781,131</b>	<b>24,061,128</b>
Net profit attributable to:		
Members of the parent entity	1,951,056	22,844,881
Non-controlling interest	(37,259)	(66,841)
	<b>1,913,797</b>	<b>22,778,040</b>
Total comprehensive income attributable to:		
Members of the parent entity	5,785,187	24,066,402
Non-controlling interest	(4,056)	(5,274)
	<b>5,781,131</b>	<b>24,061,128</b>
<b>Earnings per share</b>		
From continuing and discontinued operations:		
Basic earnings/(loss) per share (cents)	0.76	14.03
Diluted earnings/(loss) per share (cents)	0.59	14.03

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

**Consolidated Group**

**2017**  
**\$**

**2016**  
**\$**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	3,352,429	398,819
Trade and other receivables	257,516	97,749
Available for sale financial assets	8,658,284	4,457,998
Other financial assets	2,342,001	2,242,058
Other assets	925,560	-
<b>TOTAL CURRENT ASSETS</b>	<b>15,535,790</b>	<b>7,196,624</b>

**NON-CURRENT ASSETS**

Investments at fair value through profit or loss	31,346,375	27,777,963
Other financial assets	876,217	-
Property, plant and equipment	62,561	49,671
Investments in associates	423,619	-
Intangible assets	1,722,931	250,405
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,431,703</b>	<b>28,078,039</b>
<b>TOTAL ASSETS</b>	<b>49,967,493</b>	<b>35,274,663</b>

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	1,338,665	108,883
Borrowings	9,371	662,635
Other financial liabilities	3,682,540	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,030,576</b>	<b>771,518</b>

**NON-CURRENT LIABILITIES**

Borrowings	-	2,143,001
Other financial liabilities	834,496	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>834,496</b>	<b>2,143,001</b>

**TOTAL LIABILITIES**

**5,865,072**      **2,914,519**

**NET ASSETS**

**44,102,421**      **32,360,144**

**EQUITY**

Issued capital	33,747,894	27,786,750
Reserves	5,090,316	1,218,924
Retained earnings	5,444,132	3,493,076
Parent interest	44,282,342	32,498,750
Non-controlling interest	(179,921)	(138,606)
<b>TOTAL EQUITY</b>	<b>44,102,421</b>	<b>32,360,144</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	Ordinary	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Subtotal	Non-controlling interests	Total
	\$	\$	\$			\$	\$	\$
<b>Consolidated Group</b>								
<b>Balance at 1 January 2016</b>	27,486,990	(20,642,557)	11,714	1,290,752	-	8,146,899	1,217,038	9,363,937
<b>Comprehensive income</b>								
Profit for the year	-	22,844,881	-	-	-	22,844,881	(66,841)	22,778,040
Other comprehensive income for the year	-	-	(201,962)	-	1,490,324	1,288,362	(5,274)	1,283,088
<b>Total comprehensive income for the year</b>	-	22,844,881	(201,962)	-	1,490,324	24,133,243	(72,115)	24,061,128
<b>Transactions with owners, in their capacity as owners, and other transfer:</b>								
Shares issued during the year	300,000	-	-	-	-	300,000	-	300,000
Transaction costs	(240)	-	-	-	-	(240)	-	(240)
Options expired during the year	-	1,290,752	-	(1,290,752)	-	-	-	-
Derecognition of subsidiaries upon adoption of exception to consolidation	-	-	(81,152)	-	-	(81,152)	(1,283,529)	(1,364,681)
<b>Total transactions with owners and other transfers</b>	299,760	1,290,752	(81,152)	(1,290,752)	-	218,608	(1,283,529)	(1,064,921)
<b>Balance at 31 December 2016</b>	27,786,750	3,493,076	(271,400)	-	1,490,324	32,498,750	(138,606)	32,360,144
<b>Balance at 1 January 2017</b>	27,786,750	3,493,076	(271,400)	-	1,490,324	32,498,750	(138,606)	32,360,144
<b>Comprehensive income</b>								
Profit for the year	-	1,951,056	-	-	-	1,951,056	(37,259)	1,913,797
Other comprehensive income for the year	-	-	(328,896)	-	4,200,288	3,871,392	(4,056)	3,867,336
<b>Total comprehensive income for the year</b>	-	1,951,056	(328,896)	-	4,200,288	5,822,448	(41,315)	5,781,133
<b>Transactions with owners, in their capacity as owners, and other transfer:</b>								
Shares issued during the year	6,249,991	-	-	-	-	6,249,991	-	6,249,991
Transaction costs	(288,847)	-	-	-	-	(288,847)	-	(288,847)
<b>Total transactions with owners and other transfers</b>	5,961,144	-	-	-	-	5,961,144	-	5,961,144
<b>Balance at 31 December 2017</b>	33,747,894	5,444,132	(600,296)	-	5,690,612	44,282,342	(179,921)	44,102,421

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Consolidated Group	
	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	1,425,643	643,374
Interest received	-	24,682
Grants received	82	1,721
Payments to suppliers and employees	(3,031,009)	(2,835,708)
Finance costs	(2,234)	-
Net cash provided by (used in) operating activities	(1,607,518)	(2,165,931)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(20,563)	(25,987)
Purchase of investments	(1,245,397)	-
Net cash outflow on acquisition of subsidiary	(138,500)	-
Purchase of software	-	(1,092,449)
Proceeds from sale of investments	-	79,809
Loans to related parties:	-	-
- payments made	(541,587)	(1,322,354)
- proceeds from repayments	-	-
Net cash provided by (used in) investing activities	(1,946,047)	(2,360,981)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares - Fatfish Internet Group Limited	6,092,095	300,000
Proceeds from issue of shares - iCandy Interactive Limited	-	4,121,584
Proceeds from exercise of options	157,882	-
Proceeds from issue of convertible notes	-	-
Payments for capital raising costs - Fatfish Internet Group Limited	(315,339)	(240)
Payments for capital raising costs - iCandy Interactive Limited	-	(406,367)
Repayment of borrowings	(93,185)	-
Proceeds from borrowings	666,366	-
Net cash provided by (used in) financing activities	6,507,819	4,014,977
Net increase in cash held	2,954,254	(511,935)
Cash and cash equivalents at beginning of financial year	398,819	2,096,820
Effect of exchange rates on cash holdings in foreign currencies	(644)	5,654
Effect of adoption of exception to consolidation as at 1 October 2016	-	(1,191,720)
Cash and cash equivalents at end of financial year	3,352,429	398,819

## SEGMENT INFORMATION

The Company operates in four geographical segments, Australia, Singapore, Malaysia and Indonesia.

## ACCUMULATED LOSSES

	Consolidated Group	
	2017	2016
	\$	\$
Accumulated losses at beginning of the financial period	3,493,076	(20,642,557)
Net profit/(loss) attributable to members	1,951,056	22,844,881
Expiry of options	-	1,290,752
Retained profits/(losses) at end of financial period	<u>5,444,132</u>	<u>3,493,076</u>

## EARNINGS PER SHARE

Earnings/(Loss) used to calculate basic and dilutive EPS	1,951,056	22,778,040
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	255,980,925	162,332,233
Weighted average number of dilutive options outstanding	<u>75,732,953</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during the period used in the calculation of	<u>331,713,878</u>	<u>162,332,233</u>
Basic earnings/(loss) per share (cents)	0.76	14.03
Diluted earnings/(loss) per share (cents)	0.59	14.03

## Potential ordinary shares not considered dilutive

As at 31 December 2017, there are 154,858,096 unlisted options on issue. Options have an exercise price of \$0.011 and an expiry date of 9 June 2019.

## NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share at 31 December 2017, (9.610 cents), and at previous corresponding period, (19.780 cents).

## EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, the Company had invested AUD 1.3 million (USD 1 million) into APAC Mining Corp, a start up that is involved in investing, leasing and managing computing facilities for cryptocurrency mining. As a result, the Company owns 51% of Apac Mining Corp.

A total of 3 sites have been established. Site 1, the largest is nearly completed and is expected to start operations in early March. Sites 2 and 3 have been commissioned and have commenced mining with installed and commissioned servers.

The mining operations have started yielding Bitcoin (BTC), Bitcoin Cash (BCH) and Ethereum (ETH) tokens.

At the date of this report, the Company had completed its purchase of 12.5% of Altairian Capital Holdings Limited. The total amount invested was AUD \$330,000 (USD \$250,000).

As previously announced, the Company has yet to complete its investment into CryptoFoundry Pte Ltd, a Singapore based startup that provides consultancy and technology services in the area of blockchain and cryptocurrency technologies.

Upon completion of the investment, the Company would own 60% of CryptoFoundry Pte Ltd.

**COMPLIANCE STATEMENT**

The financial information provided in the Appendix 4E is based on the annual financial report, which is being prepared in accordance with Australian accounting standards or standards acceptable to ASX.

This report and the accounts upon which the report is based use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited.

The financial report is not likely to be the subject of dispute or qualification.



Signed: .....

Donald H Low  
Director

28 February 2018

For personal use only