FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
APPENDIX 4D HALF-YEAR REPORT FOR THE PERIOD ENDED 30 JUNE 2019

1. Details of the reporting period and the prior corresponding period

Current period:	1 January 2019 - 30 June 2019
Prior corresponding period:	1 January 2018 - 30 June 2018

2. Results for announcement to the market

Key Information	Half year ended 30 June 2019 $	Half year ended 30 June 2018 $	Up/Down	Change
Revenues from ordinary activities	1,492,261	1,664,095	Down	-10%
(Loss)/Profit from ordinary activities after tax attributable to members of the parent	(4,899,700)	(24,257,030)	Down	80%
Total comprehensive income for the period attributable to members of the parent	(5,606,836)	(22,460,933)	Down	75%

3. Dividend Information

Dividend Information	Amount per share (cents)	Franked amount per share (cents)
Interim Dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend	N/A	N/A

4. Net Tangible Assets per security

Net Tangible Assets per security	Half year ended 30 June 2019 (cents)	Half year ended 30 June 2018 (cents)
Net tangible assets per security (with the comparative figures for the previous corresponding period)	3.56	5.49

5. Details of entities over which control has been gained

Name of Entity: N/A
Date of Control: N/A

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES

ABN: 88 004 080 460

Financial Report For The Half-Year Ended 30 June 2019

FATFISH BLOCKCHAIN LIMITED
AND CONTROLLED ENTITIES

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Financial Report For The Half-Year Ended 30 June 2019

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FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
DIRECTORS' REPORT

Your directors of Fatfish Blockchain Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of Fatfish Blockchain Limited and the entities it controlled at the end of, or during, the half-year period ended 30 June 2019.

General Information

Directors

The following persons were directors of Fatfish Blockchain Limited during or since the end of the half-year up to date of this report:

Dato' Larry Nyap Liou Gan
Kin Wai Lau
Donald Han Low
Jeffrey Hua Yuen Tan
Anthony Mackay (resigned 12 March 2019)

Unless otherwise stated, all directors were in office for the period under review, and up to the date of this report.

DIRECTORS' REPORT

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange for the half-year.

Review of Operations

The consolidated loss for the six month period ended 30 June 2019 was $4,221,876. (2018 loss: $24,692,741).

The net assets of the Group as at 30 June 2019 was $28,459,467. (31 December 2018: $31,137,931)

The loss for the half-year ended 30 June 2019 is largely due to the decline in fair value of assets attributed to the listed shares held in iCandy Interactive Limited ("ICI").

In order to unlock the value of the Group's portfolio assets in Consumer Internet, the Group has embarked on an internationalisation strategy to expand its presence to Europe, which has an appetite for investment in the Consumer Internet sector. To this end, the Group is currently working closely with Mangold Fondkomission AB, its appointed Certified Advisor, to list its 81% subsidiary, Fatfish Global Ventures AB ("FGV") on the Nordic MTF segment of the Nordic Growth Market.

Meanwhile, the outlook for the Group's portfolio assets in Blockchain Technology Portfolio portfolio has improved significantly, driven by the meteoric recovery of cryptocurrency prices in the first half of 2019.

Auditor's Independence Declaration

The lead auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to S.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Kin Wai Lau
Director
Dated this 30 August 2019

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Fatfish Blockchain Limited for the half year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

– the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

– any applicable code of professional conduct in relation to the review.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 30th day of August 2019

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2019

FATFISH BLOCKCHAIN LIMITED (ASX:FFG | US:FFTTF)

	Note	Group 30 June 2019 $	Group 30 June 2018 $
Continuing operations			
Revenue		1,492,261	1,664,095
Cost of sales		(909,901)	(1,041,655)
		582,360	622,440
Other income/(expenses)	2(a)	(156,492)	53,715
Unrealised gain/(loss) on investments at fair value		(2,217,775)	(22,627,259)
Unrealised gain/(loss) in fair value of intangibles		92,488	(243,879)
Employee benefits expense		(472,360)	(498,713)
Depreciation and amortisation expense		(148,656)	(245,632)
Impairment expense		(781,166)	-
Administration expenses	2(b)	(638,551)	(1,298,683)
Marketing expenses		(7,688)	(89,387)
Listing and filing fees		(25,706)	(98,102)
Occupancy expenses		(234,453)	(242,917)
Finance costs		(213,877)	(24,324)
(Loss) before income tax		(4,221,876)	(24,692,741)
Tax expense		-	-
Net (Loss) from continuing operations		(4,221,876)	(24,692,741)
Discontinued operations			
Profit/(loss) from discontinued operations after tax		-	-
Net (loss) for the half-year		(4,221,876)	(24,692,741)
Other comprehensive income:			
Items may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		32,143	857,367
		32,143	857,367
Items that will not be reclassified subsequently to profit or loss when specific conditions are met:			
Investments in equity instruments designated as Fair Value - OCI, net of tax		(454,646)	950,389
		(454,646)	950,389
Total other comprehensive income/(loss) for the half-year		(422,503)	1,807,756
Total comprehensive income for the half-year		(4,644,379)	(22,884,985)
Net loss attributable to:			
Members of the parent entity		(4,899,700)	(24,257,030)
Non-controlling interest		677,824	(435,711)
		(4,221,876)	(24,692,741)
Total comprehensive income attributable to:			
Members of the parent entity		(5,606,836)	(22,460,933)
Non-controlling interest		962,457	(424,053)
		(4,644,379)	(22,884,986)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.80)	(5.28)
Diluted earnings per share (cents)		(0.80)	(5.28)

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Group 30 June 2019 $	Group 31 December 2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,320,503	336,838
Trade and other receivables		257,301	506,053
Inventories		243,227	349,907
Other financial assets	4	1,753,505	2,128,986
Other assets	9	19,337	144,711
TOTAL CURRENT ASSETS		4,593,873	3,466,495
NON-CURRENT ASSETS			
Financial Assets - Fair value OCI	6	10,782,261	11,781,703
Plant and equipment	7	557,533	617,625
Investments at fair value through profit or loss	5	16,669,538	18,772,943
Intangible assets	8	2,118,317	2,171,762
Other non-current assets	9	1,050,925	1,203,325
TOTAL NON-CURRENT ASSETS		31,178,574	34,547,358
TOTAL ASSETS		35,772,447	38,013,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,391,118	1,740,229
Borrowings		184,353	61,575
Other financial liabilities	10	4,840,273	4,067,140
TOTAL CURRENT LIABILITIES		6,415,744	5,868,944
NON-CURRENT LIABILITIES			
Borrowings		-	157,564
Other financial liabilities	10	897,237	849,414
TOTAL NON-CURRENT LIABILITIES		897,237	1,006,978
TOTAL LIABILITIES		7,312,981	6,875,922
NET ASSETS		28,459,466	31,137,931
EQUITY			
Issued capital	11	38,214,677	36,248,763
Reserves	15	2,798,599	3,505,735
Retained earnings		(17,169,371)	(12,269,671)
Equity attributable to owners of the parent entity		23,843,905	27,484,827
Non-controlling interest		4,615,561	3,653,104
TOTAL EQUITY		28,459,466	31,137,931

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2019

		Share Capital		Reserves					
	Note	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$	$	$
Consolidated Group									
Balance at 1 January 2018		33,747,894	5,178,867	(216,874)	-	5,001,522	43,711,409	33,289	43,744,698
Comprehensive income									
Loss for the period		-	(24,257,030)	-	-	-	(24,257,030)	(435,711)	(24,692,741)
Other comprehensive income for the period	15(i)	-	-	845,709	-	950,388	1,796,097	11,658	1,807,755
Total comprehensive income for the period		-	(24,257,030)	845,709	-	950,388	(22,460,933)	(424,053)	(22,884,986)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the period	3	2,054,745	-	-	-	-	2,054,745	-	2,054,745
Transaction costs		(453,737)	-	-	-	-	(453,737)	-	(453,737)
Options issued during the period		-	-	-	349,550	-	349,550	-	349,550
Recognition of non-controlling interest in Minerium Technology Limited		-	-	-	-	-	-	626,635	626,635
Total transactions with owners and other transfers		1,601,008	-	-	349,550	-	1,950,558	626,635	2,577,193
Balance at 30 June 2018		35,348,902	(19,078,163)	628,835	349,550	5,951,910	23,201,034	235,871	23,436,905
Balance at 1 January 2019		36,248,763	(12,269,671)	2,083,638	398,593	1,023,504	27,484,827	3,653,104	31,137,931
Comprehensive income									
Loss for the period		-	(4,899,700)	-	-	-	(4,899,700)	677,824	(4,221,876)
Other comprehensive income for the period	15(i)	-	-	(252,490)		(454,646)	(707,136)	284,633	(422,503)
Total comprehensive income for the year		-	(4,899,700)	(252,490)	-	(454,646)	(5,606,836)	962,457	(4,644,379)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the period		2,007,914	-	-	-	-	2,007,914	-	2,007,914
Transaction costs		(42,000)	-	-	-	-	(42,000)	-	(42,000)
Options issued during the period		-	-	-	-	-	-	-	-
Total transactions with owners and other transfers		1,965,914	-	-	-	-	1,965,914	-	1,965,914
Balance at 30 June 2019		38,214,677	(17,169,371)	1,831,148	398,593	568,858	23,843,905	4,615,561	28,459,466

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Group	
	30 June 2019 $	30 June 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,724,129	1,882,057
Interest received	1,106	3,151
Payments to suppliers and employees	(2,907,433)	(2,867,087)
Net cash used in operating activities	(1,182,198)	(981,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	14,657
Proceeds from sale of investments	343,673	-
Purchase of property, plant and equipment	(6,729)	(2,143,314)
Purchase of investments	-	(1,056,828)
Loans to related parties:		
- payments received	20,841	-
- payments made	-	(496,556)
Net cash (used in)/generated by investing activities	357,785	(3,682,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,992,690
Proceeds from exercise of options	1,313,833	62,055
Proceeds from issue of convertible notes	1,539,014	-
Payments for capital raising costs	(42,000)	(104,187)
Proceeds from borrowings	-	478,931
Repayment of borrowings	-	(313,094)
Net cash provided by (used in) financing activities	2,810,847	2,116,395
Net increase/(decrease) in cash held	1,986,434	(2,547,525)
Cash and cash equivalents at beginning of financial period	336,838	3,323,138
Effect of exchange rates on cash holdings in foreign currencies	(2,769)	(151)
Cash and cash equivalents at end of financial period	2,320,503	775,462

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Fatfish Blockchain Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 30 August 2019 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 31 December 2018 and any public announcements made by the Company since 31 December 2018 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The condensed consolidated financial statements of Fatfish Blockchain Limited for the six months ended 30 June 2019 have been prepared on the basis of historical cost, except for the revaluation of certain non-cureent assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. ALl amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements as at 31 December 2018, unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Fatfish Blockchain Limited and all of the subsidiaries (including any structured entities) with the exception of subsidiaries accounted for as investments at fair value. Subsidiaries are entities that the Parent controls. The Parent controls an entitiy when it is exposed to, or has rights to, variable returns from its involvement with the entitiy and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

AASB 10 - Consolidated Financial Statements provides an exemption to investment entities from consolidating its subsidiaries. Fatfish Internet Pte Ltd, the accounting parent, and a subsidiary of Fatfish Blockchain Limited qualifies for this exemption as it:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, there are four typical characteristics of an investment entity provided in AASB 10 being:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the equity; and
- it has ownership interest in the form of equity or similar interests.

The Directors have assessed that Fatfish Internet Pte Ltd, the accounting parent meets these requirements. The company has applied the AASB 10, exception to consolidation since 1 October 2016.

Under AASB 10, investments in subsidiaries are measured at fair value through profit or loss in accordance with AASB 13, rather than being consolidated to form group accounts. As such, these separate financial statements are the Company's only financial statements.

However, Fatfish Internet Pte Ltd ("FIPL") has entities that is not itself an investment entity, therefore, it would consolidate certain subsidiaries according to AASB 10. The legal parent and accounting subsidiary, Fatfish Blockchain Limited (a company incorporated in Australia) has been assessed as an entity that is not an investment entity and provides services that relates to FIPL's investment activities and thus has been consolidated in accordance with AASB 10.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Note 1: Summary of Significant Accounting Policies (continued)

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

— assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— income and expenses are translated at exchange rates on the date of transaction; and
— all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(c) Revenue and Other Income

Accounting policy for revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised with reference to the completion by the Company of specific performance obligations of contracts with customers, as described below.

Revenue from contracts with customers

The Company elected to adopt the provisions of AASB 15: Revenue from Contracts with Customers with effect from 1 January 2018. Revenue is recognised from online sales, mining of cryptocurrency and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

All contracts with effect from 1 January 2018 (either written, verbal or implied) are identified, together with the separate performance obligations within the contract and the transaction price is determined. Adjustments are made for the time value of money excluding credit risk and the transaction price is allocated to the separate performance obligations on the basis of relative stand-alone selling price of each distinct good/service. The estimation approach is taken if no distinct observable prices exists and revenue is recognised when each performance obligation is satisfied.

Credit risk is presented separately as an expense, rather than adjusted to revenue. For goods, the performance obligation is satisfied when the customer takes control of the goods. For services, the performance obligation is satisfied when the service has been performed typically for promises to transfer services to customers. For performance obligations satisfied over time, the Company selects an appropriate measure of progress to determine how much revenue is recognised as the performance obligation is satisfied.

Online store sales

Revenue from online store sales are recognised at the time of the item purchase.

Services revenue

Revenue from services performed in relation to those that has a contract would be recognised at the end of the month. Ad hoc services revenue would be recognised once the service has been performed.

Interest revenue

Interest revenue is recognised using the effective interest method.

All revenues are stated net of the amount of GST and equivalent consumption taxes.

Note 1: Summary of Significant Accounting Policies (continued)

(d) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(i) Key judgements and estimates - Intellectual Property - Software

Intangible assets include the Group's aggregate amounts spent on computer software development costs.

In determining the development expenditures to be capitalised, the Group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. Other important estimates and assumptions in this assessment process are the distinction between R & D and the estimated useful life.

Development costs associated with intangible assets are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect to software are internally generated and have a finite useful life. The amortisation method is straightline over the period of the expected benefit, being 5 years. Impairment testing is undertaken when impairment indicators exist.

(ii) Key judgements and estimates - Impairment

The Group assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Key Estimate - Impairment of Goodwill

Refer to Note 8 - Intangible Assets

(e) Digital Currencies

(i) Intangibles

Digital currencies are indefinite life intangible assets initially recognised at cost. The digital currencies are subsequently measured at fair value by reference to quote price in an active digital currency market.

Any increase or decrease in the fair value of the digital currencies are recognised through the profit and loss, similar to any gains or losses upon the disposals of digital currencies.

(ii) Inventory

Digital currencies inventory fair value measure is a Level 1 fair value as it is based on a quoted (unadjusted) market price in active markets for identical assets.

Digital currencies inventory is derecognised when the Group disposes of the inventory through its trading activities or when the Group otherwise losses control and, therefore, access to the economic benefits associated with ownership of the Digital Currencies Inventory.

(f) Financial Instruments

(i) *Classification of financial instruments*

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

(ii) *Financial assets measured at amortised cost*

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described in note (iii) Impairment of financial assets.

Note 1: Summary of Significant Accounting Policies (continued)

Financial assets measured at amortised cost are included in cash and cash equivalents.

(iii) *Financial assets measured at fair value through other comprehensive income*

Equity Instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 "Business Combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management,

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(iv) *Items at fair value through profit or loss items at fair value through profit or loss comprise:*

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial Instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. elimates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it climates or significantly reduces an accounting mismatch

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(v) *Impairment of financial assets*

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts

No ECL is recognised on equity instruments.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverse from lifetime ECL to 12-months ECL. Exposures that have not detoriated significan;y since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-month ECL. Where an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increassed significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Note 1: Summary of Significant Accounting Policies (continued)

(iv) *Recognition and derecognition of financial instruments*

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recogised initially at fair value plus directly attributable transaction costs.

The Group derognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has dischartged its obligation or the contract is cancelled or expires.

(v) *Offsetting*

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settled the liability simultaneously.

(g) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period ended 30 June 2019 of $4,221,876 (30 June 2018: $24,692,741) and had a working capital deficiency of $1,821,871 (31 December 2018: $2,402,449 deficit).

The company currently has in place a convertible loan facility of $10m of which $1.2m was drawn down during the period and at the date of this report $8.0m remains available. We note this is available subject to certain conditions being met, including the average VWAP of the Company's shares over the 30 trading days prior to closing is higher than the floor price of $0.013 and the Company's share price is above the floor price for all of the 5 trading days prior to closing and the Company's market capitalisation not falling below $5m. The Company's share price at the date of this report is $0.01.

Further to the above the entity has $2,000,418 convertible notes as disclosed in Note 10 which the Company expects to convert to ordinary shares in Fatfish Global Ventures A.B upon successful listing on the Nordic Growth Market.

The ability of the Company to continue as a going concern is principally dependent on the Company to increase cashflow from existing businesses, managing cashflow in line with available funds and the ability of the Company to draw down on the convertible note facility. These conditions indicates uncertainty that may cast doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Further to the above the entity holds shares in listed entities which it is able to liquidate to meet any funding needs as and when they arise. At the date of this report the value of these investments was $12m and is made up of iCandy Interactive Limited $8.2m and Claudaron Group Berhad $4.1m . Refer Note 15.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2 Profit for the Period

	Group	
	30 June 2019	30 June 2018
	$	$
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Other income/(expenses)		
- foreign exchange gain/(loss)	(732)	38,809
- unrealised foreign exchange gain/(loss)	(155,760)	-
- other income	-	14,906
	(156,492)	53,715
(a) Included in administration expenses		
- accounting fees	22,418	44,920
- audit fees	33,574	48,505
- consulting fees	111,948	224,945
- subscriptions	16,366	6,080
- motor vehicle costs	2,236	3,614
- legal fees	13,542	152,705
- professional fees	315,307	440,475
- travel and accomodation	48,557	77,915
- office related expenses	54,209	284,277
- other miscellaneous expenses	20,394	15,247
	638,551	1,298,683

Note 3 Dividends

No dividends have been paid, declared or recommended for payment during the reporting period.

Note 4 Other Financial Assets

	Consolidated Group	
	30 June 2019	31 December 2018
	$	$
CURRENT		
Amount receivables from:		
- related parties (others)	400,550	79,723
- related parties (unconsolidated)	1,082,933	924,379
- Others	634,095	846,741
	2,117,578	1,850,843
Less:		
Provision for impairment of amounts receivable from related parties	(1,326,324)	(669,728)
	791,254	1,181,115
Convertible notes	962,251	947,871
	1,753,505	2,128,986
Total Other Financial Assets		
Current	1,753,505	2,128,986
Non-current	-	-
	1,753,505	2,128,986

Terms of receivables:

All receivables are at call.

There are no securities attached.
No interest are charged on receivables.

Note 4: Other Financial Assets (continued)

During the financial period, the Company had 2 convertible notes for a total value of $962,251 (SGD 913,369). The terms and conditions for each convertible note are set out below.

1. Epro Digital Limited (formerly known as Fatfish Advisory Limited) - $692,553 (SGD 657,371)

Maturity	Due and payable on 12 April 2020
Interest on loan	No interest payable
Conversion by holder	On maturity, if the Company decides not to opt for repayment, the Company can choose to convert the principle sum into shares of the company.

2. Fatfish Ventures Sdn Bhd - $269,698 (SGD 255,998)

Maturity	Due and payable on 10 April 2020
Interest on loan	No interest payable
Conversion by holder	On maturity, if the Company decides not to opt for repayment, the Company can choose to convert the principle sum into shares of the company.

Note 5 Interests in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group 2019 (%)	2018 (%)	Proportion of non-controlling interests 2019 (%)	2018 (%)
Fatfish Disruptive Ventures Limited	British Virgin Island	100%	100%	-	-
Minerium Limited	Guernsey	100%	100%	-	-
Minerium Technology Limited	British Virgin Island	51%	51%	49%	49%
D2K Venture Sdn Bhd	Malaysia	51%	51%	49%	49%
Fatfish Capital Limited	British Virgin Island	75%	75%	25%	25%
Fatfish Medialab Pte Ltd	Singapore	75%	75%	25%	25%
Fatfish Global Ventures AB	Sweden	81%	81%	19%	19%
iSecrets AB	Singapore	41%	41%	59%	59%
Snaefell Ventures AB		81%	81%	19%	19%
Fatfish Internet Pte Ltd		81%	81%	19%	19%
Fatfish Ventures Sdn Bhd		81%	81%	19%	19%
vDancer Pte Ltd		77%	77%	23%	23%
Fatfish Investment Partners Pte Ltd		81%	81%	19%	19%
Fintech Asia Group Limited		43%	43%	57%	57%
Smartfunding Pte Ltd		41%	41%	59%	59%
Peer Direct Sdn Bhd		43%	43%	57%	57%
Fatberry Sdn Bhd		26%	26%	74%	74%
iCandy Interactive Limited		46%	62%	54%	38%
iCandy Digital Pte Ltd		46%	62%	54%	38%
Appxplore (iCandy) Limited		46%	62%	54%	38%
Appxplore (iCandy) Sdn Bhd		46%	62%	54%	38%
Inzen (iCandy) Pte Ltd		46%	62%	54%	38%
iCandy Play Limited		46%	62%	54%	38%
iCandy Games Limited		46%	62%	54%	38%
PT Joyseed Berbagi Sukses		31%	-	62%	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities of the Group.

Note 5: Interest in Subsidiaries (continued)

(c) **Subsidiaries held at fair value through profit or loss**

The Board adopted the exception to consolidation for investment entities as described in AASB 10 which became effective on 1 October 2016. The direct effect of the change in accounting policy sees the accounting parent, Fatfish Internet Pte Ltd treated as an investment entity which permits the accounting parent to value is subsidiaries and relevant investments at fair value. Table below shows the subsidiaries fair value brought into account.

Subsidiary	Country of Incorporation	Fair Value at 30 June 2019	Fair Value at 31 December 2018
vDancer Limited	Singapore	-	881,316
Fatfish Investments Partners Pte Ltd	Singapore	11	10
Fatfish Ventures Sdn Bhd	Malaysia	-	-
iCandy Interactive Limited[(i)]	Australia	8,277,500	9,625,000
Fintech Asia Group Limited [(ii)]	British Virgin Island	8,392,027	8,266,617
		16,669,538	18,772,943

(i) The fair value of iCandy Interactive Limited (an ASX-listed entity) is based on its last traded price for the financial year ended 30 June 2019.

(ii) The fair value of Fintech Asia Group Limited is based on equity raised over the last 12 months. The Board and Management intends to seek an independent valuation for the financial year ended 31 December 2019.

The fair value of other subsidiaries as seen in the table above are based on the assessment of Directors and Management as at 30 June 2019.

Note 6 Financial Assets - Fair value OCI

	Group 30 June 2019 $	Group 31 December 2018 $
NON CURRENT		
Financial assets - Fair value OCI	10,782,261	11,781,703
	10,782,261	11,781,703

(a) Financial assets - Fair Value OCI

NON CURRENT

Listed and unlisted investments, at fair value		
- shares in listed corporations	4,091,815	4,519,693
- shares in unlisted corporations	6,690,446	7,262,010
	10,782,261	11,781,703

Listed Corporations

- Financial Assets - Fair value OCI's listed corporations have been valued using quoted prices in active markets.

Opening Balance	4,519,693	3,475,305
Additions	-	-
Movement in foreign currency	26,768	359,132
Movement in fair value of financial assets - fair value OCI	(454,646)	685,256
Closing balance	4,091,815	4,519,693

Unlisted Corporations

- Financial Assets - Fair value OCI's unlisted corporations have been valued using the market approach. The valuation techniques uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities

Opening Balance	7,262,010	4,917,508
Additions	-	744,454
Additions through acquisition of subsidiaries [(i)]	-	6,002,236
Reclassification from financial assets- fair value OCI to subsidiary	-	(423,619)
Movement in foreign currency	(571,564)	426,248
Movement in fair value of financial assets - fair value OCI	-	(4,404,817)
Closing balance	6,690,446	7,262,010

(i) This relates to provisionally accounted for Financial Assets - fair value - OCI acquired as part of the acquisition of Snaefell Ventures AB. The value has been provisionally accounted for. The current value of these investments is $6,096,892. Management are in the process of determining the fair value of these investments as at acquisition date.

Note 7 Plant and Equipment

	Group 30 June 2019 $	Group 31 December 2018 $
Plant and equipment	-	-
Plant and equipment:		
At cost	2,038,969	2,025,969
Accumulated depreciation and impairment losses	(1,686,778)	(1,652,293)
	352,191	373,676
Leasehold improvements		
At cost	116,225	115,105
Accumulated depreciation	(40,785)	(28,133)
	75,440	86,972
Furniture & Fittings		
At cost	14,692	14,472
Accumulated depreciation	(13,506)	(11,857)
	1,186	2,615
Computer Equipment		
At cost	115,798	114,619
Accumulated depreciation	(60,180)	(51,894)
	55,618	62,725
Motor Vehicle		
At cost	119,588	117,801
Accumulated depreciation	(46,490)	(26,164)
	73,098	91,637
Total plant and equipment	557,533	617,625

(a) **Movements in Carrying Amounts**

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the financial period.

	Plant and Equipment $	Leasehold Improvement $	Furniture & Fittings $	Computer Equipment $	Motor Vehicle $	Total $
Balance at 1 January 2018	-	31,826	3,573	27,162	-	62,561
Additions	2,025,969	71,518	967	54,054	117,801	2,270,309
Depreciation expense	(365,828)	(18,405)	(2,720)	(17,059)	(25,000)	(429,012)
Impairment expense	(1,194,578)	-	-	-	-	(1,194,578)
Movement in foreign currency	(91,887)	2,033	795	(1,432)	(1,164)	(91,655)
Balance at 31 December 2018	373,676	86,972	2,615	62,725	91,637	617,625
Additions	-	-	-	6,729	-	6,729
Depreciation expense	(23,721)	(11,525)	(1,453)	(11,808)	(19,712)	(68,219)
Impairment expense	-	-	-	-	-	-
Movement in foreign currency	2,236	(7)	24	(2,028)	1,173	1,398
Balance at 30 June 2019	352,191	75,440	1,186	55,618	73,098	557,533

Note 8 Intangible Assets

	Group	
	30 June 2019	31 December 2018
	$	$
Goodwill		
Cost	2,387,052	2,387,012
Accumulated impairment losses	(907,713)	(707,713)
Net carrying amount	1,479,339	1,679,299
Computer software:		
Cost	765,694	778,304
Accumulated amortisation and impairment losses	(357,491)	(303,693)
Net carrying amount	408,203	474,611
Cryptocurrency		
Cost	461,430	556,606
Accumulated amortisation and impairment losses	(230,655)	(538,754)
Net carrying amount	230,775	17,852
Total intangible assets	2,118,317	2,171,762

Consolidated Group:

	Goodwill[1]	Computer Software	Cryptocurrency	Total
	$	$	$	$
Year ended 31 December 2018				
Balance at the beginning of the year	1,262,613	473,299	-	1,735,912
Additions	1,124,399	110,856	461,430	1,696,685
Reclassification from prepayments	-	-	383,730	383,730
Disposals	-	-	(288,554)	(288,554)
Amortisation and impairment losses	(707,713)	(119,633)	(439,028)	(1,266,374)
Movement in foreign currency	-	10,090	(99,727)	(89,637)
	1,679,299	474,612	17,851	2,171,762
Year ended 30 June 2019				
Balance at the beginning of the period	1,679,299	474,612	17,851	2,171,762
Additions	-	-	354,459	354,459
Disposals	-	-	(229,388)	(229,388)
Amortisation and impairment losses	(200,000)	(53,798)	92,488	(161,310)
Movement in foreign currency	-	(12,611)	(4,635)	(17,246)
Closing value at 30 June 2019	1,479,299	408,203	230,775	2,118,277

(i) The recoverable amount in relation to iSecrets AB cash generating unit has been determined using the value in use method based on the net present value of projected earnings before interest, tax and depreciation using cash flow projections on financial budgets approved by senior management covering a 1 year forecast. A growth rate of 4% (2018: 5%) was used to extrapolate managements cash flow forecasts for a further 5 years (2018: 5 years). This rate is used for the first 5 years and subsequently a growth rate of 2% has been used. The cash flow projections were prepared based on past experience and contracts that are in place. A discount rate of 20% has been applied. This has resulted in a $200,000 write down of the goodwill.

Intangible asses, other than goodwill, will have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss.

Note 9 Other Assets

	Group	
	30 June 2019	31 December 2018
	$	$
CURRENT		
Prepayments	19,337	144,711
	19,337	144,711
NON-CURRENT		
Prepayment for investment [1]	1,004,920	1,004,920
Deposits paid	46,005	198,405
	1,050,925	1,203,325

[1] Relates to USD 750,000 paid in relation to the acquisition of 27% of Kryptos-X. The acquisition is not complete and has been recorded as a prepayment.

Note 10 Other Financial Liabilities

	Group	
	30 June 2019	31 December 2018
	$	$
CURRENT		
Amounts payable to:		
- Others	2,214,267	3,121,353
- Related parties - subsidiaries (unconsolidated)	625,588	606,125
Convertible Loans	2,000,418	179,697
Promissory Note	-	159,965
	4,840,273	4,067,140
NON-CURRENT		
Convertible Loans	897,237	849,414
	897,237	849,414
Total Other Financial Liabilities		
Current	4,840,273	4,067,140
Non-Current	897,237	849,414
	5,737,510	4,916,554

Terms of payables:

All payables are at call.
There are no securities attached.
No interest payable on amounts owing

During the financial period, Fatfish Blockchain Limited issued 1,200,000 convertible notes for a total value of AUD $1,200,000. During the financial period, a total of 650,000 convertible were converted. As at 30 June 2019, there were 850,000 convertible notes on issue at a total value of AUD $850,000. The terms and conditions for each note are set out below:

Arena Investors LP - $850,000

Maturity	Due and payable on the first day after the 12 month from the Date of the Issue (3 April 2019).
Interest on loan	1% per annum. Interest accruals on a faily basis and is payable on 30 June and 31 December in each year and on Maturity Date. If an event of default occurs, an interest rate of 5% per annum will apply and is payable monthly.
Conversion by Holder	Arena Investors LP may at its election, convert one or more of the securities into Shares. Listed below is the formula for conversion:

$$\text{Number of Shares} = \frac{\text{101\% of Specified Principal Amount}}{\text{Conversion Price}}$$

Specified Principal Amount is the aggregate principal amount of the Notes that are subject to the conversion.

Conversion price is, in respect of each conversion, the higher of:
(i) floor price of $0.013; and
(ii) the lower or (a) 125% of the average closing price of the Shares over the 25 trading days immediately prior to the issue date of the Note being converted; and (b) 90% of the average of the closing prices of the Shares for any 5 consecutive trading days before the conversion date.

Additional Information: The Company has an undrawn facility of $8,000,000, which can be drawn in 8 tranches of $1,000,000 each.

During the financial period, Fatfish Global Ventures AB had $2,000,418 (SEK 13,040,524) convertible notes on issue. The terms and conditions for each note are set out below:

Maturity	Due and payable which is on the date the Fatfish Global Venture AB's shares is admitted to trading on a regulated market or trading venue, however on 4 June 2021 at the latest
Interest on loan	Interest free
Conversion	On the date of which Fatfish Global Venture AB's shares are admitted to trading on a regulated market or trading venue
Conversion price	SEK 8.1 per new share

Note 11 Issued Capital

	Group	
	30 June 2019	31 December 2018
	$	$
740,189,242 fully paid ordinary shares (31 December 2018: 564,267,982 fully paid ordinary shares)	38,214,677	36,248,763
	38,214,677	36,248,763

(a) **Ordinary Shares**

	Number of shares	Amount
	No.	$
Opening Balance at 1 January 2018	440,863,274	33,747,894
Issued during the year	123,404,708	3,029,624
Less: transaction costs	-	(528,755)
Closing Balance at 31 December 2018	564,267,982	36,248,763
Issued during the period	175,921,260	2,007,915
Less: transaction costs	-	(42,000)
Closing Balance at 30 June 2019	740,189,242	38,214,678

(b) **Options**

The following reconciles the outstanding options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial period.

	Group	
	30 June 2019	31 December 2018
	No.	No.
At the beginning of the reporting period	191,633,613	154,858,096
Options issued during the period	-	58,089,999
Options exercised during the period	(119,439,332)	(21,314,482)
Options expired during the period	(14,104,282)	-
At the end of the reporting period	58,089,999	191,633,613

Note 12 Capital and Leasing Commitments

(a) **Investment Expenditure Commitments**

During the 2018 financial year and the half-year ended 30 June 2019, the Group had signed contracts to invest in some entities. Listed below are the amounts that are required to be paid to complete these investments.

	Amount Committed	
	30 June 2019	31 December 2018
	$	$
Acquisition of 27% of Kryptos-X	421,003	303,080
	421,003	303,080

(b) **Finance Lease Commitments**

	Group	
	30 June 2019	31 December 2018
	$	$
Payable - minimum lease payments		
- not later than 12 months	14,665	14,446
- between 12 months and five years	68,402	74,603
Minimum lease payments	83,067	89,049
Less future finance charges	(14,054)	(15,063)
	69,013	73,986

Note 13 Operating Segments

General Information

Information of reportable segments

(a) **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(d) **Unallocated items**

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

• Impairment of assets and other non-recurring items of revenue or expense
• Income tax expense
• Deferred tax assets and liabilities
• Current tax liabilities
• Other financial liabilities
• Intangible assets

(e) **Segment information**

(i) **Segment performance**

Half-year ended 30 June 2019	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
REVENUE	1,106	7,686	397,286	1,086,182	1,492,261
Total segment revenue	1,106	7,686	397,286	1,086,182	1,492,261
Reconciliation of segment revenue to group revenue					
Total group revenue					1,492,261
Segment result from continuing operations before tax	(539,556)	(2,517,678)	193,202	(469,466)	(3,333,498)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					(888,378)
Net profit before tax from continuing operations					(4,221,876)

Half-year ended 30 June 2018	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
REVENUE	3,151	53,133	219,304	1,388,507	1,664,095
Total segment revenue	3,151	53,133	219,304	1,388,507	1,664,095
Reconciliation of segment revenue to group revenue					
Total group revenue					1,664,095
Segment result from continuing operations before tax	(427,140)	(23,635,935)	(96,506)	(486,283)	(24,645,864)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					(46,877)
Net profit before tax from continuing operations					(24,692,741)

Note 13: Operating Segments (continued)

(ii) **Segment assets**

30 June 2019	$	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment assets						
Segment assets include:		57,674,036	22,737,047	3,026,090	52,539,111	135,976,284
— Additions to non-current assets (other than financial assets and deferred tax)						-
Reconciliation of segment assets to group assets						
Intersegment eliminations						(100,203,837)
Total group assets						35,772,447

31 December 2018	$	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment assets						
Segment assets include:		55,577,930	23,272,379	699,132	55,373,416	134,922,857
— Additions to non-current assets (other than financial assets and deferred tax)						-
Reconciliation of segment assets to group assets						
Intersegment eliminations						(96,909,004)
Total group assets						38,013,853

(iii) **Segment liabilities**

30 June 2019	$	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment liabilities		991,171	2,662,605	720,577	6,322,856	10,697,209
Reconciliation of segment liabilities to group liabilities						
Intersegment eliminations						(3,384,228)
Total group liabilities						7,312,981

31 December 2018	$	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment liabilities		399,801	3,429,194	585,285	2,540,022	6,954,302
Reconciliation of segment liabilities to group liabilities						
Intersegment eliminations						(78,380)
Total group liabilities						6,875,922

(iv) **Revenue by geographical region**

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	30 June 2019 $	30 June 2018 $
Australia	1,106	3,151
Singapore	7,686	53,133
Sweden	1,086,184	1,388,507
British Virgin Island	397,286	219,304
Total revenue	1,492,261	1,664,095

(v) **Assets by geographical region**

The location of segment assets by geographical location of the assets is disclosed below:

	30 June 2019 $	31 December 2018 $
Australia	5,299,836	3,307,148
Singapore	22,551,959	26,046,656
Sweden	1,595,082	950,796
British Virgin Island	6,325,570	7,709,253
Total Assets	35,772,447	38,013,853

Note 14 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 21 August 2019, the Company announced that its subsidiary, Fatfish Global Ventures AB's proposed swedish IPO is making good progress. A draft information memorandum and other relevant documentations in relation to the proposed swedish IPO had been submitted to the Nordic Growth Market for their consideration for a proposed lisiting on NGM's Nordic MTF market.

On 28 August 2019, the Company announced that its subsidiary, iCandy Interactive Limited intends to seek a dual listing in Canada.

Note 15 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

— financial assets - fair value OCI
— investments in subsidiaries

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) *Fair value hierarchy*

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques
The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group’s assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

		30 June 2019			
Recurring fair value measurements	**Note**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at fair value through profit or loss					
— Investments at fair value	5	8,277,500	8,392,027	-	16,669,527
— Intangibles - Cryptocurrencies	8	230,775	-	-	230,775
Financial assets at fair value through other comprehensive income:					
— Shares in listed companies	5	4,091,815	-	-	4,091,815
— Shares in unlisted companies (i)	5	-	593,554	-	593,554
Total financial assets recognised at fair value on a recurring basis		12,600,090	8,985,581	-	21,585,671

(i) Excludes investments held by Snaefell AB which have been provisionally accounted for as per Note 6.

Note 16 Reserves

a. **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options.

	Group 30 June 2019	Group 31 December 2018
Balance at beginning of year	398,593	-
Options issued	-	398,593
Options exercised	-	-
Options expired	-	-
	398,593	398,593

b. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	Group 30 June 2019	Group 31 December 2018
Balance at beginning of year	2,083,638	(216,874)
Foreign currency movements during the year	(252,490)	2,300,512
	1,831,148	2,083,638

c. **Financial Assets Reserve**

The financial assets reserve records revaluations of financial assets.

	Group 30 June 2019	Group 31 December 2018
Balance at beginning of year	1,023,504	5,001,522
Fair value movements during the year	(454,646)	(3,978,018)
	568,858	1,023,504

Total Reserves	Group 30 June 2019	Group 31 December 2018
Option reserve	398,593	398,593
Foreign currency translation reserve	1,831,148	2,083,638
Financial assets reserve	568,858	1,023,504
	2,798,599	3,505,735

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Fatfish Blockchain Limited, the directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and;
   (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(25) of the Corporations Act 2001.

Director

Mr Kin Wai Lau

Dated this 30 August 2019

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Fatfish Blockchain Limited

We have reviewed the accompanying half-year financial report of Fatfish Blockchain Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2019 , the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fatfish Blockchain Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(g) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $4,221,876 during the half year ended 30 June 2019. As stated in Note 1(g), these events or conditions, along with other matters as set forth in Note 1(g), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 30th day of August 2019