FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
APPENDIX 4D HALF YEAR REPORT FOR THE PERIOD ENDED 30 JUNE 2018

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

Current period:	1 January 2018 - 30 June 2018
Prior corresponding period:	1 January 2017 - 30 June 2017

2. Results for announcement to the market

Key Information	Half year ended 30 June 2018 $	Half year ended 30 June 2017 $	Up/down	Change %
Revenues from ordinary activities	1,664,095	58,628	Up	2738%
(Loss)/Profit from ordinary activities after tax attributable to members of the parent	(24,257,030)	(10,654,252)	Down	-128%
Total comprehensive income for the period attributable to members of the parent	(22,460,933)	(10,284,658)	Down	-118%

3. 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

	Half year ended 30 June 2018 (cents)	Half year ended 30 June 2017 (cents)
Net tangible assets per security (with the comparitive figures for the previous corresponding period)	5.49	16.30

5. Details of entities over which control has been gained

Name of Entity:	APAC Mining Corp Limited
Date of control:	10 January 2018

FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 88 004 080 460

**Financial Report For the Half-Year Ended
30 June 2018**

FATFISH INTERNET GROUP LIMITED
AND CONTROLLED ENTITIES

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Financial Report For The Half-Year Ended 30 June 2018

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

Your directors of Fatfish Internet Group Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of Fatfish Internet Group Limited and the entities it controlled at the end of, or during, the half-year period ended 30 June 2018.

General Information

Directors

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

Dato' Larry Nyap Liou Gan

Kin Wai Lau

Anthony Mackay

Donald Low

Jeffrey Hua Yuen Tan

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 2018 was $24,692,741. (2017 loss: $10,689,077)

The net assets of the Group as at 30 June 2018 was $23,436,905. (31 December 2017: $43,744,698)

The half year ended 30 June 2018 has been an exciting period for the Company.

The large loss for the half-year ended 30 June 2018 is largely due to the decline in fair value of assets attributed to the listed shares held in iCandy Interactive Limited ("ICI"). Value of ICI shares at 30 June 2018 is AUD $8.855 million. (31 December 2017: AUD $30.8 million)

The Company continues to be the only, if not one of a couple, public listed companies with projects and investments in the three highest growth areas of the cryptocurrency and block chain sectors; Cryptocurrency Exchanges; Cryptocurrency Mining; & Cryptocurrency Funds Management.

Cryptocurrency Exchanges, whereby cryptocurrencies can be bought and sold, continue to be a high growth area within the industry and contribute significant revenue to the sector.

Another high growth and high revenue sector in the cryptocurrency market is Cryptocurrency Mining. Fatfish investee and 51% owned APAC Mining Corp has established operations in Malaysia and the Company announced a further crypto mining facility to be established in Montreal Canada. This new facility will capitalise on the low-cost energy tariff which are some of the lowest in the world.

During the reporting period, it was announced that the Company's subsidiary, iCandy Interactive Limited, was successful in its application to the Federal Court of Australia for order providing in the retrospective curing of the offers for sale, or sale, by the subscribers of shares issued on the 9th of October, 2017. That is, it was declared that the Placement Shares during the period after their issue are not invalid for any reason of the sellers' failure to comply with the applicable cleansing provision.

On 27 June 2018, the Company's shares commenced trading on the OTCQB under the symbol FFTTF, thereby allowing North American investors to directly invest in Fatfish in a full regulatory compliant framework. The OTCQB is a US-based financial market operated by the OTC Markets Group in New York and is the second highest tier of the U.S. OTC Markets. Through the dual listing, Fatfish aims to engage a far greater network of U.S. investors, data distributors and media partners, ensuring that North American investors have the same access to high quality information as investors in Australia.

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 31 August 2018

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 partner for the review of the financial statements of Fatfish Internet Group Limited for the half year ended 30 June 2018, 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 31st day of August 2018

FATFISH INTERNET GROUP 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 2018

		Group	
		30 June 2018	30 June 2017
	Note	$	$
Continuing operations			
Revenue		1,664,095	58,628
Cost of Sales		(1,041,655)	-
Gross Profit		622,440	58,628
Administration expenses	2b	(1,298,683)	(168,434)
Marketing expenses		(89,387)	(21,783)
Depreciation and amortisation expense		(245,632)	(34,951)
Impairment of receivables		-	(47,837)
Financial expense		(24,324)	(5,821)
Listing and filing fees		(98,102)	(24,583)
Employee benefits expense		(498,713)	(182,118)
Occupancy expenses		(242,917)	(49,617)
Unrealised losses on investments at fair value		(22,627,259)	(10,184,834)
Unrealised movement in fair value of intangibles		(241,029)	-
Other income/(expense)	2a	50,865	(27,727)
(Loss) before income tax		(24,692,741)	(10,689,077)
Tax expense		-	-
Net (Loss) from continuing operations		(24,692,741)	(10,689,077)
Discontinued operations			
Profit/(loss) from discontinued operations after tax		-	-
Net (Loss) for the half-year		(24,692,741)	(10,689,077)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		857,367	(410,281)
		857,367	(410,281)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of financial assets - fair value OCI		950,389	808,814
		950,389	808,814
Total other comprehensive income for the half-year		1,807,756	398,533
Total comprehensive income for the half-year		(22,884,985)	(10,290,544)
Net loss attributable to:			
Members of the parent entity		(24,257,030)	(10,654,252)
Non-controlling interest		(435,711)	(34,825)
		(24,692,741)	(10,689,077)
Total comprehensive income attributable to:			
Members of the parent entity		(22,460,933)	(10,284,658)
Non-controlling interest		(424,053)	(5,886)
		(22,884,986)	(10,290,544)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(5.28)	(6.07)
Diluted earnings per share (cents)		(5.28)	(6.07)

The accompanying notes form part of these financial statements.

FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Group 30 June 2018 $	Group 31 December 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		775,462	3,323,138
Trade and other receivables		266,598	515,570
Inventories		417,989	379,976
Other financial assets	6	3,613,956	2,091,478
Other assets		25,136	228,399
TOTAL CURRENT ASSETS		5,099,141	6,538,561
NON-CURRENT ASSETS			
Financial assets - fair value OCI	4	9,813,386	8,392,813
Other financial assets	6	-	876,217
Investments at fair value through profit or loss	5	9,706,355	31,651,315
Property, plant and equipment	7	1,912,530	62,561
Intangible assets	8	2,468,648	1,735,912
Other assets		879,021	567,398
TOTAL NON-CURRENT ASSETS		24,779,940	43,286,216
TOTAL ASSETS		29,879,081	49,824,777
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,418,492	1,179,289
Borrowings		236,968	9,371
Other financial liabilities		3,781,156	3,658,060
TOTAL CURRENT LIABILITIES		5,436,616	4,846,720
NON-CURRENT LIABILITIES			
Borrowings		-	190,755
Other financial liabilities		1,005,560	1,042,604
TOTAL NON-CURRENT LIABILITIES		1,005,560	1,233,359
TOTAL LIABILITIES		6,442,176	6,080,079
NET ASSETS		23,436,905	43,744,698
EQUITY			
Issued capital	9	35,348,902	33,747,894
Reserves		6,930,295	4,784,648
Retained earnings		(19,078,163)	5,178,867
Parent interest		23,201,034	43,711,409
Non-controlling interest		235,871	33,289
TOTAL EQUITY		23,436,905	43,744,698

The accompanying notes form part of these financial statements.

FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF CHANGTES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Share Capital		Reserves					
	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Subtotal	Non-controlling interests	Total
	$	$	$	$	$	$	$	$
Consolidated Group								
Balance at 1 January 2017	27,786,750	3,493,076	(271,400)	-	1,490,324	32,498,750	(138,606)	32,360,144
Comprehensive income								
Loss for the period	-	(10,654,252)	-	-	-	(10,654,252)	(34,825)	(10,689,077)
Other comprehensive income for the year	-	-	(404,395)	-	808,814	404,419	(5,886)	398,533
Total comprehensive income for the year	-	(10,654,252)	(404,395)	-	808,814	(10,249,833)	(40,711)	(10,290,544)
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	1,198,360	-	-	-	-	1,198,360	-	1,198,360
Transaction costs	(23,060)	-	-	-	-	(23,060)	-	(23,060)
Total transactions with owners and other transfers	1,175,300	-	-	-	-	1,175,300	-	1,175,300
Balance at 30 June 2017	28,962,050	(7,161,176)	(675,795)	-	2,299,138	23,424,217	(179,317)	23,244,900
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 year	-	-	845,709	-	950,388	1,796,097	11,658	1,807,755
Total comprehensive income for the year	-	(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 year	2,054,745	-	-	-	-	2,054,745	-	2,054,745
Transaction costs	(453,737)					(453,737)		(453,737)
Options issued during the year	-	-	-	349,550		349,550		349,550
Recognition of non-controlling interest in Apac Mining 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

The accompanying notes form part of these financial statements.

FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Consolidated Group	
	30 June 2018	30 June 2017
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,882,057	203,365
Interest received	3,151	547
Payments to suppliers and employees	(2,867,087)	(694,137)
Net cash used in operating activities	(981,879)	(490,225)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	14,657	-
Purchase of property, plant and equipment	(2,143,314)	(18,693)
Purchase of investments	(1,056,828)	(861,831)
Loans to related parties:		
- payments received	-	814,101
- payments made	(496,556)	(50,622)
Net cash (used in) investing activities	(3,682,041)	(117,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,992,690	1,198,360
Proceeds from exercise of options	62,055	
Payments for capital raising costs	(104,187)	(23,060)
Proceeds from borrowings	478,931	-
Repayments of borrowings	(313,094)	-
Net cash provided by (used in) financing activities	2,116,395	1,175,300
Net decrease in cash held	(2,547,525)	568,030
Cash and cash equivalents at beginning of financial year	3,323,138	398,819
Effect of exchange rates on cash holdings in foreign currencies	(151)	2,151
Cash and cash equivalents at end of half-year	775,462	969,000

The accompanying notes form part of these financial statements.

The condensed consolidated financial statements of Fatfish Internet Group Limited for the six months ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 31 August 2018 and cover the consolidated entity consisting of Fatfish Internet Group Limited and its controlled entities ("the Group") as required by the Corporations Act 2001.

The financial statements were authorised for issue on 31 August 2018 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 2017 and any public announcements made by the Company since 31 December 2017 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange or assets. All amounts are presented in Australian dollars, unless otherwise stated.

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 2017, unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Fatfish Internet Group 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 the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity 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 fully owned subsidiary if Fatfish Internet Group 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, therefor, it would consolidate certain subsidiaries according to AASB 10, The legal parent and accounting subsidiary, Fatfish Internet Group 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.

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity'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.

(Note 1: Summary of Significant Accounting Policies (Cont'd))

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

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 profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group'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 average exchange rates for the period; and

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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) 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 Group.

(i) Key judgements and estimates - impairment

The Group assesses 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.

(d) 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 the quote price in an active digital currency market.

Any increases 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 measurement 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 loses control and, therefore, access to the economic benefits associated with ownership of the Digital Currencies inventory,

(e) Financial Instruments

During the period AASB 9: Financial Instruments became effective.

(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 below in note (iii) Impairment of financial assets.

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

(i) 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.

(ii) 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.

(Note 1: Summary of Significant Accounting Policies (Cont'd))

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. eliminates 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 eliminates or significantly reduces an accounting mismatch or:

- 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.

(iii) 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 investments

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 reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When 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 increased 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.

(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 recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises 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 discharged 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 settle the liability simultaneously.

(f) Revenue from Contracts with Customers

During the period AASB 15: Revenue from contracts with customers became effective.

The core principal of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step process outlined in AASB 15, which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations; and

Step 5: Recognise the revenue as the performance obligations are satisfied.

All revenue is stated net of the amount of GST and equivalent consumption taxes.

(g) Going Concern

The financial report has been prepared on the 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 generated a loss of $24,692,741 (30 June 2017: Loss of $10,689,077) before tax and incurred net cash outflows from operating activities of $981,879 (30 June 2017: net cash outflows of $490,225).

As at 30 June 2018, the Company has a working capital deficit of $337,475 (2017: Surplus $1,691,841)

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant 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 Company 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.

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.

(Note 1: Summary of Significant Accounting Policies (Cont'd))

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.

(h) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

— AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

— recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term of 12 months or less of tenure and leases relating to low-value assets);

— depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

— inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

— application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and

— inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group has established an AASB 16 project team and is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed over each line of business and lease type, the effect of AASB 16 is not expected to have a material effect on the Group. It is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Profit for the Year

	Group	
Profit before income tax from continuing operations includes the following specific expenses:	30 June 2018	30 June 2017
(a) Other income/(expenses)	$	$
— foreign exchange gains	38,809	(28,338)
— unrealised gain/(loss) on revaluation of digital currency	(2,850)	-
— other income	14,906	-
— gain on sale of subsidiary / associate	-	611
	50,865	(27,727)
(b) Included in administration expenses		
— accounting fees	44,920	21,000
— audit fees	48,505	12,605
— consulting fees	224,945	-
— subscriptions	6,080	6,286
— motor vehicle costs	3,614	6,938
— legal fees	152,705	9,460
— professional fees	440,475	44,362
— travel and accommodation	77,915	55,572
— office related expense	284,277	9,123
— other miscellaneous expenses	15,247	3,088
	1,298,683	168,434

Note 3 Dividends

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

Note 4 Financial Assets - Fair value OCI

	Group	
	30 June 2018	31 December 2017
	$	$
NON-CURRENT		
Financial assets - Fair Value OCI	9,813,386	8,392,813
	9,813,386	8,392,813

(a) **Financial assets - Fair Value OCI**

NON-CURRENT		
Listed and unlisted investments, at fair value		
— shares in listed corporations	5,162,698	3,475,304
— shares in unlisted corporations	4,650,688	4,917,509
	9,813,386	8,392,813

(Note 4: Financial Assets - Fair Value OCI (Cont'd))

	Group	
	30 June 2018	31 December 2017
	$	$
Listed Corporations		
Opening Balance	3,475,305	-
Additions	-	20,625
Reclassification from unlisted to listed corporations	-	47,396
Movement in foreign currency	(24,470)	187
Increase in fair value of financial assets - fair value OCI	1,711,863	3,407,097
Disposals	-	-
Closing Balance	5,162,698	3,475,305
Unlisted Corporations		
Opening Balance	4,917,508	4,457,998
Additions	325,891	500,365
Reclassification from unlisted to listed corporations	-	(47,396)
Movement in foreign currency	412,079	12,329
Decrease in fair value of financial assets - fair value OCI	(1,004,790)	(5,788)
Disposals	-	-
Closing Balance	4,650,688	4,917,508
	9,813,386	8,392,813

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		Proportion of non-controlling interests	
		30 June 2018 (%)	31 December 2017 (%)	30 June 2018 (%)	31 December 2017 (%)
Fatfish Ventures Global AB	Sweden	100%	100%	-	-
Fatfish Internet Pte Ltd	Singapore	100%	100%	-	-
Fatfish Advisory Limited	British Virgin Island	100%	100%	-	-
vDancer Pte Ltd	Singapore	95%	95%	5%	5%
Fatfish Capital Limited	British Virgin Island	75%	75%	25%	25%
Fatfish Medialab Limited	Singapore	75%	75%	25%	25%
Fatfish Investment Partners Pte Ltd	Singapore	100%	100%	-	-
Fatfish Ventures Sdn Bhd	Malaysia	100%	100%	-	-
Fatfish Disruptive Ventures Limited	British Virgin Island	100%	-	-	-
Apac Hosting Network Limited (formerly known as APAC Mining Corporation Limited)	British Virgin Island	51%	-	49%	-
APM Network Services Sdn Bhd (formerly known as Kindo Technologies Sdn Bhd)	Malaysia	51%	-	49%	-
iCandy Interactive Limited*	Australia	62%	68%	38%	32%
iCandy Digital Pte Ltd*	Singapore	62%	68%	38%	32%
Appxplore (iCandy) Limited* (formerly known as iCandy Ventures Limited)	British Virgin Island	62%	68%	38%	32%
Appxplore (iCandy) Sdn Bhd* (formerly known as Appxplore Sdn Bhd)	Malaysia	62%	68%	38%	32%
Inzen Studio Pte Ltd*	Singapore	62%	68%	38%	32%

* iCandy Digital Pte Ltd, Appxplore (iCandy) Limited, Appxplore (iCandy) Sdn Bhd and Inzen Studio Pte Ltd are fully owned subsidiaries of iCandy Interactive Limited, of which Fatfish Internet Group Limited owns 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.

(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 its 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 2018**	**Fair Value at 31 December 2017**
Fatfish Advisory Limited	British Virgin Island	-	-
vDancer Limited	Singapore	851,345	851,305
Fatfish Investments Partners Pte Ltd	Singapore	10	10
Fatfish Ventures Sdn Bhd	Malaysia	-	-
iCandy Interactive Limited	Australia	8,855,000	30,800,000
		9,706,355	31,651,315

The fair value of vDancer Pte Ltd is based on a non binding offer that is expected to be finalised soon.

The fair value of iCandy Interactive Limited (an ASX-listed entity) is based on its last traded price for the half-year ended 30 June 2018.

The fair value of the other subsidiaries as seen in the table above are based on the assessment of Directors and Management as at 30 June 2018.

Note 6 Other Financial Assets

	Group	
	30 June 2018	31 December 2017
	$	$
CURRENT		
Amount receivable from:		
- related parties - others	1,261,739	203,321
- related parties - subsidiaries (unconsolidated)	1,470,238	1,167,231
- others	241,834	978,245
	2,973,811	2,348,797
Less:		
Provision for impairment of amounts receivable from related parties	(266,154)	(257,319)
	2,707,657	2,091,478
Convertible Notes	906,299	-
Total current assets	3,613,956	2,091,478
NON-CURRENT		
Convertible Notes	-	876,217
	-	876,217
Total Other Financial Assets		
Current	3,613,956	2,091,478
Non-current	-	876,217
	3,613,956	2,967,695

Terms of receivables:

All receivables are at call.

There are no securities attached.

No interest are charged on receivables.

During the financial period, the Company had 2 convertible notes for a total value of $906,299 (SGD 913,368). The terms and conditions for each convertible note are set out below.

Fatfish Advisory Limited - $652,283 (SGD 657,371)

Maturity	Due and payable on the first day after the 24 month from the Date of the Note (10 April 2017)
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 principal sum into shares of the company.

Fatfish Ventures Sdn Bhd - $254,016 (SGD 255,998)

Maturity	Due and payable on the first day after the 24 month from the Date of the Note (10 April 2017)
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 principal sum into shares of the company.

Note 7 Property, Plant and Equipment

	Group	
	30 June 2018	31 December 2017
	$	$
PLANT AND EQUIPMENT		
Leasehold improvements		
Cost	105,973	40,510
Accumulated depreciation	(34,106)	(8,684)
	71,867	31,826
Furniture and fittings		
Cost	12,904	11,978
Accumulated depreciation	(9,742)	(8,405)
	3,162	3,573
Computer Equipment		
Cost	102,855	57,786
Accumulated depreciation	(37,946)	(30,624)
	64,909	27,162
Motor Vehicle		
Cost	113,049	60,418
Accumulated depreciation	(6,246)	(60,418)
	106,803	-
Plant and equipment		
Cost	1,836,632	-
Accumulated depreciation	(170,843)	-
	1,665,789	-
Total plant and equipment	1,912,530	62,561
Total property, plant and equipment	1,912,530	62,561

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated Group:

	Leasehold Improvement	Furniture and Fittings	Computer Equipment	Motor Vehicle	Plant and Equipment	Total
	$	$	$	$	$	$
Year ended 31 December 2017						
Balance at the beginning of the year	18,618	6,070	9,124	15,859	-	49,671
Additions	20,563	-	-	-	-	20,563
Disposals	-	-	-	-	-	-
Acquisitions through business combinations	-	-	24,968	-	-	24,968
Depreciation expense	(7,355)	(2,497)	(6,930)	(15,859)	-	(32,641)
	31,826	3,573	27,162	-	-	62,561
Year ended 30 June 2018						
Balance at the beginning of the year	31,826	3,573	27,162	-	-	62,561
Additions	47,003	927	46,186	113,049	1,836,632	2,043,797
Disposals	-	-	-	-	-	-
Acquisitions through business combinations	-				-	-
Depreciation expense	(6,962)	(1,338)	(8,439)	(6,246)	(170,843)	(193,828)
Closing value at 30 June 2018	71,867	3,162	64,909	106,803	1,665,789	1,912,530

Intangible assets, other than goodwill, 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 8 Intangible Assets

	Group	
	30 June 2018	31 December 2017
	$	$
Goodwill		
Cost	1,891,749	1,262,613
Accumulated impairment losses	-	-
Net carrying amount	1,891,749	1,262,613
Computer software:		
Cost	644,436	644,436
Accumulated amortisation and impairment losses	(219,676)	(171,137)
Net carrying amount	424,760	473,299
Cryptocurrency		
At cost	383,730	-
Movement in fair value	(231,591)	-
Net carrying amount	152,139	-
Total intangible assets	2,468,648	1,735,912

Consolidated Group:

	Goodwill	Computer Software	Cryptocurrency	Total
	$	$	$	$
Year ended 31 December 2017				
Balance at the beginning of the year	-	250,405	-	250,405
Acquisitions through business combinations	1,262,613	273,613	-	1,536,226
Amortisation and impairment losses	-	(50,719)	-	(50,719)
	1,262,613	473,299	-	1,735,912
Year ended 30 June 2018				
Balance at the beginning of the year	1,262,613	473,299	-	1,735,912
Acquisitions through business combinations	629,136	-	-	629,136
Reclassification from prepayments	-	-	383,730	383,730
Additions	-	-	-	-
Amortisation and impairment losses	-	(48,539)	(241,029)	(289,568)
Movement in foreign currency	-	-	9,438	9,438
Closing value at 30 June 2018	1,891,749	424,760	152,139	2,468,648

Intangible assets, other than goodwill, 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 Issued Capital

	Group	
	30 June 2018	31 December 2017
	$	$
499,594,680 fully paid ordinary shares (31 December 2017: 440,863,274 fully paid ordinary shares)	35,348,902	33,747,894
	35,348,902	33,747,894

(a) **Ordinary Shares**

	Group	
	30 June 2018	31 December 2017
	No.	No.
At the beginning of the reporting period	440,863,274	169,299,446
Shares issued during the year	58,731,406	271,563,828
At the end of the reporting period	499,594,680	440,863,274
	$	$
At the beginning of the reporting period	33,747,894	27,786,750
Cash proceeds from institutional placement	1,992,700	4,400,000
Cash proceeds from rights issue	-	1,692,110
Exercise of options	62,045	157,881
Expenses directly related to capital raising	(453,737)	(288,847)
At the end of the reporting period	35,348,902	33,747,894

(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 year.

	Group	
	30 June 2018	31 December 2017
	No.	No.
At the beginning of the reporting period	154,858,096	-
Options issued during the period	53,089,999	169,210,962
Options exercised during the period	(5,641,407)	(14,352,866)
At the end of the reporting period	202,306,688	154,858,096

On 9 February 2018, 15,000,000 unlisted options were issued to brokers pursuant to terms of engagement. The options have an exercise price of $0.06 and expiry date of 9 February 2020. Grant date of these options were 25 January 2018 and a value of $317,000.

On 14 June 2018, 5,000,000 unlisted options were issued to brokers pursuant to terms of engagement. The options have an exercise price of $0.06 and expiry date of 9 February 2020. Grant date of these options were 29 May 2018 and a value of $32,550.

A total of 33,089,999 unlisted options were issued in conjunction with the private placement on 25 June 2018. The options have an exercise price of $0.045 and expiry date of 25 June 2021.

Note 10 Business Combination

The use of cryptocurrency and similar blockchain 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 a global trend that has emerged strongly.

On 10 January 2018, Fatfish Disruptive Ventures Limited, a wholly owned subsidiary of the Company acquired 51% of the enlarged and paid-up capital of Apac Mining Limited, a company incorporate in British Virgin Island, in accordance with an Investment Agreement executed on the same day. The total cost of the acquisition is $1.28 million (USD $1 million).

The investment into APAC Mining is in-line with the Company'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 APAC Mining is a follow-on downstream investment that has synergies with the announced investments into Kryptos-X crytocurrency exchange and Altairian Holdings Limited.

The fair value of the identifiable assets and liabilities of Apac Mining Limited as at the date of acquisition were:

	10 January 2018
	$
Consideration	1,283,952
Value of assets acquired	
Cash	2
	2
Less:	
Non-controlling interest	(629,136)
Goodwill - Provisionally accounted for	629,136

The contribution of Apac Mining Corp Limited to the consolidated entity's loss was a loss of $157,900 from revenue of $219,304.

If APAC Mining Corp Limited had been part of the group for the entire period, the revenue and loss it contributed would be unchanged.

None of the goodwill will be deductible for tax purposes.

Note 11 Commitments

(a) Investment Expenditure Commitments

During the 2017 financial year and the half-year ended 30 June 2018, 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 2018	Amount Committed 31 December 2017
	$	$
Acquisition of 12.5% of Altarian Capital Holdings Limited	-	981,000
Acquisition of 60% of CryptoFoundry Pte Ltd (SGD 350,000)	347,291	335,764
Acquisition of 27% Kryptos-X	675,400	1,308,000
	1,022,691	2,624,764

Note 12 Operating Segments

General Information

Information on 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:

- Net gains on disposal of available-for-sale investments
- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Current tax liabilities
- Other financial liabilities
- Intangible assets

(e) **Segment information**

(i) **Segment performance**

	Australia	**Singapore**	**British Virgin Island**	**Sweden**	**Total**
Half-year ended 30 June 2018	**$**	**$**	**$**	**$**	**$**
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
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)

	Australia	**Singapore**	**British Virgin Island**	**Sweden**	**Total**
Half-year ended 30 June 2017	**$**	**$**	**$**	**$**	**$**
REVENUE	547	58,081	-	-	58,628
Total segment revenue	547	58,081	-	-	58,628
Total group revenue					58,628
Segment result from continuing operations before tax	(127,355)	(10,668,759)	-	-	(10,796,114)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					107,036
Net profit before tax from continuing operations					(10,689,078)

(Note 12: Operating Segments (Cont'd))

(ii) **Segment assets**

30 June 2018	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment assets					
Segment assets include:	54,982,128	23,418,203	3,246,322	51,041,867	132,688,520
— Non-current assets (other than financial assets and deferred tax)					-
Reconciliation of segment assets to group assets					
Intersegment eliminations					(102,809,439)
Total group assets					29,879,081

31 December 2017	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment assets					
Segment assets include:	54,591,475	43,875,337	-	51,219,579	149,686,391
— Non-current assets (other than financial assets and deferred tax)					-
Reconciliation of segment assets to group assets					
Intersegment eliminations					(99,861,614)
Total group assets					49,824,777

(iii) **Segment liabilities**

30 June 2018	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment liabilities	89,073	6,051,387	2,057,025	2,963,268	11,160,753
Reconciliation of segment liabilities to group liabilities					
Intersegment eliminations					(4,718,577)
Total group liabilities					6,442,176

31 December 2017	Australia $	Singapore $	British Virgin Island $	Sweden $	Total $
Segment liabilities	77,101	4,543,806	-	2,728,680	7,349,587
Reconciliation of segment liabilities to group liabilities					
Intersegment eliminations					(1,269,508)
Total group liabilities					6,080,079

(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 2018 $	30 June 2017 $
Australia	3,151	547
Singapore	53,133	58,081
British Virgin Island	219,304	-
Sweden	1,388,507 0\	
Total revenue	1,664,095	58,628

(v) **Assets by geographical region**

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

	30 June 2018 $	31 December 2017 $
Australia	2,019,489	4,609,854
Singapore	24,415,030	44,002,790
British Virgin Island	2,530,386	-
Sweden	914,176	1,212,133
Total Assets	29,879,081	49,824,777

Note 13 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 10 July 2018, the Company announced that Fatfish Disruptive Ventures Limited ("FDV"), a wholly-owned subsidiary of the Company, has entered into a share subscription agreement with Epsilon Capital Management Limited ("Share Subscription Agreement") that includes the following material terms:

- FDV will subscribe for 10% of Epsilon Capital's ordinary share capital for a consideration of US $500,000 (AUD 683,940) ("Subscription Price"), where the Subscription Price will be paid in two equal tranches to Epsilon.
- In consideration of FDV's prior effort in providing support and services to incubate the founding of Epsilon Capital, a total of USD $50,000 (AUD $68,394) shall be subtracted from the second tranche of the Subscription Price and FDV will receive an additional 10% of Epsilon Capital's ordinary share capital.
- FDV will have a total shareholding of 20% in Epsilon Capital upon completion of the Share Subscription Agreement.

On 20 July 2018, the Company announced that its wholly-owned Swedish subsidiary , Fatfish Global Ventures AB ("FGV") had entered into a sale and purchase agreement ("Agreement") to acquire 100% of Snaefell Ventures AB ("Snaefell"), a Sweden based, tech venture investment firm.

Under the Agreement, the purchase consideration will be for a total consideration of SEK 38,062,500 (AUD 5.7 million), to be satisfied entirely through issuance of new shares in FGV, resulting in Snaefell's existing shareholders holding approximately 19% of FGV.

On 31 July 2018, the Company announced that it has entered into a definitive share exchange agreement with eSports.com ("Share Exchange Agreement"), whereby Fatfish shall exchange AUD $4.56 million worth of its shareholding in iCandy Interactive Limited ("ICI), in the form of 45,656,105 ordinary ICI shares valued at AUD $0.10 per share, for 3% of the current issued share capital in eSports.com (the "Share Exchange").

Simultaneously, eSports.com and ICI have entered into an agreement ("Investment Agreement") that includes the following material terms:

(i) eSports.com shall subscribe for 16,500,000 new shares in ICI ("Subscription Shares") for a total consideration of AUD $1,320,000 or AUD $0.08 per share ("Subscription Price) (the "Share Subscription");

(ii) the Subscription Price shall be payable by eSports.com in 5 equal tranches, with the first tranche payable within 3 business days of signing of the Investment Agreement, and the remaining tranches to be paid over a 4-month period commencing 3 September 2018. To the date of this report, AUD 171,292 had been paid by eSports.com;

(iii) the Subscription Shares shall be allotted and issued in 5 equal tranches to eSprts.com, each within 5 business days from the date of receipt of the respective tranche payments from eSports.com; and

(iv) upon the issuance of the first tranche of the Subscription Shares, eSports.com shall be entitled to nominate a director to the Board of Directors of iCandy.

The Share Exchange is conditional upon the Share Subscription, and will take place only after the completion of the Share Subscription in full.

Note 14 Fair Value Measurements

	30 June 2018		31 December 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group	$	$	$	$
Financial assets				
Cash and cash equivalents	775,462	775,462	3,323,138	3,323,138
Trade and other receivables:	266,598	266,598	515,570	515,570
Available-for-sale financial assets:	9,813,386	9,813,386	8,392,813	8,392,813
Investments at fair value	9,706,355	9,706,355	31,651,315	31,651,315
Other financial assets	3,613,956	3,613,956	2,967,695	2,967,695
Other assets	25,136	25,136	228,399	228,399
Total financial assets	24,200,893	24,200,893	47,078,930	47,078,930

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

— financial assets held for trading;
— available-for-sale financial assets;

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.

	30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
— Shares in listed companies	5,162,698	-	-	5,162,698
— Shares in unlisted companies – related parties	-	4,650,688	-	4,650,688
— Investments at fair value	8,855,000	851,345	-	9,706,345
Total financial assets recognised at fair value on a recurring basis	14,017,698	5,502,033	-	19,519,731

	31 December 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
— Shares in listed companies	3,475,304	-	-	3,475,304
— Shares in unlisted companies – related parties	-	4,917,509	-	4,917,509
— Investments at fair value	30,800,000	851,315	-	31,651,315
Total financial assets recognised at fair value on a recurring basis	34,275,304	5,768,824	-	40,044,128

Note 15 Reserves

a. **Option Reserve**

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

	Group 30 June 2018 $	Group 31 December 2017 $
Balance at beginning of year	-	-
Options issued	349,550	-
Options exercised	-	-
Options expired	-	-
	349,550	-

b. **Foreign Currency Translation Reserve**

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

	Group 30 June 2018 $	Group 31 December 2017 $
Balance at beginning of year	(216,874)	(271,400)
Foreign currency movements during the period	845,709	54,526
	628,835	(216,874)

c. **Financial Assets Reserve**

The financial assets reserve records revaluations of financial assets.

	Group 30 June 2018 $	Group 31 December 2017 $
Balance at beginning of year	5,001,522	1,490,324
Fair value movements during the period	950,388	3,511,198
	5,951,910	5,001,522

Total Reserves

Option reserve	349,550	-
Foreign currency translation reserve	628,835	(216,874)
Financial assets reserve	5,951,910	5,001,522
	6,930,295	4,784,648

FATFISH INTERNET GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
DIRECTORS' DECLARATION

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

1. the financial statements and notes, as set out on pages 3 to 18, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, 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 2018 and of the performance for the half-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.

Director

Kin Wai Lau

Dated this 31 August 2018

Bentleys
THINKING AHEAD

Independent Auditor's Review Report

To the Members of Fatfish Internet Group Limited

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We have reviewed the accompanying half-year financial report of Fatfish Internet Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2018 , 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 2018 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 Internet Group 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 2018 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 $24,692,741 during the half year ended 30 June 2018. 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 31st day of August 2018