

FATFISH INTERNET GROUP LIMITED
ABN 88 004 080 460

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Down	-15%	to	\$	422,552
Loss from ordinary activities attributable to members	Down	-47%	to	\$	6,652,407
Net loss for the period attributable to members	Down	-47%	to	\$	6,652,407

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

Revenue from ordinary activities \$422,552 compared to last year's restated revenue of \$497,761.

Net loss attributable to members \$6,652,407 compared to last year's loss of \$12,557,004.

Loss per share of (05.03 cents) compared with last year's restated loss of (09.67 cents).

Diluted loss per share of (02.56 cents) compared with last year's restated loss of (09.67 cents).

REVIEW OF OPERATIONS

The principle activity of the consolidated Group is the investment in tech and internet companies.

Fatfish Internet Group Limited is an internet venture investment firm - first of its kind to list on the ASX. Operating dual headquarters in Singapore and Melbourne, Fatfish Internet Group focuses on growth Internet markets, building internet ventures with the potential to scale globally through its "Seed-to-Exit" approach.

Fatfish Internet Group Limited enhances value of investee companies through its capital, network and resources, offering unique opportunities to investors to invest in diversified portfolio of early-stage and growth-stage Internet businesses.

During this first half of the year, the Company completed a successful capital raising through the issuance of loyalty options which raised \$1.3m and was fully subscribed. The Company has grown from strength to strength with the creation of its Corporate Advisory Division which aims to assist in the bringing to market and provision of exit strategies for tech companies in the Asia Pacific region. With this new arrow in the quiver, the Company has sharpened its focus and streamlined processes which will greatly improve and leverage its positions where it has dominance and gain traction and momentum where it is still in the Developmental stage.

The main standout highlight for this period was the proposed IPO of iCandy Interactive Ltd (subsequently listed on 4 February 2016), which is the holding company for Fatfish mobile gaming subsidiaries, AppXplore and Kensington. Through this IPO which will value iCandy at more than \$40m, the latent value of this investment vertical will be unlocked for the Company who will control approximately 85% of iCandy's issued capital.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated Group 2015	Restated 6 month period ended 31 December 2014
	\$	\$
Revenue	422,552	497,761
Cost of sales	(2,649)	(14,880)
Gross Profit	419,904	482,881
Other income	460,060	255,913
Employee benefits expense	(270,126)	(222,957)
Depreciation and amortisation expense	(250,196)	(109,026)
Finance costs	-	(750)
Impairment of goodwill	(4,702,725)	(7,289,615)
Administration expenses	(1,275,548)	(533,018)
Marketing expenses	(68,823)	(62,879)
Listing and filing fees	(98,947)	(342,108)
Listing costs	-	(4,433,530)
Occupancy expenses	(57,891)	(22,694)
Bad debts written off	(332,232)	(12,564)
Investments written off	-	(21,869)
Other expenses	(561,664)	(92,588)
Legal expense	(106,370)	(72,221)
Loss before income tax	(6,844,559)	(12,477,025)
Tax expense	-	-
Net Loss for the year	(6,844,559)	(12,477,025)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations, net of tax	(43,129)	(31,233)
Total comprehensive loss for the year	(6,887,688)	(12,508,258)
Loss attributed to:		
Members of the parent entity	(6,652,407)	(12,557,004)
Non-controlling interest	(192,152)	79,979
	(6,844,559)	(12,477,025)
Total comprehensive income attributed to:		
Members of the parent entity	(6,881,362)	(12,594,066)
Non-controlling interest	(6,326)	85,808
	(6,887,688)	(12,508,258)
Earnings per share		
Basic loss per share (cents)	(5.03)	(9.67)
Diluted loss per share (cents)	(2.56)	(9.67)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Consolidated Group	
	2015	Restated 6 month period ended 31 December 2014
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,075,675	789,151
Trade and other receivables	957,671	615,260
Other financial assets	117,254	-
TOTAL CURRENT ASSETS	<u>3,150,599</u>	<u>1,404,411</u>
NON-CURRENT ASSETS		
Property, plant and equipment	86,801	106,922
Investment property	210,801	249,448
Intangible assets	9,802,293	11,249,125
TOTAL NON-CURRENT ASSETS	<u>10,099,895</u>	<u>11,605,495</u>
TOTAL ASSETS	<u>13,250,495</u>	<u>13,009,906</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	512,118	170,840
Borrowings	28,914	8,686
TOTAL CURRENT LIABILITIES	<u>541,033</u>	<u>179,526</u>
NON-CURRENT LIABILITIES		
Trade and other payables	2,002,324	79,738
Borrowings	-	27,565
TOTAL CURRENT LIABILITIES	<u>2,002,324</u>	<u>107,303</u>
TOTAL LIABILITIES	<u>2,543,356</u>	<u>286,829</u>
NET ASSETS	<u>10,707,138</u>	<u>12,723,077</u>
EQUITY		
Issued capital	27,488,990	25,378,947
Reserves	1,216,887	(37,062)
Accumulated losses	(19,404,379)	(12,751,972)
Parent Interest	9,301,498	12,589,913
Non-controlling interest	1,405,641	133,164
Total Equity	<u>10,707,138</u>	<u>12,723,077</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Ordinary	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Subtotal	Non- controlling interests	Total
	\$	\$	\$		\$	\$	\$
Consolidated Group							
Balance at 1 July 2014	14,129,974	(194,968)	-	-	13,935,006	47,356	13,982,362
Comprehensive income							
Loss for the year	-	(12,557,004)	-	-	(12,557,004)	79,979	(12,477,025)
Other comprehensive income for the year	-	-	(37,062)	-	(37,062)	5,829	(31,233)
Total comprehensive income for the year	-	(12,557,004)	(37,062)	-	(12,594,066)	85,808	(12,508,258)
Transactions with owners, in their capacity as owners, and other							
Shares issued during the year	7,059,572	-	-	-	7,059,572	-	7,059,572
Transaction costs	(276,080)	-	-	-	(276,080)	-	(276,080)
Deemed cost of reverse acquisition of Fatfish	4,465,481	-	-	-	4,465,481	-	4,465,481
Total transactions with owners and other	11,248,973	-	-	-	11,248,973	-	11,248,973
Restated Balance at 31 December 2014	25,378,947	(12,751,972)	(37,062)	-	12,589,913	133,164	12,723,077
Comprehensive income							
Loss for the year	-	(6,652,407)	-	-	(6,652,407)	(192,152)	(6,844,559)
Other comprehensive income for the year	-	-	(36,803)	-	(36,803)	(6,326)	(43,129)
Total comprehensive income for the year	-	(6,652,407)	(36,803)	-	(6,689,210)	(198,478)	(6,887,688)
Transactions with owners, in their capacity as owners, and other							
Shares issued during the year	2,110,043	-	-	-	2,110,043	-	2,110,043
Options issued during the year	-	-	-	1,296,253	1,296,253	-	1,296,253
Options exercised during the year	-	-	-	(5,501)	(5,501)	-	(5,501)
Recognition of non-controlling interest of	-	-	-	-	-	1,470,955	1,470,955
Total transactions with owners and other	2,110,043	-	-	1,290,752	3,400,795	1,470,955	4,871,750
Balance at 31 December 2015	27,488,990	(19,404,379)	(73,865)	1,290,752	9,301,498	1,405,641	10,707,139

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated 2015 \$	Consolidated 2014 \$
Net cash flows from operating activities		
Receipts from customers	614,773	219,720
Interest received	11,397	9,549
Grants received	57,223	-
Payments to suppliers and employees	(2,927,921)	(1,471,710)
Finance costs	(1)	(750)
Net cash (used in) operating activities	<u>(2,244,528)</u>	<u>(1,243,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash acquired with acquisition of Fatfish Internet Group Limited	-	2,595,617
Loans to related parties:		
- payments made	(150,731)	-
Purchase of property, plant and equipment	(19,149)	(126,526)
Purchase of intangibles	-	(1,043,733)
Purchase of investments	(117,254)	(249,448)
Net cash (used in) provided by investing activities	<u>(287,134)</u>	<u>1,175,910</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,110,043	908,987
Proceeds from issue of options	1,295,749	-
Proceeds from pre IPO funds	362,841	-
Net cash provided by financing activities	<u>3,768,633</u>	<u>908,987</u>
Net increase in cash held	1,236,971	841,706
Cash and cash equivalents at beginning of financial year	789,151	20,328
Effect of exchange rates on cash holdings in foreign currencies	49,552	(72,883)
Cash and cash equivalents at end of financial year	<u><u>2,075,675</u></u>	<u><u>789,151</u></u>
Notes to the condensed consolidated statement of cash flows		
Reconciliation of cash		
Cash on hand and at bank	<u><u>2,075,675</u></u>	<u><u>789,151</u></u>

SEGMENT INFORMATION

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

ACCUMULATED LOSSES

	Consolidated Group	
	2015	Restated 6 month period ended 31 December 2014
	\$	\$
Accumulated losses at beginning of the financial period	(12,751,972)	(194,968)
Net loss attributable to members	(6,652,407)	(12,557,004)
Accumulated losses at end of financial period	<u>(19,404,379)</u>	<u>(12,751,972)</u>

EARNINGS PER SHARE

Loss used to calculate basic and dilutive EPS	(6,652,407)	(12,557,004)
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	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	132,233,843	129,816,324
Weighted average number of dilutive options outstanding	128,060,456	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	<u>260,294,299</u>	<u>129,816,324</u>
Basic earnings/(loss) per share (cents)	(5.03)	(9.67)
Diluted earnings/(loss) per share (cents)	(2.56)	(9.67)

Potential ordinary shares not considered dilutive

At 31 December 2015, the Company had no unlisted options on issue.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share at 31 December 2015, (-0.684 cents), and at previous corresponding period, (-1.135 cents).

EVENTS SUBSEQUENT TO REPORTING DATE

On 4 February 2016, the holding company of Fatfish mobile gaming subsidiaries, iCandy Interactive Limited was officially admitted into the Australian Stock Exchange.

COMPLIANCE STATEMENT

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

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

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

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

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



Signed:

Donald H Low
Director

29 February 2016