

FATFISH INTERNET GROUP LTD

ABN 88 004 080 460

Prospectus

In relation to:

- a renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every Share held at the Record Date at an Offer Price of A\$0.01 per New Share, with 1 free attaching New Option for every New Share issued
- an offer of Shortfall Securities to Eligible Shareholders and others on the terms set out in Section 2.12

The Rights Issue is scheduled to close at 5.00pm (Sydney time) on Friday 2 June 2017

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This document is important. Carefully read this Prospectus in full and consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser if you are in any doubt as to what to do.

The Securities offered by this Prospectus should be considered highly speculative.

Important Information

This Prospectus is an important document and requires your prompt attention. You should read it carefully. It is important that you consider the risk factors (see Sections 1.3 and 4) before deciding on your course of action as these could affect the financial performance of Fatfish Internet Group Ltd (ABN 88 004 080 460) (**FFG** or the **Company**).

Lodgement

This Prospectus is dated 16 May 2017 and a copy of this Prospectus was lodged with ASIC on that date.

Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the Company is admitted to the official list of the ASX and the fact that the New Securities may be granted official quotation by the ASX are not to be taken in any way as an indication of the merits of the Company or the New Securities offered under this Prospectus.

Expiry date

No New Securities will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Securities offered pursuant to this Prospectus will be issued on the Terms of the Offer.

Foreign jurisdictions – restrictions on distribution

The Offer is being made in the Eligible Jurisdictions only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside the Eligible Jurisdictions may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Securities or the Offer, or otherwise to permit a public offering of the New Securities, in any jurisdiction outside the Eligible Jurisdictions. See Section 2.15 for further information.

The Shares and the New Securities have not been, and will not be, registered under the US Securities Act 1933 (**US Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares and the New Securities may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the Shares or the New Securities in the United States of America.

Representations

No person is authorised to give any information or make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

Forward looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Prospectus.

Disclaimer

This Prospectus contains general information only, and does not take into account the individual investment objectives, financial situation or particular needs of any person. Nothing in this Prospectus should be construed as a recommendation by the Company or any other person concerning an investment in the Company. You should read the entire Prospectus and, in particular, in considering the prospects for the Company, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues), and if you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

Electronic Prospectus

This Prospectus may be viewed by Eligible Shareholders online at <http://www.fatfish.co/>. The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus. Eligible Shareholders who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Offer to which the electronic Prospectus relates is only available to Eligible Shareholders receiving the electronic Prospectus in the Eligible Jurisdictions (subject to Section 2.15). Eligible Shareholders having received a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (including any supplementary document and the Application Form) (free of charge) during the period of the Offer by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus, or any of those documents were incomplete or altered.

Defined terms and Glossary

Certain capitalised words and expressions used in this Prospectus are defined in the Glossary at page 39 of this Prospectus.

Financial amounts

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy

The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company.

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NOTE: Capitalised terms used in this Prospectus are defined in the Glossary (Section 6).

Important Dates and Key Offer Statistics

IMPORTANT DATES:

Lodgement of Prospectus with ASIC and announcement of Offer	Tuesday 16 May 2017
Existing Shares quoted 'ex' rights	Thursday 18 May 2017
Rights trading commences	Thursday 18 May 2017
Record Date	7.00pm (Sydney time) on Friday 19 May 2017
Opening date of the Offer	Wednesday 24 May 2017
Rights trading ends	Friday 26 May 2017
Deferred settlement trading commences	Monday 29 May 2017
Closing date of the Rights Issue	5.00pm (Sydney time) on Friday 2 June 2017
Deferred settlement trading ends	Friday 9 June 2017
Allotment of New Securities pursuant to the Rights Issue	Friday 9 June 2017
New Securities allotted pursuant to the Rights Issue expected to commence trading on ASX	Tuesday 13 June 2017
Despatch of holding statements	Thursday 15 June 2017
Last day by which Shortfall Securities (if any) may be issued	Friday 2 September 2017

Dates may change

The above dates are subject to change and are indicative only. The Company reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

KEY OFFER STATISTICS:

Offer Price for each New Share	\$0.01
Eligible Shareholders' Entitlement	1 New Share for every Share held on the Record Date

Number of Shares on issue as at the date of this Prospectus	169,299,446
Maximum number of New Shares to be issued under the Offer ¹	169,299,446
Total number of Shares on issue after completion of the Offer ¹	338,598,892

Basis on which New Options are offered	1 New Option for every New Share issued
Issue price for each New Option	\$nil
Exercise Price for each New Option	\$0.011
Expiry date of New Options	Sunday 9 June 2019

Number of options on issue as at the date of this Prospectus	Nil
Maximum number of New Options to be issued under the Offer ¹	169,299,446
Total number of options on issue after completion of the Offer ¹	169,299,446

Approximate maximum Offer proceeds	\$1.69 million before expenses
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NOTES:

1. Assuming the Offer is fully subscribed and no other Shares or options to subscribe for Shares are issued between the date of this Prospectus and completion of the Offer.

HOW TO APPLY:

You may apply for New Shares only by following the instructions set out in Section 2 and on the back of the Application Form.

QUESTIONS:

Please contact Mr Donald Low (Phone: +61 499 074 699 / Email: dhlow@fatfish.com) from 9.00am to 5.00pm (Sydney time) Monday to Friday, if you have any questions about this Prospectus. If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

CEO's Letter

16 May 2017

Dear Investor,

On behalf of the Directors of Fatfish Internet Group Ltd (ABN 88 004 080 460) (**FFG** or the **Company**), I am pleased to announce that the Company is implementing a renounceable pro-rata entitlement offer (**Rights Issue**).

The offer is for 1 new ordinary share (**New Share**) for every existing ordinary share held at an offer price \$0.01 per New Share. It is anticipated that up to 169,299,446 New Shares may be issued pursuant to this Prospectus, which would raise approximately \$1.69 million.

In addition to this, for every New Share issued, the Company will issue one free attaching New Option with an exercise price of \$0.011 exercisable on or before Sunday 9 June 2019.

The purpose of the offer under this Prospectus (**Offer**) is to strengthen the Company's balance sheet, to make new investments into Internet businesses in the Australasia region and to fund general working capital.

The Company will continue to invest in and nurture its current portfolio of Internet businesses. Simultaneously, it will continue to seek new investment opportunities in Internet businesses across Southeast Asia and Australia. The Directors consider that the Internet industry continues to grow strongly in Asia and Australia, contributing to the rise of a generation of Internet businesses that may have a disruptive effect on traditional business sectors.

Participation in the Offer is entirely voluntary. If you decide to participate, you will receive New Securities in accordance with the terms set out in this Prospectus. Alternatively, you may do nothing and thereby retaining your current level of Shareholding.

Under the Rights Issue, Shareholders are able to purchase New Shares (with free attaching New Options) and, on exercise of those New Options, additional fully paid ordinary shares in the Company (ranking equally with existing fully paid ordinary shares) without brokerage costs.

The right to participate in the Rights Issue is only available to investors who were registered as shareholders of fully paid ordinary shares in the Company at 7.00pm (Sydney time) on Friday 19 May 2017.

The Rights Issue is renounceable and will open on Wednesday 24 May 2017 and will close at 5.00pm (Sydney time) on Friday 2 June 2017.

Rights trading is expected to commence on the ASX on Thursday 18 May 2017 and end on Friday 26 May 2017.

The terms and conditions of the Offer are contained in this Prospectus. Please read this Prospectus (including the risk factors in Sections 1.3 and 4) carefully and in its entirety.

On behalf of the Directors, I invite you to consider this opportunity to increase your investment in the Company.

Yours sincerely



Kin Wai Lau
Chief Executive Officer
Fatfish Internet Group Ltd

1 Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information in the remainder of this Prospectus.

1.1 Key features of the Offer

Renounceable Rights Issue	A renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every Share held at the Record Date at an Offer Price of A\$0.01 per New Share, with 1 free attaching New Option for every New Share issued.									
Shortfall Offer	An offer of Shortfall Securities to Eligible Shareholders and others on the terms set out in Section 2.12.									
Purpose	The purpose of the Offer is to strengthen the Company's balance sheet, to make new investments into Internet businesses in the Australasia region and to fund general working capital.									
Use of funds	The Company's present intention is to use the funds raised under the Offer (from payment of the Offer Price) as follows: <table><tr><td>New investments into Internet businesses in the Australasia region</td><td>\$1,263,000.00</td></tr><tr><td>Expenses of the Offer</td><td>\$137,000.00</td></tr><tr><td>Working capital</td><td>\$292,994.46</td></tr><tr><td>Total</td><td>\$1,692,994.46</td></tr></table> At this stage, the Company intends to apply funds raised from payment of the Exercise Price for general working capital purposes. There is no minimum amount sought to be raised by the Offer and the New Securities may be issued in respect of Applications irrespective of the total level of subscriptions made. There is no guarantee that the Offer will raise an adequate or sufficient level of funds to enable the Company to achieve its stated objectives.		New investments into Internet businesses in the Australasia region	\$1,263,000.00	Expenses of the Offer	\$137,000.00	Working capital	\$292,994.46	Total	\$1,692,994.46
New investments into Internet businesses in the Australasia region	\$1,263,000.00									
Expenses of the Offer	\$137,000.00									
Working capital	\$292,994.46									
Total	\$1,692,994.46									
Closing date of Rights Issue*	5.00pm (Sydney time) on Friday 2 June 2017.									

Note: The above closing date is subject to change and is indicative only.

1.2 Investment highlights

The Directors of the Company are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:

- the Company offers a model as an investor, advisor and builder of Internet businesses, which will enable the Company to fund, develop and operate new businesses in e-Commerce through websites, brands and businesses in Australasia;
- E-Commerce, smartphone, tablet usage and development is expected to continue to grow strongly over the next few years, which will provide the Group with the opportunity to expand its market share by penetration into the markets with marketing and social media;
- the Company is active in various growth sectors of e-Commerce activities in Australasia such as Financial Technologies (Fintech), Software As a Service (SaAS), Internet retailing(e-retailing) and smartphone games;

- (d) the continued increase in faster and more reliable internet access in the core markets for the Group in the South East Asian region, through fixed and mobile connections, in particular smartphones, stimulates the take up of e-Commerce;
- (e) the Group currently manages a portfolio of 12 active investments in Internet businesses;
- (f) the Company's subsidiary Fatfish Medialab is an appointed official incubator of the i.jam investment Programme run by the Media Development Authority of Singapore. Fatfish Medialab manages the investment process that involves investments from the Media Development Authority into digital media startups identified by Fatfish Medialab;
- (g) the Company's subsidiary Fatfish Ventures in Malaysia has entered into a co-investment partnership with Cradle Fund, a government agency under the Ministry of Finance, Malaysia. Fatfish Ventures is responsible for identifying, qualifying and leading investments into startups that entails Cradle Fund matching dollar for dollar (1:1) to Fatfish Ventures' investments;
- (h) Fatfish Medialab's recent investee company LOLA was acquired by Lunch Actually Group, the leading online and offline dating and match-making service provider in Southeast Asia. LOLA was acquired within 6 months after Fatfish Medialab's investment into it; and
- (i) As announced recently, the Company's investee iFashion has acquired Singapore based Indie lifestyle marketplace Megafash for S\$3.15m in a cash and shares deal.

1.3 Key risks

The business, assets and operations of the Company will be subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively be managed or mitigated may be limited.

Set out below are specific risks that the Company is and will be exposed to. Further risks associated with an investment in the Company are outlined in Section 4.

Specific Risks

(a) Start-up Risks

Fatfish Medialab, a wholly owned subsidiary of Fatfish Capital, invests in early-stage startup businesses in the internet and IT sectors. These startup businesses often possess nothing more than a conceptual business plan and early prototypes of their products. These startup businesses need to overcome significant business challenges to further develop their products and business plans so that they can reach a stage where their business operations are self-sustaining and profitable.

(b) Short and Long Term Funding Risks

The Group principally generates income via exits from its investments. Exits from investments could take typically 2 to 4 years from initial investments. During this gestation period, the Group needs to rely on its own funding to continuously make further investments into new businesses it identifies to maintain a pipeline of investments that it can continue to work on. The Group will also be dependent on its own funding to maintain its own business operations. There is a possibility that the Group will need to look for further funding in the short term to finance its business plan if it has not achieved exits from its investments in the near future.

Fatfish Medialab is an official incubator appointed by the Media Development Authority (MDA) of Singapore to run the i.jam Reload co-investment programme, of which Fatfish

Medialab is dependent on the grant it receives continuously from MDA to make investments into start-up businesses in the Internet and IT sectors.

For some of the businesses it invests in, the Group will rely on its ability to enhance the value of the businesses together with the management of these companies so that they can reach a more mature stage where the businesses can attract significant investments from third-party investors introduced by the Group. The growth of some of these businesses will be dependent on the success of raising further capital from these third-party investors.

(c) Varying influence in its investments

The varying influence that the Group has in each entity in which it currently has an investment. Some of the key investee companies of the Group and influence of the Group on them is as follows:

- (i) **iFashion:** the Group plays a semi-active role to assist iFashion to expand into new markets of Indonesia and Malaysia. The Group also advises iFashion in its funding needs and strategy. Mr Kin Wai Lau is a non-executive director of iFashion.
- (ii) **iCandy, VDancer and FAG:** the Group plays an active role in advising management on its operations and product development plan. The short term goal is to assist the entities to complete the development of their products and to launch their game titles into the market. Mr Kin Wai Lau and Mr Donald Han Low are a non-executive director of iCandy. Mr Kin Wai Lau and Chang Jeh Ong are non-executive directors of FAG. Mr Kin Wai Lau is a non-executive director of VDancer, and all subsidiaries of FAG.
- (iii) **Lunch Actually Group:** the Group plays a passive role in the daily operations/management of these entities. The entities consult the Group when required with regards to their product development and corporate funding strategy. Mr Kin Wai Lau is a non-executive director of Lunch Actually Group.
- (iv) **PT Megavalue Prosperindo:** the Group plays an active role in the daily operation/management of this entity that runs the RajaPremi.com online insurance business in Indonesia. The short term goal of the Group in relation to this entity is to raise further funding for the entity and expand its market share for the Indonesian market. Mr Chang Jeh Ong is an executive director of PT Megavalue Prosperindo.
- (v) **Dragon Commerce:** the Group plays an active role in the daily operation/management of this entity. The short term goal of the Group in relation to this entity is to raise further funding for the entity to acquire more website businesses in the Indonesian market. Mr Kin Wai Lau is a non-executive director of Dragon Commerce.

Refer to Section 4.2(c) for further details.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 4 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.

You should read this Prospectus carefully and in its entirety, including Section 4, before deciding whether to apply for New Shares. If you are in doubt as to the course you should follow, you should consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser. The Securities offered by this Prospectus should be considered highly speculative.

2 Details of the Offer

2.1 The Offer

The Company is undertaking a renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every Share held at the Record Date at an Offer Price of A\$0.01 per New Share, with 1 free attaching New Option for every New Share issued.

Under the Rights Issue, up to 169,299,446 New Shares and 169,299,446 New Options will be offered. Shortfall Securities will also be offered to Eligible Shareholders and others on the terms set out in Section 2.12. If fully subscribed, the Offer will raise up to approximately \$1.69 million before Offer costs.

An Eligible Shareholder is a person who, at the Record Date, is recorded on the Register as holding Shares.

Entitlements to New Shares and New Options under the Rights Issue will be rounded down to the nearest whole number.

The Entitlement of each Eligible Shareholder under the Rights Issue is shown on the personalised Application Form accompanying this Prospectus. If you are an Eligible Shareholder and did not receive your personalised Application Form, please call the Share Registry on 1300 992 916.

2.2 Offer Price and Exercise Price

The Offer Price is \$0.01 per New Share. No offer price is payable for each New Option. The Exercise Price for each New Option is \$0.011 per New Option.

2.3 Eligible Shareholders

The Rights Issue is offered only to Registered holders of Shares at the Record Date, and only those Eligible Shareholders are offered an Entitlement.

Shareholders who were not recorded on the Register at the Record Date are not eligible to participate in the Rights Issue.

2.4 Renounceable

The Rights Issue is renounceable, which enables Eligible Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement.

Rights trading is expected to commence on the ASX on Thursday 18 May 2017 and end on Friday 26 May 2017.

2.5 How to accept the Offer

If you are an Eligible Shareholder or applying for Shortfall Securities, an Application Form accompanies this Prospectus.

The number of New Securities to which you are entitled as an Eligible Shareholder is shown on your accompanying Application Form. Acceptance of your Entitlement may be for any number of New Securities and you may also apply for Shortfall Securities in addition to your Entitlement.

(a) Taking up all of your Entitlements

If you wish to take up all of your Entitlements, complete the accompanying Application Form for New Securities in accordance with the instructions set out in that form.

You should then forward your completed Application Form together with your Application Payment in accordance with Section 2.5(h).

(b) Taking up all your Entitlements and applying for Shortfall Shares

Eligible Shareholders may, in addition to taking up all their Entitlements, apply for Shortfall Securities as described in Section 2.12.

One payment should be made for the Application Payment for your Entitlements and the number of Shortfall Securities you wish to apply for as stated on the Application Form.

(c) Selling all of your Entitlements on the ASX

If you wish to sell all of your Entitlements on the ASX, complete the appropriate section in the accompanying Application Form and lodge the Application Form with your stockbroker as soon as possible, or otherwise provide instructions to your stockbroker regarding the number of Entitlements you wish to sell on the ASX. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

(d) Taking up part of your Entitlements and selling the balance on the ASX

If you wish to take up only part of your Entitlements, complete the accompanying Application Form for the number of New Securities you wish to subscribe for and follow the steps required in accordance with Section 2.5(a). You may then provide instructions to your stockbroker regarding the number of Entitlements you wish to sell on the ASX.

(e) Taking up part of your Entitlements and allowing the balance to lapse

If you wish to take up part of your Entitlements and allow the balance to lapse, complete the accompanying Application Form for the number of New Securities you wish to take up and follow the steps required in accordance with Section 2.5(a). If you take no further action, the balance of your Entitlements will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Entitlements.

(f) Dealing with part or all of your Entitlements other than on the ASX

You may transfer all or part of your Entitlements to another person other than on the ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of Shares.

If you wish to transfer all of your Entitlements to another person other than on the ASX, forward a completed standard renunciation and acceptance form (obtainable from the Company's Share Registry) and the applicable transferee's cheque or bank draft for the New Securities they wish to subscribe for to the Company's Share Registry by 5.00pm (Sydney Time) on Friday 2 June 2017.

If you wish to transfer part of your Entitlements to another person other than on the ASX only, but also want to take up some or all of the balance of your Entitlements, you will need to take the steps described above in relation to the Entitlements you wish to transfer and complete the accompanying Application Form in respect of the Entitlements you wish to take up. You will need to lodge the Application Form in accordance with the procedure in Section 2.5(a).

If the Share Registry receives both a completed renunciation and acceptance form and a completed Application Form in respect of the same Entitlements, the renunciation will be given effect in priority to the acceptance.

(g) Allow all or part of your Entitlements to lapse

Your Entitlements may have value. Entitlements are renounceable, which enable Eligible Participants who do not wish to accept some or all of their Entitlements, to sell or trade all or part of their Entitlements on the ASX. If you take no action, your Entitlement will automatically lapse. You will receive no payment for your lapsed Entitlement.

(h) Payment**Pay by Bpay^{®1}**

If you wish to pay by Bpay, you do not need to return your Application Form. Refer to the section titled "Payment Instructions" on the Application Form for further details.

Payment must be received via Bpay before the Closing Date, which is currently 5.00pm (Sydney time) on Friday 2 June 2017. By paying by Bpay you will be deemed to have completed an Application Form for the number of New Securities that your Application Payment equates to.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you received more than one personalised Application Form, you will need to complete individual Bpay transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive. If you are an Eligible Shareholder and you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied for only your Entitlement to which that Customer Reference Number applies and any excess amount will be treated as an Application for Shortfall Securities.

Pay by electronic funds transfer

Eligible Shareholders and Applicants for Shortfall Securities may remit their Application Payment by electronic funds transfer to:

Account name: FATFISH INTERNET GROUP LTD

SWIFT code: WPACAU2S

Bank: Westpac Banking Corporation

BSB: 033 086

Account Number: 460112

Reference: Applicants should ensure they include as a reference either their 16 digit BPAY reference number or the holder number set out in their Application Form if paying by electronic funds transfer or direct deposit.

For Eligible Shareholders within Australia, it is preferred that payments are made by Bpay or cheque, and that payments are only made by electronic funds transfer where other options are not possible.

If you use this payment method you must fax or email a copy of your completed Application Form together with a copy of your bank deposit receipt, date payment was made and reference used to either the Share Registry or the Company (or both), so your Application can be processed.

The fax and email details of the Company are:

Facsimilie: +61 3 9833 7063

Email: dhlow@fatfishgroup.com

The fax and email details of the Share Registry are:

Facsimilie: +61 8 9315 2233

¹ Registered to BPAY Pty Limited ABN 69 079 137 518 – Eligible Shareholders based outside Australia cannot apply using Bpay unless they have an Australian bank account.

Email: registrar@securitytransfer.com.au

Payment must be received via electronic funds transfer before the Closing Date, which is currently 5.00pm (Sydney time) on Friday 2 June 2017.

Pay by cheque

If you wish to pay by cheque, complete the accompanying Application Form in accordance with the instructions set out in the form. Cheques must be in Australian currency only, made payable to "Fatfish Internet Group Ltd" and crossed "Not Negotiable". Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Bank drafts drawn on overseas banks in any foreign currency will not be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Applicants must not forward cash. Receipts for payment will not be issued.

The Application Form, together with Application Payment, should be sent by post using the enclosed reply paid envelope to the Company's Share Registry, to arrive no later than the Closing Date, which is currently 5.00pm (Sydney time) on Friday 2 June 2017.

General

If you wish to make payment using an alternate method please call the Share Registry on 1300 992 916 for assistance.

By either returning the Application Form with payment or making payment received by Bpay you provide authorisation to be registered as a holder of New Securities subscribed for by you and agree to be bound by the Company's constitution and the Terms of the Offer.

Application Forms and/or Application Payments received after the Closing Date may not be accepted, subject to the Directors' absolute discretion.

2.6 Application is binding

Receipt of Application Payment by Bpay, or of Application Payment by cheque / electronic funds transfer and a completed and lodged Application Form, constitutes a binding acceptance of the Company's Offer of New Securities on the Terms of the Offer and an acknowledgement by the Applicant that it has received and read this Prospectus, it has acted in accordance with the Terms of the Offer, and that it agrees to all of the Terms of the Offer.

Each Application, once lodged, cannot be withdrawn.

The Application does not need to be signed to be binding. If an Application Form is not completed correctly or if there is a discrepancy between the Application Payment made and the Application Form submitted, the Company, in its absolute discretion, can reject the Application or treat it as valid, whether in whole or in part. The Company's decision as to whether to accept or reject an Application (in whole or in part) or how to interpret an incorrectly completed Application Form is final.

2.7 Application Payment

The Company is entitled to retain any interest paid on any Application Payment, whether or not allotment and issue of the New Securities takes place. If quotation of the New Shares is not granted by the ASX within the time required by law, no New Securities will be allotted and Application Payments will be refunded to Applicants without interest within the time prescribed under the Corporations Act.

2.8 Rights Issue Closing Date

Your completed Application Form and payment must reach the Share Registry no later than the Closing Date, which is currently 5.00pm (Sydney time) on Friday 2 June 2017.

The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and any requirements of the ASX, to accept late Applications or to extend the Closing Date without prior notice.

If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless the Company decides to accept late Applications or extend the Closing Date, Applications received after 5.00pm (Sydney time) on Friday 2 June 2017 may be rejected and those Application Payments refunded without interest.

2.9 **Brokerage, commission and stamp duty**

No brokerage, commission or stamp duty is payable by Applicants under the Offer.

2.10 **Allocation**

The following allocation policy will apply for any Application in excess of an Eligible Shareholder's Entitlement:

- (a) all Eligible Shareholders will receive their Entitlement, to the extent applied for; and
- (b) any amount by which Applications from Eligible Shareholders exceed their Entitlements may be scaled back, at the absolute discretion of the Directors.

Any Shortfall Securities will be allocated at the Directors' discretion. The Company does not guarantee that Eligible Shareholders will receive any New Securities applied for in excess of their Entitlement.

2.11 **No underwriting**

The Rights Issue is not underwritten.

2.12 **Shortfall Securities**

Entitlements not taken up will become available as Shortfall Securities. If there are any Shortfall Securities, the Directors reserve the right to issue at their discretion any such Shortfall Securities within 3 months of the Closing Date at an issue price not less than the Offer Price (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Securities by completing the Application Form in accordance with the instructions set out in that form.

Other investors who are not Eligible Shareholders may apply for Shortfall Securities by requesting an Application Form from the Share Registry. If such investors are located outside Australia, then in making an Application, such investors represent to the Company that they are applying for Shortfall Securities in circumstances which do not require the Shortfall Offer or this Prospectus to be registered in any jurisdiction other than Australia.

It is possible that there may be few or no Shortfall Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. The Company will allocate Shortfall Securities at the Directors' absolute discretion.

The Directors reserve the right at their absolute discretion to reject any Applications for Shortfall Securities and it is an express term of the Shortfall Offer that Applicants for Shortfall Securities will be bound to accept a lesser number of Shortfall Securities allocated to them than they applied for. If a lesser number is allocated, any excess Application Payment will be refunded without interest as soon as practicable after the Closing Date.

2.13 Allotment of New Securities

Allotment and issue of New Securities will only be made once the Application Payments have been received and the ASX has granted permission for quotation of the New Shares.

If such permission is granted, it is expected the New Securities will be allotted pursuant to the Rights Issue on Friday 9 June 2017 and holding statements for such New Securities will be despatched on Thursday 15 June 2017. Shortfall Securities (if any) will be allotted by Friday 2 September 2017.

It is the responsibility of Applicants to determine their allocation of New Securities prior to trading in the New Securities. Applicants who sell New Securities before they receive their holding statement do so at their own risk.

2.14 CHES

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Securities. If an Applicant is broker sponsored, a CHES statement will be issued to that Applicant which sets out the number of New Securities issued under this Prospectus, provides details of the Applicant's holder identification number and the participant identification number of the sponsor. If an Applicant is registered in the Company's issuer sponsored sub register, its statement will be despatched by the Share Registry and will contain the number of New Securities issued to it under this Prospectus and its security holder reference number.

2.15 Foreign selling restrictions

(a) General

The Offer is being made in the Eligible Jurisdictions only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside the Eligible Jurisdictions may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Securities or the Offer, or otherwise to permit a public offering of the New Securities, in any jurisdiction outside the Eligible Jurisdictions.

(b) Beneficial holders

The foreign selling restrictions under the Offer apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Applicants who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Applicants applying on behalf of persons whose registered address is not in the Eligible Jurisdictions are responsible for ensuring that applying for New Securities does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Rights Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any Registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Securities. If any nominee or custodian is acting on behalf of a foreign person, that Shareholder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

(c) New Zealand securities law requirements

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made

under the Corporations Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

(d) Hong Kong Special Administrative Region securities law requirements

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Securities may sell, or offer to sell, such securities in circumstances that

amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

(e) Singapore securities law requirements

This document and any other materials relating to the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Securities, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(f) Switzerland securities law requirements

The New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

(g) United States of America securities law requirements

The Shares (including the New Securities) have not been, and will not be, registered under the U.S. Securities Act 1933 (**U.S. Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "U.S. Persons" (as defined in Rule 902 under the U.S. Securities Act) except under an available exemption from registration under the U.S. Securities Act. The Shares (including the New Securities) may only be resold or transferred in the United States of America, or to, or for the account or benefit of, U.S. Persons if registered under the U.S. Securities Act or pursuant to an

exemption from registration under the U.S. Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the Shares (including the New Securities) in the United States of America.

(h) Malaysian securities law requirements

This Prospectus and any other materials relating to the New Options and the New Shares have not been and will not be registered as a prospectus or lodged with the Securities Commission Malaysia under the *Capital Markets and Services Act 2007* (Cth) (**CMSA**). Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Options and/or New Shares, may not be issued, circulated or distributed, nor may the New Options and the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia except pursuant to and in accordance with the exemptions in Schedule 5 and Schedule 6 of the CMSA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the CMSA.

This Prospectus has been given to Shareholders located in Malaysia on the basis that they are existing holders of Shares, and that this Prospectus is only given to these Shareholders following lodgement of this Prospectus with ASIC and the ASX. Persons who receive this Prospectus and are not existing holders of Shares must return this Prospectus immediately. This Prospectus must not be forwarded or circulated to any other person in Malaysia, except upon the fulfilment of the conditions aforementioned.

2.16 Risks

Investors should carefully read the risk factors in Sections 1.3 and 4 of the Prospectus. An investment in New Securities involves various risks, a number of which are specific to the Group and the industry in which it operates.

An investment in New Securities should be regarded as speculative.

2.17 Taxation

It is the responsibility of all Applicants to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers. Neither the Group nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offer.

2.18 Professional advice

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

3 Purpose and effect of the Offer on the Company

3.1 Purpose of the Offer

The purpose of the Offer is to strengthen the Company's balance sheet, to make new investments into Internet businesses in the Australasia region and to fund general working capital.

3.2 Use of funds

If the Offer is fully subscribed, the Company's present intention is to use the funds raised under the Offer (from payment of the Offer Price) as follows:

New investments into Internet businesses in the Australasia region	\$1,263,000.00
Expenses of the Offer	\$137,000.00
Working capital	\$292,994.46
Total	\$1,692,994.46

At this stage, the Company intends to apply funds raised from payment of the Exercise Price for working capital purposes.

This is a statement of present intention only. The Company and the Directors reserve the right to change the way and the proportion in which funds are applied, particularly if the Offer is not fully subscribed or if not all of the New Options are exercised.

There is no minimum subscription under the Offer and no guarantee that the Offer will raise an adequate or sufficient level of funds to enable the Company to achieve its stated objectives.

3.3 Effect on capital structure of the Company

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately following the successful completion of the Offer, assuming that:

- (a) the Offer is fully subscribed; and
- (b) no other Shares or options to subscribe for Shares are issued between the date of this Prospectus and completion of the Offer.

Existing Shares on issue at the date of this Prospectus	169,299,446
Existing options on issue as at the date of this Prospectus	Nil
PLUS: New Shares	169,299,446
PLUS: New Options	169,299,446
Fully diluted Share capital assuming all New Options are exercised	507,898,338

The Company's actual position on completion of the Offer may differ from the position illustrated in the pro-forma capital structure table above if the Offer is not fully subscribed.

If the Offer is not fully subscribed, fewer New Securities will be issued (and, consequently, fewer Shares which could be issued on exercise of those New Options) than shown in the table above. After the Closing Date, the Company will announce to the ASX the actual number of New Securities to be issued under the Offer.

3.4 Effect on Shareholdings

(a) General

If an Eligible Shareholder takes up its full Entitlement, then it will not be diluted. If an Eligible Shareholder does not take up its full Entitlement, then it will be diluted. Shareholders who are not Eligible Shareholders will have their Shareholdings diluted by the Offer.

The effect of the Offer on the control of the Company will depend upon a number of factors, including:

- (i) the level of Shareholder participation in the Offer;
- (ii) which Shareholders participate;
- (iii) the extent to which rights are traded; and
- (iv) the extent to which New Options are transferred, exercised and who may decide to exercise them.

As the New Options do not confer any voting rights on their holders, the issue of the New Options under the Offer will, of itself, have no effect on the control of the Company. However, the issue of Shares on the exercise of New Options could have an effect on the control of the Company.

If every Eligible Shareholder was to take up its full Entitlement and exercised its New Options at the same time, there would be a minimal effect on the control of the Company, as the Rights Issue is made pro-rata.

The potential effect of the Offer on the Shareholdings in the Company assuming the Offer is fully subscribed and no further Securities are issued can be summarised as follows:

Shares (fully diluted)	Number	% Share capital
Shares on issue as at the date of this Prospectus	169,299,446	33.33%
Existing options on issue as at the date of this Prospectus	Nil	0%
New Shares	169,299,446	33.33%
New Options	169,299,446	33.33%
Total Shares as at completion of the Offer assuming all New Options are exercised	507,898,338	100.00%

(b) Major Shareholder

HSBC Custody Nominees Australia Limited currently has a relevant interest in 40,150,452 Shares, or 23.72% in the Company. In the event that HSBC Custody Nominees Australia Limited is the only Applicant, then following the Offer, HSBC Custody Nominees Australia Limited will increase its voting power in the Company to approximately 38.34% under the Offer or Shortfall Offer.

As the Offer is renounceable and to comply with ASX Listing Rule 7.7.1 and section 611 item 10 of the Corporations Act, the Company has made the Offer available to Shareholders who were recorded on the Register at the Record Date.

(c) Illustration of dilutionary effect

Shareholders who do not participate in the Offer will have their Shareholding diluted.

The table below illustrates the dilutionary effect assuming that:

- (i) each example Shareholder does not take up its Entitlement;
- (ii) each example Shareholder's Entitlement is subscribed for under the Shortfall Offer;
- (iii) the Offer is fully subscribed;
- (iv) no New Options are exercised; and
- (v) no Shares or options to subscribe for Shares are issued other than pursuant to the Offer.

Example Shareholder	Shareholding at Record Date		Entitlement to New Shares	Shareholding as at completion of the Offer if the example Shareholder does not take up its Entitlement	
	Number	%		Number	%
1	40,000,000	23.63%	40,000,000	40,000,000	11.81%
2	20,000,000	11.81%	20,000,000	20,000,000	5.91%
3	10,000,000	5.91%	10,000,000	10,000,000	2.95%
4	5,000,000	2.95%	5,000,000	5,000,000	1.48%

3.5 Prohibition on exceeding 20% voting power threshold

New Option holders must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold) (**section 606**), when exercising New Options granted under this Prospectus.

The Company expressly disclaims any responsibility for ensuring that New Option holders do not breach section 606 as a result of the exercise of the New Options.

If New Option holders may be at risk of breaching section 606 as a result of the exercise of New Options, the choices available to them include:

- (a) selling their New Options off market;
- (b) selling some or all of their Shares prior to exercising any New Options held by them; or
- (c) relying on another exemption from the takeovers prohibition in section 611 of the Corporations Act (such as the 3% creep exemption in item 9 of that section).

If a New Option holder may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of the acquisition of Shares following exercise of New Options, New Option holders should seek professional advice before exercising New Options.

3.6 Effect on financial position of the Company

(a) General

If the Offer is successfully completed and all Eligible Shareholders take up their full Entitlements, the broad effect on the Company's financial position will be to increase Shareholders' funds and net assets by approximately \$1.69 million before payment of the expenses of the Offer.

(b) Proforma balance sheet

To illustrate the effect of the Offer on the Company, the following pro-forma consolidated balance sheet of the Company has been prepared based on the accounts of the Company as at 31 December 2016 as set out in the Annual Report to shareholders for the year ended on that date and adjusted to reflect the following pro-forma transactions:

- (i) The position as if the Offer was fully taken up and no Shares were issued on or before the Record Date.

- (ii) Receipt of approximately \$1.69 million under the Offer from the issue of 169,299,446 New Shares, with none of the New Options having been exercised.
- (iii) Payment of approximately \$137,000, representing the expenses of the Offer.

If the Offer is not fully subscribed, the amount of all of the impacted items shown in the unaudited proforma balance sheet will be reduced, however, no other items in the Company's balance sheet will be affected.

The actual financial position on completion of the Offer may also differ from the position illustrated in the pro-forma capital structure and pro-forma balance sheet due to movements in profit / (loss) and in the asset and liability levels during the period between 31 December 2016 and the date when the Offer is completed.

Consolidated Balance Sheet			
	As at 31 December 2016 (as per Annual Report)	Effect of Rights Issue	As at 31 December 2016 (pro forma - post completion of offer)
	A\$	A\$	A\$
<u>Current Assets</u>			
Cash and cash equivalent	398,819	1,553,000	1,951,819
Trade and other receivables	2,339,807		2,339,807
Available for sale financial assets	4,457,998		4,457,998
Total Current Assets	<u>7,196,624</u>		<u>8,749,624</u>
<u>Non-Current Assets</u>			
Investments at fair value through profit or loss	27,777,963		27,777,963
Property, plant and equipment	49,671		49,671
Investments in associates	-		-
Intangible assets	250,405		250,405
Total Non-Current Assets	<u>28,078,039</u>		<u>28,078,039</u>
TOTAL ASSETS	<u>35,274,663</u>		<u>36,827,663</u>
<u>Current Liabilities</u>			
Trade and other payables	761,710		761,710
Borrowings	9,808		9,808
Total Current Liabilities	<u>771,518</u>		<u>771,518</u>
<u>Non-Current Liabilities</u>			
Trade and other payables	2,133,664		2,133,664
Borrowings	9,337		9,337
Total Non-Current Liabilities	<u>2,143,001</u>		<u>2,143,001</u>
TOTAL LIABILITIES	<u>2,914,519</u>		<u>2,914,519</u>
NET ASSETS	<u>32,360,144</u>		<u>33,913,144</u>
<u>Equity</u>			
Issued Capital	27,786,750	1,553,000	29,339,750
Options reserve	1,218,924		1,218,924
Retained earnings	3,493,076		3,493,076
Parent interest	32,498,750		34,051,750
Non-controlling interest	(138,606)		(138,606)
TOTAL EQUITY	<u>32,360,144</u>		<u>33,913,144</u>

4 Risk Factors

4.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Group's business. In addition, there are other general risks, many of which are largely beyond the control of the Group and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Group and the market price of the Shares and the value of the New Options.

The following is not intended to be an exhaustive list of the risk factors to which the Group is exposed. The types of risks the Group is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions both generally within the retail industry and within the e-Commerce and internet sector specifically.

4.2 Key risks

(a) Start-up Risks

Refer to Section 1.3 for details of the key risks the Group is exposed to.

(b) Short and long term funding risks

Refer to Section 1.3 for details of the key risks the Group is exposed to.

(c) Varying Influence in its Investments

The Group has a varying degree of influence in the daily operation and management of businesses that it invests in. In some cases this role is quite limited, which could limit its ability to assist the growth of that business.

The varying degree of participation for the management role that the Group seeks can be further defined and categorized as follow:

(i) *Active Role*

- (A) the Group's representative will engage the management of the businesses to discuss about operation, product and corporate matters through meetings up to 2-3 times per month;
- (B) the Group's representative will be frequently communicating with the management of the businesses via email or phone up to 5-6 times per month; and
- (C) the Group's representative will be monitoring the finances of the businesses and assist the businesses in all activities with regards to fund-raising including but not limited to drafting business plan, conducting market and technology research, securing meetings with potential investors and negotiating terms with potential investors.

(ii) *Semi-Active Role*

- (A) the Group's representative will engage the management of the businesses to discuss about operation, product and corporate matters through meetings up to 1-2 times per every 3 month;

- (B) the Group's representative will be frequently communicating with the management of the businesses via email or phone up to 3-5 times per every 3 months;
 - (C) the Group will conduct product and marketing review with the businesses once every 3 months;
 - (D) the Group will review and provide feedback on the high-level business plan of the businesses prior to any fund-raising activities; and
 - (E) the Group will assist the business in fund-raising activities by securing meetings with potential investors.
- (iii) *Passive Role*
- (A) the Group will conduct product and marketing review with the businesses once every 6 months; and
 - (B) the Group will assist the business in fund-raising activities by securing meetings with potential investors.

Refer to Section 1.3(c) for further details.

4.3 Additional risks specific to the Group

(a) Ability to Promote the Group's "Fatfish Brand"

Brand image is a key factor in promoting and marketing technology companies. The Group is committed to building its brand by creating value in technology companies from start-up phase to more developed companies and therefore being presented with more opportunities in Asia and, if relevant, Australia. The Company believes that the Group has been successful in establishing its brand and attracting investee projects in Asia and that the Company's status as an ASX-listed company will continue to enhance the Group's profile and brand in the Australasia region.

(b) Third Party Control Risk

A large part of the Group's business involves firstly, continuing the success of the current business operations in IFashion and RajaPremi.com, and secondly, identifying, acquiring, managing and investing in technology companies from those in the start-up phase (including Novatap, Peeplepass, VDancer and Kensington), to those that are more developed. The Group's strategy is to invest through funding and assistance with management and operation mentoring, with the ultimate intention of controlling the business activities of those companies. While the Group gains more comprehensive experience and industry knowledge with such business ventures, the successful operation of those companies will, for at least the initial period, rely on the maintenance of successful management by the initial founders and the expertise, knowledge, and personnel of the Group to grow and penetrate the relevant markets those companies.

The Group may mitigate risks involved in third party management of the companies in which it invests by being able to exercise control through its shareholding, through maintaining good relations with management of those companies or through providing management and expertise for growth of the respective companies.

(c) Commercialisation and Demand Risk

There is a risk that the companies in which the Group will acquire an interest may fail to develop products that meet specific customer requirements.

While the Company will endeavour to ensure that all effort will be given in relation to research and development of the various products developed by the companies in which the Group has an interest to ensure that they have a viable customer base for their current and proposed products, there can be no guarantee that those parties will continue to have

a demand for the technology offered. Any decrease in the demand will have a negative effect on the prospects of the Group.

The Group has, at least in part, mitigated the commercialisation risks by investing in multiple product pathways, with multiple technology development partners.

(d) Technology and Intellectual Property

The Group's success will depend, in part, on the ability of the companies in which it invests to maintain trade secret protection and other protection over their intellectual property and operate without infringing the proprietary rights of third parties or having third parties circumvent those companies' rights. No guarantee can be given that such protection will be successfully and validly maintained.

The commercial value of the intellectual property assets is dependent on legal protections provided by a combination of copyright, patent, confidentiality, trade mark, trade secrecy laws and other intellectual property rights. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that its commercial value will be maintained.

The Group intends to continually evaluate the intellectual property in which it will acquire an interest and ensure that steps are undertaken to continually protect its proprietary intellectual property rights and the formal registration of its proprietary intellectual property rights is undertaken as and when appropriate. However, there can be no assurance at any time that:

- (i) any such rights can be formally established;
- (ii) the measures taken will be adequate to protect the proprietary technology;
- (iii) any intellectual property rights will provide it with any competitive advantages and will not be challenged by third parties; and
- (iv) the rights of others will not materially adversely affect the Group's ability to do business, its financial condition and the results of its operations (and therefore impact on the future viability and profitability of the Group).

While the Company believes that the Group and the companies in which it has an interest have taken appropriate steps to protect their proprietary rights to date, the law may not adequately protect these rights in all places where the Group does business, or enable the same rights to be defended sufficiently to avoid adverse material impact on operations.

(e) Competition risk

The industry in which the Company, through the Group, is involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Group's projects and business.

The Group intends to continue to operate in an industry that relies on accurate and innovative products. Technology changes occur rapidly, and there is a risk that the services provided and products to be produced by the Group may become technically inferior to other services and products available in the market.

Additionally, internet businesses have low barriers to entry. Current or new competitors may adopt certain aspects of the Group's business model without great financial expense, thereby reducing the Group's ability to differentiate its services. Competition may arise from a number of sources. It may include companies from the traditional retail industry that may have greater capital resources and closer supplier relationships than the Group. Competition may also arise from global e-Commerce companies with developed processes, systems, and technology. Suppliers may also choose to establish their own online sales sites rather than utilising the Group to sell their products and services online.

Any significant competition may adversely affect the Group's ability to meet its business objectives.

Additionally, the development and commercialisation of new technologies that are more cost efficient than the technology in which the Group has an interest or offer greater variety in services and products than those of the Group, could place the Group at a competitive disadvantage.

(f) Sovereign Risk

The Group's operations will continue to include a focus on markets in South East Asia, including but not limited to Singapore, Malaysia, Vietnam, Thailand and Indonesia. The economic growth in those and other South East Asian nations is expected to continue its upward trend in a stable manner. These economies are driven by strong domestic consumption, stable government regime and long track-records of exports.

Possible sovereign risks associated with operating in South East Asian nations include, without limitation, changes in the terms of legislation, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Group and the market price of the Company's Shares and New Options.

No assurance can be given regarding future stability in South East Asia or any other nation in which the Group may, in the future, have an interest.

(g) System and Content Integrity

The performance of the current business operations in IFashion and RajaPremi.com will be vitally important to the reputation of the Group's businesses, its ability to attract customers and its ability to make sales of products and services. The Group will be dependent on the ability of the products from these companies and other companies in which it has an interest to be sold and operate on technology platforms, devices and operating systems run by telecommunications operators, data centres and other third parties, however influence over these third parties will be limited. The Group will not be in control of the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any system failure that causes an interruption to the websites could materially affect its business and financial performance. System failures, if prolonged, could reduce the attractiveness of the websites to visitors and hinder the Group's ability to make sales to buyers, and would damage its business reputation and brand name in the market place which can be compounded by social media.

Although the Group's systems have been designed around industry standard architectures, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses or similar events. The Group's disaster recovery planning cannot account for all eventualities.

(h) Decline on the Growth of Internet Use

Internet use in the current markets of Singapore, Indonesia and Malaysia in particular, has been growing. However, there can be no guarantee that this growth will continue in the future. In addition, growth in e-Commerce is underpinned by a range of factors including migration from more traditional forms of retail sales. While increased internet use and a migration of retail sales to digital platforms has occurred over recent years, there can be no guarantee that the rate of growth in internet use and rate of migration will continue in the future, which may have an adverse effect on the expected growth of the Group.

(i) Brand Management and Maintenance

The Company believes that establishing and maintaining its brands in the e-Commerce industry is critical to growing its proposed user base and product acceptance. This will depend largely on the Group's ability to provide useful and innovative products. The actions of external industry participants and social media may affect the Group's brands if users do not have a positive experience using the websites and its platforms, devices or operating systems that provide access to the Group's products and services respectively.

If the Group fails to successfully establish and maintain its brands its businesses and operating results could be adversely affected.

(j) Display of Inappropriate Content

The Group will have processes that allow it to monitor and remove inappropriate content placed on the websites, whether deliberately or inadvertently. However, the Group will not have the ability to guarantee that all content displayed on the websites is appropriate at all times. This includes but is not limited to the presentation of photographs accepted by the Group in good faith and under the terms of its supplier contracts. The Group cannot guarantee that such material is not obscene, offensive or otherwise damaging to its business reputation and brand name, or the reputation of any third party.

(k) Reliance on Third Party Payment and Logistics Providers

To complete sales on the Group's websites, the Group will rely on third party banking, payment and logistic providers. The Group's influence over these third parties will be limited. Any system or service failure that causes an interruption to the Group's ability to receive payments or deliver purchased goods to its buyers and effect payment transactions could materially affect its business and financial performance. System or service failures, if prolonged, could reduce the attractiveness of the Group's services to visitors to the websites and hinder the ability to make sales to buyers, and would damage its business reputation and brand name.

(l) Contractual Risk

In order for the Group to be able to achieve its objectives, the Group will be reliant on third parties with which it will become involved to comply with their contractual obligations.

Where those third parties fail to comply with the terms and conditions of their agreements with the Group, the Group could lose the rights acquired under the relevant agreement(s). It may then be necessary for the Group to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. The Group has no current reason to believe that any third party that the Group has contracted with will not meet and satisfy their obligations under any agreement.

4.4 Industry specific risks

(a) Rapidly updating industry

Online industries, including online merchandising and entertainment, can tend to experience rapid evolution from time to time. If the entities in which the Group has interests are not capable of staying current with industry trends, there is a risk that the technology in which the Group will acquire an interest will become outdated and not be capable of being sold or licensed. Although, to the best of the Company's knowledge, its subsidiaries (wholly owned or otherwise) endeavour to keep pace with the evolution of their industries, there can be no assurance that any significant changes that may occur in online industries, will not have a material adverse effect on the operations of the Group.

In addition, significant outlays may be required where technology is updated that the Group must make use of.

(b) Corruption of Databases

The databases used by entities in which the Group has interests are a valuable asset. They are subject to risks associated with computer viruses, physical or electronic break-ins, loss of data from physical damage or from failures in third party service providers or operating systems and similar disruptions, as well as to damage from the inadvertent introduction onto its systems of incorrect programming language by its employees. An irrecoverable loss of any of the databases would be expensive to remedy, would have a material adverse effect on an entity's operations and financial position, and would damage its business reputation and brands.

(c) New Technology

If the entities in which the Group has interests are significantly slower than their competitors to adapt technological change, it would lead to a reduction in visits to the relevant websites. This could have an adverse effect on the entity's ability to attract new buyers and retain its existing customer base.

(d) Hacking and Vandalism

The business entities in which the Group will acquire an interest may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in the websites. Viruses, worms and other malicious software programs could, among other things, jeopardise the security information stored in a user's computer or in the entity's computer systems or attempt to change the internet experience of users by interfering with the entity's ability to connect with its users. If the entity's efforts to combat these malicious applications are unsuccessful, or if the websites have actual or perceived vulnerabilities, the entity's business reputation and brand name may be harmed and user traffic could decline, which may result in a material adverse effect on the entity's operations.

(e) Unauthorised use of intellectual property or independent development of technology

The Group regards substantial elements of the websites, software, tools, applications, buyer databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use the Group's proprietary information without authorisation or may develop similar technology independently. In addition, competitors may be able to design around the Group's technology or develop competing technologies substantially similar to those of the Group without any infringement of the Group's proprietary rights. Any legal action that the Group may bring to protect its proprietary information could be unsuccessful and expensive and would divert management's attention from its business operations.

(f) Product Returns

While the Group will generally be under no obligation to acquire products from suppliers, in the event that the product is not sold, the Group will generally be responsible for the cost and liability of any product returns.

(g) Insurance

The Group will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Group may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Group incurs uninsured losses or liabilities, the value of the Group's assets may be at risk.

4.5 Risks associated with the Offer

(a) Value of New Options

The New Options that are issued as part of the Offer are issued for \$nil issue price and require the Exercise Price of \$0.011 per New Option to be paid at the time of exercise. If the prevailing trading price of Shares is lower than the Exercise Price, then it is likely that the New Options will not be exercised. In this case, for investors, the unexercised New Options will not have value and will lapse on the expiry date of the New Options.

If the New Options are not exercised, or only some of the New Options are exercised, then the Company may not receive the proceeds that would otherwise be generated if New Option holders pay the Exercise Price. This possibility may reduce the amount of capital that the Company would receive if all of the New Options are exercised on or before the expiry date of the New Options.

(b) Liquidity

The market for Shares may be illiquid.

The New Options will not be listed on ASX, and therefore will not be trading on a liquid market.

4.6 **General risk factors**

The future operations of the Group may be affected by a range of factors, including the below general risk factors.

(a) Foreign exchange risk

The Group will continue to be exposed to the volatility and fluctuations of the exchange rate between currencies throughout South-East Asia and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Group. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Group's investee companies and their plans and activities together with the ability to fund those plans and activities.

The Group will have costs, expenses and investments denominated in multiple currencies. The Company's Share price is (and the trading price of its New Options will be) denominated in Australian dollars. The Company will also report its financial results in Australian dollars. Accordingly, the Company's reported financial performance will be influenced by fluctuations in exchange rates between the Australian dollar and other currencies in which it may earn income or accrue expenses, which in the first instance will include the Singapore dollar, the Indonesian Rupiah, the Vietnamese Dong, the Thai Baht, the United States Dollars and the Malaysian Ringgit.

(b) Market risk

Share market conditions may affect the value of the Company's quoted Securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

(c) Potential Acquisitions

As part of its business strategy, the Group intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

(d) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment. The Group shall continue to seek to secure as many of the key personnel as possible in the current market conditions.

(e) Government Regulations

The Group will be subject to local laws and regulations in each of the jurisdictions in which it operates (including taxation legislation). Future laws or regulations may be introduced concerning various aspects of the internet, including online content, e-Commerce, foreign ownership of interest and media or retail companies, liability for third party activities and user privacy, all of which may impact the Group's operations.

Changes in or extensions of laws and regulations affecting either the retail industry or internet business operations in the countries in which the Group operates and the rules of industry organisations could restrict or complicate the Group's activities and significantly increase its compliance costs.

(f) New Acquisitions

The Group may make acquisitions in circumstances where the Directors believe that those acquisitions support the Group's growth strategy. However, there can be no assurances that the Group will be able to identify, complete and integrate suitable acquisitions successfully. Acquiring new businesses can place significant strain on management, employees, systems and resources. Acquired businesses may not perform in line with expectations and it may not prove possible to achieve the desired synergies on the integration of new businesses.

(g) Additional Requirements for capital

The Group's capital requirements depend on numerous factors. Depending on the Group's ability to generate income from its operations, the Group may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back marketing and technological development.

4.7 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Group or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5 Additional Information

5.1 Continuous disclosure and inspection of documents

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations.

The Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify the ASX of information about specific events or matters as they arise, for the purpose of the ASX making that information available to the market conducted by the ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class which has been continuously quoted by the ASX at all times during the 3 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the Terms of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Securities and the Shares issued on exercise of the New Options. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer period:

- (a) The annual financial report for the year ended 31 December 2016 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which is available at the Company's website <http://www.fatfish.co/>; and
- (b) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to at 5.1(a) above and before the lodgement with ASIC of a copy of this Prospectus. These include the following announcements:

Date lodged	Announcement
28/04/2017	Notice of Annual General Meeting/Proxy Form

This Prospectus contains details specific to the Offer. If Shareholders require any further information in relation to the Company, those Shareholders should take advantage of the ability to inspect or obtain copies of the documents referred to above.

5.2 No existing options

As at the date of this Prospectus, the Company does not have any options on issue.

5.3 Market Price of Shares

The highest and lowest market sale price of the Company's Shares on the ASX during the 3 calendar months immediately preceding the date of issue of this Prospectus and the last market price on the last day of trading before lodgement is set out below:

	Price	Date
Highest	\$0.038	2 May 2017
Lowest	\$0.025	8 May 2017
Last	\$0.025	15 May 2017

5.4 Rights attaching to Shares (including Shares issued on exercise of the New Options)

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside of the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the New Shares and all Shares issued on exercise of the New Options issued pursuant to the Prospectus will be fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of constitution

The Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.5 Terms of and rights attaching to New Options

- (a) Entitlement: Subject to and conditional upon any adjustment in accordance with these conditions, each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- (b) Exercise Price: Subject to and conditional upon any adjustment in accordance with these conditions, the amount payable upon exercise of each New Option will be \$0.011 per New Option (**Exercise Price**).
- (c) Expiry Date: Each New Option will expire at 5.00pm (Sydney time) on Sunday 9 June 2019 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) Exercise Period: The New Options are exercisable at any time from the date of their issue until the Expiry Date (**Exercise Period**).
- (e) Notice of Exercise: The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).
- (g) Timing of issue of Shares on exercise: Within 20 Business Days after the Exercise Date, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which the Exercise Price has been received by the Company in cleared funds; and
 - (ii) if admitted to the official list of ASX at the time, apply for official quotation on the ASX of Shares issued pursuant to the exercise of the New Options.

- (h) Shares issued on exercise: Shares issued on exercise of the New Options rank equally with the then issued Shares of the Company.
- (i) Quotation of Shares issued on exercise: If the Company is admitted to the official list of the ASX at the time, application will be made by the Company to the ASX for quotation of the Shares issued upon the exercise of the New Options.
- (j) Reconstruction of capital: If at any time the issued capital of the Company is reconstructed, all rights of a holder of New Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) Participation in new issues: There are no participation rights or entitlements inherent in the New Options and holders of New Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (l) Change in exercise price / number of Shares: A New Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (m) Unquoted: The Company will not apply for quotation of the New Options on the ASX.
- (n) Transferability: The New Options are transferable subject to any restriction or escrow arrangements imposed by the ASX or under applicable Australian securities laws.

5.6 Directors' Interests

(a) General

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of that persons association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with the Company's formation; or
- (iii) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or the promotion of the Company.

(b) Interest in Securities

The Directors are not required under the Company's constitution to hold any Shares in the Company.

The following table sets out the relevant interests in Shares and options to subscribe for Shares held by each Director as at the date of this Prospectus:

Director (including associates)	Shares held directly	Shares held indirectly	Options held (directly and indirectly)
Dato' Larry Nyap Liou Gan	320,006	5,353,069	Nil
Kin Wai Lau	15,709,609	Nil	Nil

Director (including associates)	Shares held directly	Shares held indirectly	Options held (directly and indirectly)
Donald Han Low	Nil	Nil	Nil
Jeffrey Tan	Nil	Nil	Nil

NOTE: This table does not take into account any New Securities the Directors may acquire under the Offer. Some or all of the Directors may participate to the extent of their Entitlement under the Offer.

The Directors (and their associates) who are Eligible Shareholders are entitled to apply for New Securities in the Offer.

(c) Remuneration

Directors' remuneration for the last 2 years was as follows:

Director	Salary and fees		Other		Total	
	For year ended 31 December 2015	For year ended 31 December 2016	For year ended 31 December 2015	For year ended 31 December 2016	For year ended 31 December 2015	For year ended 31 December 2016
Dato' Larry Nyap Liou Gan	\$30,000	\$30,000	Nil	Nil	\$30,000	\$30,000
Kin Wai Lau	\$148,723	\$153,815	Nil	Nil	\$148,723	\$153,815
Donald Han Low	\$27,000	\$24,000	Nil	Nil	\$27,000	\$24,000
Jeffrey Tan	\$12,000	\$12,000	Nil	Nil	\$12,000	\$12,000

Non-executive Directors' fees are determined within an aggregate non-executive Directors' fee pool limit. For the financial year commencing 1 January 2017 and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors of the Company for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to \$300,000 per annum (in total).

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. A Director may also be remunerated as determined by the Directors if that Director performs additional or special duties for the Company. A former director may also receive a retirement benefit of an amount determined by the Directors in recognition of past services, subject to the Listing Rules and the Corporations Act.

(d) Indemnification and Directors & Officers Insurance

The Company has agreed to indemnify the current Directors and certain current executives of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or officers of the Company, to the extent permitted by law. The indemnity agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company pays a premium to insure Directors and certain officers of the Company and controlled entities. The officers of the Company covered by the insurance policy include the current Directors and secretary of the Company and its subsidiaries, senior management of the Company and senior management of divisions and controlled entities of the Company. As the insurance policy operates on a claims made basis, former Directors and officers of the Company are also covered.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or controlled entities. The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors and officers of the Company. The insurance policy prohibits disclosure of the premium paid.

The Company has not otherwise indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such officer.

5.7 Interests of named persons

Set out below are the benefits that have been or have been agreed to be given to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or
- (c) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a Prescribed Person in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company, or the Offer.

Thomson Geer has acted as the Australian legal advisers to the Company for the purposes of the Offer. For this work, the Company estimates Thomson Geer will receive fees amounting to approximately \$22,000 including GST but excluding disbursements.

5.8 Consents to be named

Each of the parties named in the table below in this Section 5.8 has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASX:

Capacity in relation to the Company	Consenting party
Australian legal adviser	Thomson Geer
Share Registry	Security Transfer Australia Pty Limited

To the maximum extent permitted by law, each of the parties named in this Section 5.8:

- (a) states that it has not authorised or caused the issue of this Prospectus;
- (b) is not taken to have made, or purported to have made, any representation or warranty in relation to the Company either express or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (c) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

5.9 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which have been paid or are payable by the Company are as follows:

Expenses of the Offer	Amount including GST
Legal fees	\$22,000
Investor relations	\$30,000
Share Registry fees, printing and postage, ASX and ASIC fees	\$25,000
Other miscellaneous costs	\$60,000
TOTAL	\$137,000

5.10 Governing Law

The Offer is governed by the law in force in New South Wales, Australia. By accepting the Offer, each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.11 Directors' consent to lodgement

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

6 Glossary

In this Prospectus, unless the context or subject matter otherwise requires:

Applicant	A person who returns an Application.
Application	An application for New Securities under the Offer.
Application Form	The entitlement and acceptance form attached to this Prospectus.
Application Payment	The payment of the Offer Price under the Offer submitted by an Applicant for the purposes of making an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires.
ASX Listing Rules	The official Listing Rules of the ASX.
Board	The board of Directors.
Business Day	Monday to Friday inclusive in Sydney Australia, except New Year's Day, Good Friday, Easter Monday, ANZAC Day, Queen's Birthday, Christmas Day, Boxing Day, and any other day that is not a business day for the purposes of the ASX Listing Rules.
Closing Date	5.00pm (Sydney time) on Friday 2 June 2017 (unless varied).
Company or FFG	Fatfish Internet Group Ltd (ABN 88 004 080 460).
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Directors	The directors of the Company.
Dragon Commerce	PT Dragon Commerce Indonesia (registered in Indonesia).
Eligible Jurisdictions	Those jurisdictions in which a Shareholder has a Registered address as at the Record Date.
Eligible Shareholder	A Shareholder recorded on the Register at the Record Date.
Entitlement	The right of an Eligible Shareholder to subscribe for New Securities pursuant to the Rights Issue.
Exercise Price	The price payable on the exercise of a New Option for one Share under this Prospectus, being \$0.011 per New Option.
Expiry Date	5.00pm (Sydney time) on 9 June 2019.
FAG	Fintech Asia Group Ltd (registered in the British Virgin Islands).
Fatfish Capital	Fatfish Capital Ltd (registered in the British Virgin Islands, company registration number 1718282).
Fatfish Internet	Fatfish Internet Pte Ltd (registered in Singapore, company registration number 201309336H).
Fatfish Medialab	Fatfish Medialab Pte Ltd (registered in Singapore, company registration number 201119282), a wholly owned subsidiary of Fatfish Capital.
Fatfish Ventures	Fatfish Ventures Sdn Bhd (registered in Malaysia, company registration number 1106800-P), a 75% owned subsidiary of Fatfish Internet.
Group	The Company and its subsidiaries.
GST	Has the meaning given to that term in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and includes goods and services tax.

IFashion	IFashion Group Pte Ltd (registered in Singapore, company registration number 201435021K).
Infini Square	Infini Square Pte Ltd (registered in Singapore, company registration number n201225074C).
Kensington	Kensington Ventures Pte Ltd (registered in Singapore).
LOLA	Love Out Loud Asia Pte Ltd (registered in Singapore).
Lunch Actually Group	Lunch Actually Pte Ltd (registered in Singapore) and its subsidiary companies.
New Options	Options to subscribe for new Shares to be issued pursuant to this Prospectus.
New Securities	New Shares and/or New Options (as the context requires).
New Shares	Shares offered under this Prospectus.
Novatap	Novatap Pte Ltd (registered in Singapore).
Offer	The offer of New Securities under this Prospectus (including the Rights Issue and the Shortfall Offer), subject to and on the Terms of the Offer.
Offer Price	The subscription price per New Share under the Offer (ie, \$0.01 per New Share).
Prospectus	This prospectus.
PT Megavalue Prosperindo	PT Megavalue Prosperindo (registered in the Republic of Indonesia) that operates and runs RajaPremi.com online insurance business.
RajaPremi.com	The business operated by PT Megavalue Prosperindo.
Record Date	7.00pm (Sydney time) on Friday 19 May 2017.
Register	The Company's register of members or optionholders, as the context requires.
Rights Issue	A renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every Share held at the Record Date at an Offer Price of A\$0.01 per New Share, with 1 free attaching New Option for every New Share issued.
Securities	Shares and options issued by the Company.
Share Registry	Security Transfer Australia Pty Limited.
Shareholder	Registered holder of a Share.
Shares	Ordinary shares in the capital of the Company.
Shortfall Offer	Has the meaning given to that term in Section 2.12.
Shortfall Securities	Entitlement for which valid Applications have not been received by the Closing Date.
Terms of the Offer	The terms and conditions set out in this Prospectus, including any modifications made by the Company.
VDancer	VDancer Pte Ltd (registered in Singapore).

Corporate Directory**Directors**

Mr Larry Nyap Liou Gan (Non Exec. Chairman)
Mr Kin Wai Lau (CEO, Executive Director)
Mr Donald Han Low (Non Exec. Director)
Mr Jeffrey Hua Yuen Tan (Non Exec. Director)

Company Secretary

Mr Donald Han Low

Registered Office

Level 4, 91-97 William Street
MELBOURNE VIC 3000
Tel: +61 499 074 699
Fax: +61 3 9833 7063

Website

<http://www.fatfish.co/>

Auditors*

MSI Ragg Weir
Level 2, 108 Power Street
HAWTHORN VIC 3122

Share Registry*

Security Transfer Australia Pty Limited
PO Box 52
Collins Street West VIC 8007

Suite 913, Exchange Tower
530 Little Collins Street
MELBOURNE VIC 3000
Tel: 1300 992 916
Fax: +61 8 9315 2233

Solicitors

Thomson Geer
Level 25, 1 O'Connell Street
SYDNEY NSW 2000

**These entities are included for information purposes only. These entities have not been involved in the preparation of this Prospectus.*