



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

Current period:	1 January 2023 - 30 June 2023
Prior corresponding period:	1 January 2022 - 30 June 2022

<b>2. Results for announcement to the market</b>	<b>Half-year ended 30 June 2023</b>	<b>Half-year ended 30 June 2022</b>	<b>Up/ Down</b>	<b>Change (%)</b>
Revenue from ordinary activities	418,073	750,017	Down	-44%
Loss from ordinary activities after tax attributable to members of the parent	(1,081,460)	(9,319,202)	Down	-88%
Total comprehensive income for the period attributable to members of the parent	(478,927)	(9,435,201)	Down	-95%

**3. Dividend Information**

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

**4. Net Tangible Assets**

	<b>Half-year ended 30 June 2023</b>	<b>Half-year ended 30 June 2022</b>
Net tangible assets per security (with the comparative figures for the previous corresponding period)	1.11	1.74

**5. Details of entities over which control has been gained**

Not Applicable

For personal use only



# **FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**

**ABN: 88 004 080 460**

**Financial Report For The Half-Year Ended  
30 June 2023**

For personal use only

# FATFISH GROUP LIMITED AND CONTROLLED ENTITIES



ABN: 88 004 080 460

## Financial Report For The Half-Year Ended 30 June 2023

<b>CONTENTS</b>	<b>Page</b>
Directors' Report	1
Auditor's Independence Declaration	2
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Financial Statements	7
Directors' Declaration	25
Independent Auditor's Report	26

For personal use only

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



Your directors of Fatfish Group Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of Fatfish Group Limited and the entities it controlled at the end of, or during, the half-year period ended 30 June 2023.

**General Information**

**Directors**

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

Dato' Larry Nyap Liou Gan  
Kin Wai Lau  
Donald Han Low  
Jeffrey Hua Yuen Tan  
Andrew Bruce (appointed 12 January 2023)

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

**DIRECTORS' REPORT**

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

**Review of Operations**

The consolidated loss for the six-month period ended 30 June 2023 was \$1,081,460 (2022: loss of \$9,319,202).

The net assets of the Group as at 30 June 2023 were \$1,282,438. (31 December 2022: \$904,666).

During the period, the Group had initiated an internal restructuring exercise to move ASEAN Fintech Group Ltd ("AFG") to Indonesia to explore further growth in the country. The restructuring exercise will also allow AFG to explore a potential initial public offering ("IPO") in Indonesia, as only entities that are domiciled in Indonesia may list their shares on the Indonesian Stock Exchange.

The Group's foray into the digital money lending space has made steady progress during the period with Fatfish's Malaysian subsidiary, SF Direct Sdn Bhd ("SF Direct"), obtaining a conditional approval from Malaysia's Ministry of Local Government Development (the "Ministry") to conduct digital money lending activities. The SF Direct team aims to obtain a full license by the end of 2024, by fulfilling the remaining requirements imposed by the Ministry.

**Auditor's Independence Declaration**

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

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

On behalf of the Directors

**Kin Wai Lau**  
Director  
Dated this 31 August 2023

To the Board of Directors

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead audit director for the review of the financial statements of Fatfish Group Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**



**CHRIS NICOLOFF CA**  
**Director**

Dated this 31<sup>st</sup> day of August 2023  
Perth, Western Australia

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



	Note	Group	
		30 June 2023	30 June 2022
		\$	\$
<b>Continuing operations</b>			
Revenue		418,073	750,017
Cost of sales		(9,421)	(83,242)
		<u>408,652</u>	<u>666,775</u>
Other income/(expenses)	2(a)	1,937,803	(103,965)
Unrealised gain/(loss) on investments at fair value		(1,675,173)	(6,299,703)
Employee benefits expense		(646,645)	(1,448,380)
Depreciation and amortisation expense		(251,664)	(48,016)
Impairment expense		(94,760)	(6,324)
Doubtful debt expense		(170,372)	(521,201)
Administration expenses	2(b)	(401,754)	(626,476)
Marketing and promotion expenses		(31,931)	(214,538)
Listing and filing fees		(35,670)	(26,280)
Occupancy expenses		(57,227)	(182,869)
Share based payments		(8,145)	(24,436)
Finance costs		(54,574)	(483,789)
		<u>(1,081,460)</u>	<u>(9,319,202)</u>
<b>Loss before income tax</b>			
Tax expense		-	-
<b>Net loss from continuing operations</b>		<u>(1,081,460)</u>	<u>(9,319,202)</u>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value (decrease)/increase in digital asset holdings		3,883	(50,266)
Fair value decrease in financial assets		-	(319,381)
Exchange differences on translating foreign operations, net of tax		152,384	138,310
		<u>156,267</u>	<u>(231,337)</u>
<b>Total other comprehensive income/(loss) for the year</b>			
<b>Total comprehensive income for the year</b>		<u>(925,193)</u>	<u>(9,550,539)</u>
Net profit attributable to:			
Owners of the parent entity		(625,421)	(9,252,427)
Non-controlling interest		(456,039)	(66,775)
		<u>(1,081,460)</u>	<u>(9,319,202)</u>
Total comprehensive income attributable to:			
Members of the parent entity		(478,927)	(9,435,201)
Non-controlling interest		(446,266)	(115,338)
		<u>(925,193)</u>	<u>(9,550,539)</u>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic and diluted losses per share (cents)	4	(0.06)	(0.89)

The accompanying notes form part of these financial statements.

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**



	Note	Group	
		30 June 2023	31 December 2022
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,122,371	1,051,605
Trade and other receivables	5	650,917	675,330
Other financial assets	6	1,860,587	1,592,136
Other assets		55,210	41,950
<b>Total Current Assets</b>		<b>3,689,085</b>	<b>3,361,021</b>
<b>Non-Current Assets</b>			
Other financial assets	6	3,615,313	3,539,867
Investments at fair value through profit or loss	7	3,740,497	5,411,755
Property, plant and equipment	8	286,781	344,767
Financial assets - Fair value OCI		45,748	44,769
Intangible assets	9	1,810,773	1,865,646
Other non-current assets		188,790	161,027
Right-of-use assets	10	147,974	222,976
<b>Total Non-Current Assets</b>		<b>9,835,876</b>	<b>11,590,807</b>
<b>Total Assets</b>		<b>13,524,961</b>	<b>14,951,828</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	3,026,252	2,609,882
Lease liabilities	10	104,261	162,797
Other financial liabilities	12	9,064,180	11,209,265
<b>Total Current Liabilities</b>		<b>12,194,693</b>	<b>13,981,944</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	10	47,830	65,218
<b>Total Non-Current Liabilities</b>		<b>47,830</b>	<b>65,218</b>
<b>Total Liabilities</b>		<b>12,242,523</b>	<b>14,047,162</b>
<b>Net Assets</b>		<b>1,282,438</b>	<b>904,666</b>
<b>Equity</b>			
Issued Capital		48,899,229	47,604,409
Reserves	18	(16,827,605)	(16,982,244)
Retained earnings		(45,528,193)	(44,902,772)
Equity attributable to owners of the parent entity		(13,456,569)	(14,280,607)
Non-controlling interest		14,739,007	15,185,273
<b>Total Equity</b>		<b>1,282,438</b>	<b>904,666</b>

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES  
ABN: 88 004 080 460  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2023



	Ordinary Share Capital	Retained Earnings	Reserves					Subtotal	Non- controlling interests	Total	
			Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Convertible Note Reserve	Other Components of Equity				Digital Asset Reserve
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Consolidated Group</b>											
<b>Balance at 1 January 2022</b>	48,047,084	(30,846,018)	(1,025,791)	2,206,914	(362,777)	909,317	-	554,104	19,482,833	(440,146)	19,042,687
<b>Comprehensive income</b>											
Loss for the period	-	(9,252,427)	-	-	-	-	-	-	(9,252,427)	(66,775)	(9,319,202)
Other comprehensive income for the period	-	-	186,873	-	(319,381)	-	-	(50,266)	(182,774)	(48,563)	(231,337)
<b>Total comprehensive income for the period</b>	-	(9,252,427)	186,873	-	(319,381)	-	-	(50,266)	(9,435,201)	(115,338)	(9,550,539)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>											
Shares issued during the period	-	-	-	-	-	-	-	-	-	-	-
Transaction costs	(152,000)	-	-	-	-	-	-	-	(152,000)	-	(152,000)
Shares bought back during the period	(149,241)	-	-	-	-	-	-	-	(149,241)	-	(149,241)
Premium on assets acquired from connected entities	-	-	-	-	-	-	(18,978,357)	-	(18,978,357)	-	(18,978,357)
Vesting of performance rights and options during the period	-	-	-	24,436	-	-	-	-	24,436	-	24,436
Recognition of non-controlling interests in Smartfunding Pte Ltd	-	-	-	-	-	-	-	-	-	56,813	56,813
Recognition of non-controlling interests in Jazzypay Pte Ltd	-	-	-	-	-	-	-	-	-	5,216	5,216
Recognition of non-controlling interests in Fatberry Sdn Bhd	-	-	-	-	-	-	-	-	-	(391,139)	(391,139)
Recognition of non-controlling interests in Asean Fintech Group Limited	-	-	-	-	-	-	-	-	-	18,563,488	18,563,488
<b>Total transactions with owners and other transfers</b>	(301,241)	-	-	24,436	-	-	(18,978,357)	-	(19,255,162)	18,234,378	(1,020,784)
<b>Balance at 30 June 2022</b>	47,745,843	(40,098,445)	(838,918)	2,231,350	(682,158)	909,317	(18,978,357)	503,838	(9,207,530)	17,678,894	8,471,364
<b>Balance at 1 January 2023</b>	47,604,409	(44,902,772)	(469,871)	1,416,997	(362,777)	909,317	(18,978,357)	502,447	(14,280,607)	15,185,273	904,666
<b>Comprehensive income</b>											
Loss for the period	-	(625,421)	-	-	-	-	-	-	(625,421)	(456,039)	(1,081,460)
Other comprehensive income for the period	-	-	142,611	-	-	-	-	3,883	146,494	9,773	156,267
<b>Total comprehensive income for the year</b>	-	(625,421)	142,611	-	-	-	-	3,883	(478,927)	(446,266)	(925,193)
<b>Transactions with owners, in their capacity as owners, and other transactions</b>											
Shares issued during the year	1,295,475	-	-	-	-	-	-	-	1,295,475	-	1,295,475
Shares bought back during the year	(655)	-	-	-	-	-	-	-	(655)	-	(655)
Vesting of options	-	-	-	8,145	-	-	-	-	8,145	-	8,145
<b>Total transactions with owners and other transactions</b>	1,294,820	-	-	8,145	-	-	-	-	1,302,965	-	1,302,965
<b>Balance at 30 June 2023</b>	48,899,229	(45,528,193)	(327,260)	1,425,142	(362,777)	909,317	(18,978,357)	506,330	(13,456,569)	14,739,007	1,282,438

The accompanying notes form part of these financial statements.



**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



	Group	
	30 June 2023	30 June 2022
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,167,183	1,380,815
Interest received	1,761	-
Payments to suppliers and employees	(2,659,060)	(2,816,094)
Finance costs	(51,856)	(40,349)
Net cash generated by operating activities	<u>(541,972)</u>	<u>(1,475,628)</u>
<b>Cash flows from investment activities</b>		
Purchase of subsidiary, less cash acquired	-	504,522
Purchase of property, plant and equipment	(25,521)	(46,338)
Purchase of intangibles	(50,740)	(154,008)
Net cash (used in)/generated by investing activities	<u>(76,261)</u>	<u>304,176</u>
<b>Cash flows from financing activities</b>		
Proceeds from capital raise	1,295,475	-
Payments to capital raising costs	-	(152,000)
Payments for share buy-backs	(655)	(149,241)
Repayment of borrowings - other	64,728	(590,886)
Repayment of Convertible Notes	(647,000)	-
Repayment of lease liabilities	(37,911)	-
Net cash provided by (used in) financing activities	<u>674,637</u>	<u>(892,127)</u>
Net increase in cash held	56,404	(2,063,579)
Cash and cash equivalents at beginning of financial year	1,051,605	4,077,586
Effect of exchange rates on cash holdings in foreign currencies	14,362	4,356
Cash and cash equivalents at end of financial year	<u><u>1,122,371</u></u>	<u><u>2,018,363</u></u>

The accompanying notes form part of these financial statements.

For personal use only

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

The financial statements were authorised for issue on 31 August 2023 by the directors of the company.

## **Note 1 Summary of Significant Accounting Policies**

### **Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 31 December 2021 and any public announcements made by the Company since 31 December 2022 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

### **Basis of Preparation**

The condensed consolidated financial statements of Fatfish Group Limited for the six months ended 30 June 2023 have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### **Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements as at 31 December 2022, unless otherwise stated.

#### **(a) Principles of Consolidation**

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

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

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

AASB 10 - Consolidated Financial Statements provides an exemption to investment entities from consolidating its subsidiaries. Abelco Investment Group AB qualifies for this exemption as it:

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

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

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

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

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

**Note 1: Summary of Significant Accounting Policies (continued)**

**(b) Digital Currencies**

(i) Intangibles

Digital assets that meet the criteria of Intangible Assets, the Group measures digital assets at its fair value less costs to sell in accordance with the revaluation model. Any increase in fair value is recognised in OCI and credited to a revaluation reserve, unless it reverses a revaluation deficit of the same asset previously recognised in profit or loss.

During the financial year ended 31 December 2021, due to the review of recent peer analysis of the accounting treatment for Digital Currencies, Management has determined that the Group's digital assets fall in the intangible asset method. The comparative figures have been restated. As such, the Group has restated its comparatives and have reallocated the revaluation of the Digital Currencies against Other Comprehensive Income and not the profit and loss. The restated amount was \$237,964.

A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

(ii) Inventory

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

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

**(c) Financial Instruments**

(i) *Classification of financial instruments*

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

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

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

(ii) *Financial assets measured at amortised cost*

*Debt instruments*

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

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

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

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

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

*Equity Instruments*

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

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

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

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

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

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

For personal use only

**Note 1: Summary of Significant Accounting Policies (continued)**

*Financial instruments held for trading*

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

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

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

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

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

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

(v) *Impairment of financial assets*

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

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

No ECL is recognised on equity instruments.

*Determining the stage for impairment*

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

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

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

(vi) *Recognition and derecognition of financial instruments*

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

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

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

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

**Note 1: Summary of Significant Accounting Policies (continued)**

(vii) *Offsetting*

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

**(d) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

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

**Transaction and balances**

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

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

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

**The Company**

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

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

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

**(e) Revenue and Other Income**

**Accounting policy for revenue recognition**

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

*Revenue from Insurtech services*

Revenue from insurtech services are recognised at the point of sale when the Company has met its performance obligations.

*Revenue from payment gateway services*

Revenue from payment gateway services are recognised at the point of sale when the Company has met its performance obligations.

*Revenue from BNPL services*

The Company's BNPL income is derived from the difference between the consumer's underlying order value processed and the amount paid to the merchant by the Company is referred to as Merchant fees. The Company pays merchants the net amount of the order value less the Merchant fees, which consists of fixed and variable rates, and the Company then assumes all non-repayment risk from the consumer. There are no interest or fees charged by the Company.

*Revenue from contracts with customers*

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

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

**Note 1: Summary of Significant Accounting Policies (continued)**

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

*Interest revenue*

Interest revenue is recognised using the effective interest method.

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

**(f) Critical Accounting Estimates and Judgements**

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

(i) Key judgements and estimates - Impairment

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

(ii) Key judgements and estimates - Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 23 - Share-based payments.

(iii) Key judgements and estimates - Digital Currencies

Digital currencies are recorded at fair value with reference to prices on quoted markets.

**(g) Accounting for Common Control**

Where the acquisition of entities that are deemed to be under common control occurs then consideration is required to determine the accounting acquirer. A new entity formed to effect a business combination through the issue of equity interests will not be regarded as the accounting acquirer, rather one of the combining entities that existed prior to the business combination shall be identified as the accounting acquirer.

The pooling of interest method is adopted for business combinations under common control. Existing book values for assets and liabilities at the date of acquisition will be recognised and fair value adjustments including new intangibles or goodwill will not be recognised. Any premium between the fair value of consideration paid and the book value of net assets is debited to a separate category of equity.

**(h) Going Concern Note**

The half year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$1,081,460 (2022: \$9,319,202) included in the loss were unrealised losses of \$1,675,173 (2022: \$6,299,703).

As at 30 June 2023, the Group had a working capital deficit of \$8,505,608 (31 December 2022: \$10,620,923). Included in the working capital deficit is the balance of the convertible notes of \$6,309,522 (with a face value of \$7,353,000). These convertible notes matured on 27 August 2024.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

Further to the above, the entity holds shares in listed entities which it is able to liquidate to meet any funding needs as and when they arise. At the date of this report, the value of these investments was \$3.72m and is made up of Abelco Investment Group A.B (\$3.45m) and iCandy Interactive Limited (\$270k).

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

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

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 1: Summary of Significant Accounting Policies (continued)**

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

**Note 2 Loss for the period**

	Group	
	30 June 2023	30 June 2022
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Other income/(expenses)		
- foreign exchange gain/(loss)	-	(7)
- unrealised foreign exchange gain/(loss)	56,912	(165,416)
- other income	55,454	(22,095)
- interest income	77,466	83,553
- loss on disposal of investment	(32,970)	-
- loan forgiven	1,780,941	-
	1,937,803	(103,965)
(b) Included in administration expenses		
- accounting fees	25,982	29,890
- audit fees	57,377	10,897
- consulting fees	28,051	101,423
- subscriptions	30,615	18,929
- motor vehicle costs	3,064	3,753
- legal fees	39,071	50,370
- professional fees	76,844	276,814
- travel and accommodation	17,359	38,245
- office related expenses	26,228	73,821
- other miscellaneous expenses	17,600	22,334
- management fees	79,563	-
	401,754	626,476

**Note 3 Dividends**

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

**Note 4 Earnings per Share**

	Group	
	30 June 2023	31 December 2022
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Loss	(625,421)	(9,252,427)
Losses used to calculate basic EPS	(625,421)	(9,252,427)
	<b>No.</b>	<b>No.</b>
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,053,652,875	1,036,129,877
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,053,652,875	1,036,129,877
Basic loss per share from continuing operations	(0.06)	(0.89)

**Note 5 Trade and Other Receivables**

	Group	
	30 June 2023	31 December 2022
	\$	\$
Current		
Trade receivables	749,127	587,378
Provision for impairment	(170,336)	(78,517)
	578,791	508,861
Accrued income and other receivables	72,126	166,469
Total current trade and other receivables	650,917	675,330

**Note 6 Other Financial Assets**

	Group	
	30 June 2023	31 December 2022
	\$	\$
Current		
Amounts receivable from:		
- related parties - others	151,831	110,209
- related parties - subsidiaries (unconsolidated)	1,139,229	990,237
- others	370,511	314,961
	1,661,571	1,415,407
Other short-term investments	199,016	176,729
	1,860,587	1,592,136
Non-Current		
Promissory Note - subsidiaries (unconsolidated)	3,615,313	3,539,867
	3,615,313	3,539,867
<b>Total Other Financial Assets</b>		
Current	1,860,587	1,592,136
Non-Current	3,615,313	3,539,867
	5,475,900	5,132,003



**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 7 Interest in Subsidiaries**

**(a) Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group.

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group		Proportion of non-controlling interests	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Minerium Technology Limited</b>	British Virgin Island	49.0%	49.0%	51.0%	51.0%
D2K Ventures Sdn Bhd	Malaysia	49.0%	49.0%	51.0%	51.0%
<b>Fatfish Income Limited</b>	British Virgin Island	100.0%	100.0%	-	-
Payslowslow Pte Ltd	Singapore	100.0%	74.3%	-	25.7%
Fatberry Pte Ltd	Singapore	100.0%	74.3%	-	25.7%
<b>Fatfish Capital Limited</b>	British Virgin Island	75.0%	75.0%	25.0%	25.0%
Fatfish Medialab Pte Ltd	Singapore	75.0%	75.0%	25.0%	25.0%
<b>Asean Fintech Group Limited (formerly Fatfish Disruptive Ventures)</b>	British Virgin Island	74.6%	74.3%	25.4%	34.1%
Pay Direct Technology Sdn Bhd	Malaysia	41.0%	40.9%	59.0%	59.1%
SF Direct Sdn Bhd	Malaysia	63.4%	63.1%	36.6%	36.9%
iHarap Sdn Bhd	Malaysia	74.6%	74.3%	25.4%	25.7%
PT Fintech Group Limited	Indonesia	70.9%	70.6%	29.1%	29.4%
AFG Thailand Co Limited	Thailand	74.6%	74.3%	25.4%	25.7%
Fatberry (Thailand) Limited	Thailand	63.9%	74.3%	36.1%	25.7%
AFG Media Sdn Bhd (formerly known as New Attention Sdn Bhd)	Malaysia	74.6%	74.3%	25.4%	25.7%
Payslowslow Sdn Bhd	Malaysia	74.6%	74.3%	25.4%	25.7%
AF Opportunity Sdn Bhd	Malaysia	-	74.3%	100.0%	25.7%
Carewise Sdn Bhd	Malaysia	70.9%	70.6%	29.1%	29.4%
JazzyPay Global Pte Ltd	Singapore	65.3%	65.0%	34.8%	35%
JazzyPay Inc	Philippines	65.3%	65.0%	34.8%	35.0%
Fintech Asia Group Limited	British Virgin Island	74.6%	74.3%	25.4%	25.7%
Fatberry Sdn Bhd	Malaysia	44.6%	46.5%	55.4%	53.5%
Keystone Risk Partners Sdn Bhd	Malaysia	44.6%	46.5%	55.4%	53.5%
Smartfunding Pte Ltd	Singapore	70.0%	68.6%	30.1%	31.4%
<b>Abelco Investment Group AB</b>	Sweden	40.6%	39.8%	59.4%	60.2%
Rightbridge Ventures AB	Sweden	15.4%	39.8%	84.6%	60.2%
iCandy Digital Pte Ltd	Singapore	15.4%	39.8%	84.6%	60.2%
Fatfish Global Ventures AB	Sweden	40.6%	39.8%	59.4%	60.2%
Snaefell Ventures AB	Sweden	40.6%	39.8%	59.4%	60.2%
iSecrets AB*	Sweden	18.6%	20.3%	81.4%	79.7%
Fatfish Internet Pte Ltd	Singapore	40.6%	39.8%	59.4%	60.2%
Fatfish Ventures Sdn Bhd	Malaysia	40.6%	39.8%	59.4%	60.2%
JVM AB	Sweden	40.6%	39.8%	59.4%	60.2%

Abelco Investment Group AB is being deemed a subsidiary of the Company due to common board seats, being Mr Kin Wai Lau and Dato' Larry Gan and there are no other significant shareholders in the Company.

**(b) Significant Restrictions**

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

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

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

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 7: Interests in Subsidiaries (continued)**

Subsidiary	Country of Incorporation	Fair value at 30 June 2023	Fair value at 31 December 2022
iCandy Interactive Limited <sup>(i)</sup>	Australia	270,426	266,979
Abelco Investment Group AB <sup>(ii)</sup>	British Virgin Island	3,448,119	5,123,293
Rightbridge Investments AB <sup>(iii)</sup>	British Virgin Island	21,952	21,483
		<u>3,740,497</u>	<u>5,411,755</u>

The Directors have assessed that Fatfish Group Limited meets the requirements of an Investment Entity. The company has applied AASB 10, exception to consolidation since 6 January 2020 on the deemed completion of the acquisition of Abelco Investment Group AB.

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

- (ii) The fair value of iCandy Interactive Limited (an ASX-listed entity) is based on its last traded price for the half-year ended 30 June 2023. This is in relation to the shares held by Fatfish Medialab Pte Ltd.
- (iii) The fair value of Abelco Investment Group AB (an NGM-listed entity) is based on its last traded price for the half-year ended 30 June 2023.
- (iv) The fair value of Rightbridge Investments AB is based on its last entry price in the half-year ended 30 June 2023.

**Note 8 Property, Plant and Equipment**

	Group	
	30 June 2023	31 December 2022
	\$	\$
<b>Plant and equipment:</b>		
Plant and equipment:		
At cost	2,816,582	2,761,129
Accumulated depreciation	(2,711,968)	(2,609,790)
	<u>104,614</u>	<u>151,339</u>
Leasehold Improvements		
At cost	165,822	211,669
Accumulated depreciation	(106,467)	(141,110)
	<u>59,355</u>	<u>70,559</u>
Furniture and Fittings		
At cost	30,341	28,096
Accumulated amortisation	(12,366)	(11,380)
	<u>17,975</u>	<u>16,716</u>
Computer Equipment		
At cost	193,093	184,427
Accumulated amortisation	(88,256)	(78,274)
	<u>104,837</u>	<u>106,153</u>
Total plant and equipment	<u>286,781</u>	<u>344,767</u>

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 8: Property, Plant and Equipment (continued)**

**(a) Movements in Carrying Amounts**

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

	Plant and equipment \$	Leasehold Improvements \$	Furniture and Fittings \$	Computer Equipment \$	Motor Vehicle \$	Total \$
<b>Consolidated Group:</b>						
Balance at 1 January 2022	247,454	58,895	10,818	72,221	2,643	392,031
Acquisitions through business combinations	-	5,159	7,675	32,253	-	45,087
Additions	4,679	33,842	3,426	26,110	-	68,057
Depreciation expense	(102,937)	(27,970)	(4,300)	(25,901)	(2,643)	(163,751)
Movement in foreign currency	2,143	633	(903)	1,470	-	3,343
Balance at 31 December 2022	<u>151,339</u>	<u>70,559</u>	<u>16,716</u>	<u>106,153</u>	<u>-</u>	<u>344,767</u>
Additions	-	-	2,103	13,784	-	15,887
Write-offs	-	-	(968)	(125)	-	(1,093)
Depreciation expense	(49,448)	(10,756)	(1,572)	(16,069)	-	(77,845)
Movement in foreign currency	2,723	(448)	1,696	1,094	-	5,065
Balance at 30 June 2023	<u>104,614</u>	<u>59,355</u>	<u>17,975</u>	<u>104,837</u>	<u>-</u>	<u>286,781</u>

**Note 9 Intangible Assets**

	Group	
	30 June 2023	31 December 2022
	\$	\$
Goodwill		
Cost	1,813,799	1,774,979
Accumulated impairment losses	(1,813,799)	(1,774,979)
	<u>-</u>	<u>-</u>
Computer software:		
Cost	935,596	914,379
Accumulated amortisation and impairment loss	(117,192)	(72,579)
	<u>818,404</u>	<u>841,800</u>
Cryptocurrency		
Cost	9,371	5,300
Accumulated amortisation and impairment loss	-	-
	<u>9,371</u>	<u>5,300</u>
Licenses		
Cost	1,156,469	1,131,718
Accumulated amortisation and impairment loss	(173,471)	(113,172)
	<u>982,998</u>	<u>1,018,546</u>
Total intangible assets	<u>1,810,773</u>	<u>1,865,646</u>

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 9: Intangible Assets**

**Consolidated Group:**

	Goodwill	Computer Software	Cryptocurrency	Licenses	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 December 2022</b>					
Balance at the beginning of the year	998,215	721,770	185,329	1,056,696	2,962,010
Additions	-	43,149	55	-	43,204
Acquisitions through business combinations	631,365	18,521	-	-	649,886
Disposals (used for payments to suppliers)	-	-	(136,128)	-	(136,128)
Amortisation charge	-	(5,136)	-	(113,172)	(118,308)
Impairment losses <sup>(i)</sup>	(1,731,027)	-	-	-	(1,731,027)
Movement in fair value	-	-	(51,657)	-	(51,657)
Movement in foreign currency	101,447	63,496	7,701	75,022	247,666
	-	841,800	5,300	1,018,546	1,865,646
<b>Half-year ended 30 June 2023</b>					
Balance at the beginning of the year	-	841,800	5,300	1,018,546	1,865,646
Additions	-	5,809	-	-	5,809
Disposals (used for payments to suppliers)	-	-	-	-	-
Amortisation charge	-	(43,827)	-	(56,679)	(100,506)
Movement in fair value	-	-	(3,883)	-	(3,883)
Movement in foreign currency	-	14,622	7,954	21,131	43,707
Closing value at 30 June 2023	-	818,404	9,371	982,998	1,810,773

**Note 10 Right-of-use Assets**

**(a) Right of use assets**

Right-of-use assets	Group	
	30 June 2023	31 December 2022
	\$	\$
Leased building	343,503	347,452
Accumulated depreciation	(195,529)	(124,476)
	<u>147,974</u>	<u>222,976</u>
<b>Movements in carrying amounts</b>		
Opening balance as at 1 January	222,976	191,239
Additions	-	178,563
Depreciation expense	(75,112)	(107,623)
Foreign currency exchange movement	110	(39,203)
Closing Balance as at	<u>147,974</u>	<u>222,976</u>

**(b) Lease Liabilities**

Lease Liabilities	Group	
	30 June 2023	31 December 2022
	\$	\$
Current	104,261	162,797
Non-Current	47,830	65,218
	<u>152,091</u>	<u>228,015</u>
<b>Movements in carrying amounts</b>		
Opening balance as at 1 January	228,015	192,969
Additions	-	178,563
Lease payments	(75,963)	(149,068)
Interest expense	3,938	7,928
Foreign currency exchange movement	(3,899)	(2,377)
Closing Balance as at	<u>152,091</u>	<u>228,015</u>

Note 10: Right-of-use Assets (continued)

(c) Cash outflows for leases

	Group	
	30 June 2023	31 December 2022
	\$	\$
<i>Cash flows from financing activities</i>		
Payments for rental leases	37,911	210,221
	<u>37,911</u>	<u>210,221</u>

Note 11 Trade and Other Payables

	Group	
	30 June 2023	31 December 2022
	\$	\$
Current		
Unsecured liabilities		
Trade payables	1,426,918	979,304
Sundry payables and accrued expenses	1,599,334	1,630,578
	<u>3,026,252</u>	<u>2,609,882</u>

Note 12 Other Financial Liabilities

	Group	
	30 June 2023	31 December 2022
	\$	\$
Current		
Amounts payable to:		
- Others	1,633,105	1,740,337
- Related parties - subsidiaries (unconsolidated)	1,121,553	2,512,406
Convertible loans <sup>(i)</sup>	6,309,522	6,956,522
	<u>9,064,180</u>	<u>11,209,265</u>
<b>Total Other Financial Liabilities</b>		
Current	9,064,180	11,209,265
Non-Current	-	-
	<u>9,064,180</u>	<u>11,209,265</u>

The initial fair value of the liability portion of the convertible note was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the convertible notes. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

Movement in carrying value of Convertible Loan

	Group	
	30 June 2023	31 December 2022
	\$	\$
Opening Balance as at 1 January	6,956,522	6,390,382
Repayment made	(647,000)	-
Finance costs unwound during the period	-	566,140
Closing Balance as at	<u>6,309,522</u>	<u>6,956,522</u>

Details of convertible note:

Conversion Price:	\$0.07
Interest:	1% per annum
Maturity Date:	27 August 2024

**Note 13 Issued Capital**

	Group	
	30 June 2023	31 December 2022
1,088,198,871 fully paid ordinary shares (31 December 2022: 1,036,379,877 fully paid ordinary shares)	\$ 48,899,229	\$ 47,604,409
	<u>48,899,229</u>	<u>47,604,409</u>
<b>(a) Ordinary Shares</b>	<b>Number of shares</b>	<b>Amount</b>
		\$
Opening Balance at 1 January 2022	1,036,129,877	48,047,084
Issued during the year	250,000	19,750
Less: transaction costs	-	(152,000)
Less: share buyback	-	(310,425)
Closing Balance as at 31 December 2022	<u>1,036,379,877</u>	<u>47,604,409</u>
Issued during the year	51,818,994	1,295,475
Less: transaction costs	-	-
Less: share buyback	-	(655)
	<u>1,088,198,871</u>	<u>48,899,229</u>

During the period, a total of 35,000 fully paid ordinary shares were bought on-market. The total value of these shares are \$655.

**(b) Options**

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

	30 June 2023	31 December 2022
	No.	No.
Opening balance at the reporting period	1,000,000	-
Options issued during the year	-	1,000,000
At the end of the reporting period	<u>1,000,000</u>	<u>1,000,000</u>

**Note 14 Operating Segments**

During the reporting period, the Group regrouped their operating segments to the following:

- (i) Incubator services
- (ii) Digital currency mining
- (iii) BNPL and Insurtech services
- (i) All other operating segments

**(a) Accounting policies adopted**

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

**(b) Segment assets**

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

**(c) Segment liabilities**

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

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 14: Operating Segments (continued)**

**(d) Unallocated items**

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

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

**(e) Segment information**

**(i) Segment performance**

	Incubator services	Digital Currency Mining	BNPL and Insurtech Services	All other operating segments	Total
<b>30 June 2023</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	85,459	-	332,614	-	418,073
<b>Total segment revenue</b>	85,459	-	332,614	-	418,073
<b>Total group revenue</b>					418,073
<b>Segment result from continuing operations before tax</b>	(59,847)	334,864	450,838	(1,803,432)	(1,077,577)

*Reconciliation of segment result to group net profit/loss before tax*

Intersegment elimination					(3,883)
Net loss before tax from continuing operations					(1,081,460)

	Incubator services	Digital Currency Mining	BNPL and Insurtech Services	All other operating segments	Total
<b>30 June 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	37,265	155,267	557,485	-	750,017
<b>Total segment revenue</b>	37,265	155,267	557,485	-	750,017
<b>Total group revenue</b>					750,017
<b>Segment result from continuing operations before tax</b>	(461,113)	68,451	(1,781,906)	(7,526,836)	(9,701,404)

*Reconciliation of segment result to group net profit/loss before tax*

Intersegment elimination					382,202
Net loss before tax from continuing operations					(9,319,202)

**(ii) Segment assets**

	Incubator services	Digital Currency Mining	BNPL and Insurtech Services	All other operating segments	Total
<b>30 June 2023</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	886,387	866,675	5,965,661	20,695,373	28,414,096
Segment assets include:					
— Additions to non-current assets (other than financial assets and deferred tax)		-	-	-	-
Reconciliation of segment assets to group assets					
Intersegment eliminations					(14,889,135)
<b>Total group assets</b>					13,524,961

**FATFISH GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN: 88 004 080 460**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**



**Note 14: Operating Segments (continued)**

	<b>Incubator services</b>	<b>Digital Currency Mining</b>	<b>BNPL and Insurtech Services</b>	<b>All other operating segments</b>	<b>Total</b>
<b>31 December 2022</b>					
<b>Segment assets</b>	902,763	409,017	5,824,990	21,845,154	28,981,924
Segment assets include:					
— Additions to non-current assets (other than financial assets and deferred tax)	-	-	-	761,147	761,147
Reconciliation of segment assets to group assets					
Intersegment eliminations					(14,030,096)
<b>Total group assets</b>					<b>14,951,828</b>
<b>(iii) Segment liabilities</b>					
	<b>Incubator services</b>	<b>Digital Currency Mining</b>	<b>BNPL and Insurtech Services</b>	<b>All other operating segments</b>	<b>Total</b>
<b>30 June 2023</b>					
<b>Segment liabilities</b>	1,981,025	1,211,456	13,987,273	6,969,405	24,149,159
Reconciliation of segment liabilities to group liabilities					
Intersegment eliminations					(11,906,636)
<b>Total group liabilities</b>					<b>12,242,523</b>
	<b>Incubator services</b>	<b>Digital Currency Mining</b>	<b>BNPL and Insurtech Services</b>	<b>All other operating segments</b>	<b>Total</b>
<b>31 December 2022</b>					
<b>Segment liabilities</b>					
Reconciliation of segment liabilities to group liabilities	1,924,028	1,094,637	14,331,972	7,614,201	24,964,838
Intersegment eliminations					(10,917,676)
<b>Total group liabilities</b>					<b>14,047,162</b>
<b>(iv) Revenue by geographical region</b>					
Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:					
		<b>30 June 2023</b>	<b>30 June 2022</b>		
		\$	\$		
Australia		-	-		
Singapore		85,459	37,265		
Malaysia		-	-		
British Virgin Island		332,614	712,752		
<b>Total revenue</b>		<b>418,073</b>	<b>750,017</b>		
<b>(v) Assets by geographical region</b>					
The location of segment assets by geographical location of the assets is disclosed below:					
		<b>30 June 2023</b>	<b>31 December 2022</b>		
		\$	\$		
Australia		6,533,479	8,843,568		
Singapore		473,713	902,763		
Malaysia		-	4,625,566		
British Virgin Island		6,517,769	579,931		
<b>Total Assets</b>		<b>13,524,961</b>	<b>14,951,828</b>		



**Note 15 Share-based Payments**

The aggregate share-based payments for the period are set out below:

	30 June 2023		31 December 2022	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
<b>Options outstanding at the beginning of the period</b>	1,000,000	0.056	9,000,000	0.030
Issued	-	-	1,000,000	0.056
Expired	-	-	(9,000,000)	0.030
	<u>1,000,000</u>	<u>0.056</u>	<u>1,000,000</u>	<u>0.056</u>
<b>Performance Options outstanding at the beginning of the period</b>	500,000	0.130	500,000	0.130
Expired	-	-	-	-
	<u>500,000</u>	<u>0.130</u>	<u>500,000</u>	<u>0.130</u>
	30 June 2023		31 December 2022	
	Number	Fair Value \$	Number	Fair Value \$
<b>Performance Rights outstanding at the beginning of the period</b>	24,250,000	1,311,771	24,500,000	1,331,521
Vested	-	-	(250,000)	(19,750)
	<u>24,250,000</u>	<u>1,311,771</u>	<u>24,250,000</u>	<u>1,311,771</u>

**Note 16 Events After the Reporting Period**

There are no events subsequent to reporting period.

**Note 17 Fair Value Measurements**

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

- financial assets - fair value OCI
- investments in subsidiaries

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

(a) *Fair value hierarchy*

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

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

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

*Valuation techniques*

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

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

**Note 17: Fair Value Measurements (continued)**

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

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

	30 June 2023			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at fair value				
— investments at fair value through profit and loss	3,740,497	-	-	3,740,497
— investments at fair value through OCI	-	45,748	-	45,748
<b>Total financial assets recognised at fair value on a recurring basis</b>	<b>3,740,497</b>	<b>45,748</b>	<b>-</b>	<b>3,786,245</b>

**Note 18 Reserves**

**a. Option Reserve**

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

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	1,416,997	2,206,914
Vesting of options	8,145	26,408
Issue of options	-	38,080
Expiry of options	-	(854,405)
	<b>1,425,142</b>	<b>1,416,997</b>

**b. Foreign Currency Translation Reserve**

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

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	(469,871)	(1,025,791)
Foreign currency movements during the year	142,611	555,920
	<b>(327,260)</b>	<b>(469,871)</b>

**c. Financial Assets Reserve**

The financial assets reserve records revaluations of financial assets

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	(362,777)	(362,777)
Fair value movements during the year	-	-
	<b>(362,777)</b>	<b>(362,777)</b>

**d. Digital Assets Reserve**

The digital asset reserve records the fair value movement on digital assets.

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	502,447	554,104
Fair value movements during the year	3,883	(51,657)
	<b>506,330</b>	<b>502,447</b>

Note 18: Reserves (continued)

e. **Convertible Note Reserve**

The convertible note reserve records the movement on the fair value of the convertible note.

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	909,317	909,317
Fair value movements during the year	-	-
	909,317	909,317

f **Other components of equity**

When the Company completed its restructure, Fintech Asia Group Limited, a company incorporated in British Virgin Island, Smartfunding Pte Ltd, a company incorporated in Singapore and Fatberry Sdn Bhd, a company incorporated in Malaysia, this transaction was assessed as a transaction with non-controlling interests.

In accordance with the accounting policy adopted, all assets and liabilities were recorded at their book value at the date of acquisition. The remaining difference between the fair value of the consideration paid and the book value of the net assets acquired is allocated to equity.

	Group	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of year	(18,978,357)	-
Acquisition of Fintech Asia Group Limited	-	(14,318,817)
Acquisition of Smartfunding Pte Ltd	-	(327,190)
Acquisition of Fatberry Sdn Bhd	-	(4,332,350)
	(18,978,357)	(18,978,357)

	Group	
	30 June 2023	31 December 2022
	\$	\$
<b>Total Reserves</b>		
Option reserve	1,425,142	1,416,997
Foreign currency translation reserve	(327,260)	(469,871)
Financial assets reserve	(362,777)	(362,777)
Digital assets reserve	506,330	502,447
Convertible note reserve	909,317	909,317
Other components of equity	(18,978,357)	(18,978,357)
	(16,827,605)	(16,982,244)

**Note 19 Contingent Liabilities**

The Group currently has one open litigation matter.

The Group is involved as a defendant in a civil suit filed in the High Court of the Republic of Singapore in relation to 3 allegedly defaulted promissory notes issued to Fatfish Investment Partners Pte Ltd ("FIPPL"). FIPPL is not part of Fatfish Group Limited and its controlled entities. The relief sought by the claimant includes, amongst others, the sum of RM4,050,000, costs, and interest.

The Group's stance and next course of action:

- The Group takes the position that the claim made against it is baseless and without merit. The Group will be filing a striking out application against the Claimant in due course.

The Group has sought legal advice and the lawyers view:

- The lawyers believe that there is a reasonable chance of success to strike out the case. The facts disclosed and documentary evidence adduced thus far suggest that the Group is not a corporate guarantor for FIPPL's alleged liabilities to the claimant.

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



The Directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the half-year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read "Kin Wai Lau".

**Mr Kin Wai Lau**  
Dated: 31 August 2023

For personal use only

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FATFISH GROUP LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Fatfish Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1(h) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,081,460 during the half year ended 30 June 2023. As stated in Note 1(h), these events or conditions, along with other matters as set forth in Note 1(h), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Financial Report

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

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



**HALL CHADWICK WA AUDIT PTY LTD**



**CHRIS NICOLOFF CA**  
**Director**

Dated this 31<sup>st</sup> day of August 2023  
Perth, Western Australia

For personal use only