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ASX and Media Announcement

Fatfish Internet Group (ASX:FFG) to invest US\$1million for 51% of APAC Mining, a Cryptocurrency Mining Startup

Key Highlights:

- FFG will invest US\$1,000,000 (A\$1,270,000) into APAC Mining Corp (“APAC Mining”), a startup that is involved in investing, leasing and managing computing facilities for cryptocurrency mining.
- FFG will own 51% of APAC Mining upon completion of the investment
- APAC Mining will set up computing facilities of up to 4,500 trillion hashes per second (4,500 THz/s) and will focus mining lucrative cryptocurrencies such as Bitcoin, Bitcoin Cash and Ethereum.
- APAC Mining will be starting its operation in 2 weeks and will have 2 secured locations in Malaysia initially. It looks to expand to Mongolia at a later stage.

Investment into APAC Mining

Fatfish Internet Group Ltd (“FFG” or “the Company”) has entered into a legally binding investment agreement to invest US\$1,000,000 (approximately A\$ 1,339,000) of seed capital into APAC Mining Corp (“APAC Mining”), a Singapore headquartered startup that is being set up to invest and manage large-scale high-end computing facilities in Asia to conduct cryptocurrency mining.

Cryptocurrency mining refers to the process of using computing power to calculate the complex mathematical solution that enables the confirmation of



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cryptographic digital token transaction on the blockchain network in order to earn a transaction fee and in-built reward tokens emitted by the blockchain network.

APAC Mining will set up its first computing farm in identified secured locations in Malaysia to take advantage of the relatively lower electricity tariff for industrial use in Malaysia. It will take on an active management strategy to optimise yield by mining popular cryptographic tokens that are well traded on international exchange, such as Bitcoin, Bitcoin Cash, Ethereum, Litecoin, ZCash and Monero.

The proposed transaction will see FFG own 51% of APAC Mining upon completion of the investment. Following the investment, FFG will be entitled to appoint two directors to the Board of APAC Mining. FFG will be appointing its representatives, Phillip Lord (Director of Crypto Financial Markets) and Kin Wai Lau (Group CEO) onto the the Board of APAC Mining.

To fund this proposed investment, the Company will seek to utilise its existing cash reserves. The investment in APAC Mining is consistent with the Company's activities as an internet venture builder and fintech incubator with investments into the blockchain and cryptocurrency technology space, following a series of recently announced investments into Kryptos-X cryptocurrency exchange, CryptoFoundry advisory service and UK based fintech venture builder Altairian Holdings Limited.

The Business of APAC Mining and Regulatory Environment

APAC Mining's business includes various business models of cryptocurrency mining. It plans to execute the following business models:

- i.) Investing and managing its own computing facilities for cryptocurrency mining to earn cryptocurrency tokens and transaction fees
- ii.) Leasing and managing dedicated computing facilities to private investors and institutional investors who wish to invest and conduct mining of cryptocurrency tokens
- iii.) Providing cloud based computing facilities for cryptocurrency mining over the internet or commonly known as cloud mining

The use of cryptocurrency and similar blockchain technologies are increasingly becoming an emerging trend in both the consumer internet and financial service industry areas. In particular the use of cryptocurrency as a form of payment is a global trend that has emerged strongly.

The cryptocurrency mining business that APAC Mining is involved in centers around the investment and provision of large scale computing facilities that is not regulated.

Cautionary Statement – Cryptocurrency Related Investments

FFG notes the following in relation to cryptocurrency-related investments:

- Investment into cryptocurrency related business is high risk in nature as cryptocurrencies are currently highly speculative
- The proposed investment into APAC Mining has a number of risks factors, including but not limited to the following:
 - I. The development of new regulatory framework involving cryptocurrencies in many countries.

- II. Cryptocurrencies and cryptocurrency exchanges have raised legal and regulatory issues across multiple jurisdictions. A number of regulators have issued guidance on the relevance of their existing anti-money laundering and counter-terrorist funding laws with regards to cryptocurrencies. The regulatory status of cryptocurrencies in some of these overseas jurisdictions is subject to potential changes and increasingly stringent regulatory oversight.

Preparation for Commencing Operation

APAC Mining is commencing its operation within the next two weeks and will set up computing facilities across 2 secured sites in Kuala Lumpur, Malaysia initially. Its first batch of computing equipment are expected to be delivered and be operational in that time frame. It also plans to expand its operation into Mongolia in the near future. APAC Mining has chosen Malaysia and Mongolia as the hubs for its operation in order to take advantage of the lower electricity tariff offered for industrial use in those countries. APAC Mining has secured preferential electricity rate and physical hosting locations for its operations in Malaysia and Mongolia. At its initial phase, APAC Mining will be deploying computing facilities capable of Hashpower of up to 4,500 Trillion Hashes per second (4,500 TH/s) in Malaysia, that will allow it to mine up to an estimated 150 units of Bitcoin Cash tokens per month. The hashpower refers to the computing ability to calculate intensive mathematical and cryptographic equations to facilitate the transactions on the blockchain network.

Use of Proceeds from the Proposed Investment

The proposed investment of US\$1,00,000 into APAC Mining will be used principally for purchase of computing equipment and set up of secured location for housing the computing equipment.



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Rationale for the Investment

The investments into APAC Mining is in-line with FFG's vision to be the leading technology venture investment and development firm that leads investment into disruptive technology space across consumer and business markets. The investment into APAC Mining is a follow-on downstream investment that has synergies with the earlier announced investments into Kryptos-X cryptocurrency exchange and Altairian Holdings Limited.

About Fatfish Internet Group

Fatfish Internet Group Ltd (ASX Code: FFG) is a publicly traded international internet venture investment and development firm. FFG partners with entrepreneurs and experienced executives to build and grow internet businesses via a co-entrepreneurship model. FFG focusses on emerging global technology trend, specifically FFG has been investing strategically across various sectors of consumer internet and cryptocurrency technologies.

FFG currently operates from its venture hubs located in Singapore, Kuala Lumpur and Stockholm.

For further question on this release, please contact Investor Relations Team ir@fatfish.co or visit www.fatfish.co