



Fatfish Internet Group Ltd
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31 May 2018
ASX Announcement

Cryptocurrency Exchange Kryptos-X targets Q3 Launch

Highlights:

- Fatfish's 27% owned Kryptos-X has commenced pre-trading operations and is working with its partners for a Q3 2018 trading launch
- New opportunities are being explored beyond the initial Singapore based cryptocurrency market
- Kryptos-X will engage with the Monetary Authority of Singapore (MAS) and other global regulators as the regulatory environment for crypto trading rapidly changes and evolves
- Kryptos-X is working with its platform development partners to launch a trading platform with the capacity, functionality and connectivity (e.g. FIX protocol) needed to enable banks, brokers, advisers and other professional intermediaries to offer their clients crypto solutions
- Kryptos-X is working with its partners on the implementation of effective Know Your Customer (KYC) and Anti Money Laundering (AML) processes
- Select professional customers and developers have reviewed and recommended enhancements which are being implemented to the core trading and backend systems and processes

Fatfish Internet Group Ltd ("Fatfish", "FFG" or the "Company") is pleased to announce that its first blockchain investee, Kryptos-X Pte.Ltd. ("Kryptos-X", the "Exchange"), is aiming for a third quarter launch this year as it finalises and refines platform development and continues to meet regulatory requirements.

As announced to the market on the 28th of November 2017, Fatfish is investing US\$1 million for 27% of Kryptos-X, which was founded by Fatfish Non-Executive Director Tony Mackay.

Kryptos-X is now planning the launch of operations for its digital assets marketplace in the third quarter of 2018 as new opportunities are explored by the team and the rapidly changing regulatory environment is assessed.

In the meantime testing and development of the Kryptos-X marketplace has commenced, including testing and consultation with professional customers, testing the onboarding process including regulatory compliance, and assessment of payment facilities.

Tony Mackay commented: "While we are conscious of the need to get to market as soon as possible, it is preferable in the long term to work with regulators and accommodate new regulatory settings."



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"We are working with our partners to build a world class digital asset marketplace," Tony Mackay emphasised. "We will ensure the Kryptos-X marketplace launches with a state-of-the-art platform that is robust, secure, compliant, liquid, efficient and can accommodate the rapidly evolving trading environment for digital assets."

This month Singapore's MAS announced a consultation and review process to consider the creation of two new classes of regulated securities exchanges aimed at smaller operations than the Singapore Securities Exchange (SGX). Kryptos-X will work with its advisers to engage with the MAS in this consultation process. The Singapore Government has also tabled draft regulations to ensure best practice from Singapore based crypto exchanges, covering Anti Money Laundering and Know Your Customer protocols and practices.

Mr Mackay said that Kryptos-X welcomes the leadership of Singapore in clarifying their interpretation of the legal and regulatory status of cryptocurrencies, and would be participating in the consultation process.

Cautionary Statement – Cryptocurrency Related Business Activities

FFG notes the following in relation to cryptocurrency-related business activities:

- Investment into cryptocurrencies is high risk in nature as cryptocurrencies are currently highly speculative
- Cryptocurrency-related businesses have a number of other risks factors, including but not limited to the following:
 - The development of new regulatory framework involving cryptocurrencies
 - Cryptocurrencies, cryptocurrency exchanges and its related topics of Initial Coin Offerings (ICO) have raised regulatory issues across multiple jurisdictions. A number of regulators have issued guidance on the relevance of their existing securities and financial services laws with regards to ICOs that have underlying cryptographic tokens that are securities or investment in nature.
 - In many countries cryptocurrencies are subject to anti-money laundering and counter-terrorism funding legislations. For its cryptocurrency-related business activities FFG will always endeavour to the best of its ability to ensure that FFG and its subsidiaries comply with relevant local in country regulatory requirement.

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About Fatfish Internet Group

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

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

For further question on this release, please contact Investor Relations Manager:

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