FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES

ABN: 88 004 080 460

Financial Report For The Year Ended 31 December 2019

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CORPORATE GOVERNANCE STATEMENT

Fatfish Blockchain Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (fourth edition) as well as current standards of best practice for the entire financial year ended 31 December 2019. The corporate governance statement is current as at 31 December 2019 and has been approved by the Board.

1. Our approach to corporate governance

(a) Framework and approach to corporate governance and responsibility

The Board of Fatfish Blockchain Limited ("the Company") is committed to maintaining the highest standards of corporate governance.

Corporate governance is about having a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interest of stakeholders. The Board considers that corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

(b) Compliance with ASX Corporate Governance Principles and Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations in the reporting period.

Listed companies must identify the recommendations that have not been followed and provide reasons for the Company's decision.

This Governance Statement describes Fatfish Blockchain Limited's governance practices and notes where they do not comply with the ASX Corporate Governance Principles and Recommendations and the reasons for non-compliance.

2. Date of this statement

This statement reflects our corporate governance policies and procedures as at 31 December 2019.

3. The Board of Directors

(a) Membership and expertise of the Board

The Board has a broad range of relevant financial experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out in the Director's Report which is included in this Annual Report.

(b) Framework and approach to corporate governance and responsibility

The Board is accountable to shareholders for Fatfish Blockchain Limited's performance. In summary, the Board's responsibilities include:

- providing strategic direction and approving corporate strategic initiatives;
- planning for Board and executive succession;
- selecting and evaluating future Directors and the Chief Executive Officer ("CEO");
- setting the CEO and Director remuneration within shareholder approved limits;
- approving budget and monitoring management and financial performance;
- considering and approving the Annual Financial Report (including the Directors' Declaration) and the interim and final financial statements;
- approving Fatfish Blockchain Limited's risk management strategy, monitoring its effectiveness and maintaining a direct and ongoing dialogue with Fatfish Blockchain Limited's auditors and regulators; and
- considering and reviewing the social and ethical impact of Fatfish Blockchain Limited's activities, setting standards for social and ethical practices and monitoring compliance with Fatfish Blockchain Limited's social responsibility policies and

The Board would normally delegate to management the responsibility for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic
- maintaining an effective risk management framework and keeping the Board and market fully informed about material
- developing Fatfish Blockchain Limited's annual budget, recommending it to the Board for approval and managing day-to-day operations within budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board.

The current circumstances, however, require all these functions to be exercised by Board members or the Company Secretary. The Company does not currently have a performance evaluation method due to the current size and limited nature of operations.

(c) Board role and responsibility

The Board determines its size and composition, subject to the limits imposed by Fatfish Blockchain Limited's Constitution. The Constitution requires a minimum of three and a maximum of ten Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. Currently, the Board consists of four directors. The Board supports the principles of diversity. However, due to the size and scale of the Company's operations, it has no female representative on the Board at the present moment.

(d) The selection and role of the Chairman

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role incudes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board, ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the view of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

The Company complies with the requirement that the Chairman be an independent director.

(e) Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Materiality is assessed on a case-by-case basis by reference to each Director's individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or other relationship with Fatfish Blockchain Limited, either directly, or as a partner, a shareholder or officer of a company or other company that has an interest, or a business or other relationship, with Fatfish Blockchain Limited or another Fatfish Blockchain Limited group member. Presently, the Board has two non-executive directors (out of a total of four) which meets this independence criteria.

(f) Avoidance of conflicts of interest by a Director

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter.

(g) Meetings of the Board and their conduct

Meetings of the Board happen when and as appropriate. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of this Annual Report.

(h) Succession planning

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and Fatfish Blockchain Limited's future direction. The Board is also responsible for CEO succession planning.

(i) Review of Board performance

The Board does not formally review its overall performance or the performance of individual Directors. The performance of non-executive Directors (including the Chairman) is not subject to any formal review process due to the current size of the Board. Fatfish Blockchain Limited does not comply with ASX recommendations on this issue.

(j) Nomination and appointment of new Directors

Recommendations for nominations of new Directors are made by the Nomination Committee. Those nominated are assessed by the Board as a whole against a range of criteria including background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities. If the Board appoints a new Director during the year, that person will stand for election by shareholders at the next annual general meeting. Shareholders are provided with relevant information on the candidates for election.

(k) Retirement and re-election of Directors

Fatfish Blockchain Limited's Constitution states that one-third of our Directors must retire each year. The maximum time that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retired at the next annual general meeting. Eligible Directors who retire each year may offer themselves for re-election by shareholders at the next annual general meeting.

(l) Compulsory retirement of Directors

The Board has no limit on the number of terms of office which any Director may serve.

(m) Board access to information and advise

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports. The Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, Fatfish Blockchain Limited's Constitution and the law. The Board collectively, and each Director individually, has the right to seek independent professional advice at Fatfish Blockchain Limited's expense to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

(n) Securities trading policy

Directors and employees are subject to the Corporations Act restrictions on trading securities in the Company if they are in possession of inside information. This is regarded as any information that is non-public and, if it were public that a reasonable person would expect to have a material effect on the price of the Company's securities.

In addition, the Company has established a policy on the trading in Fatfish Blockchain Limited's securities, which applies to all Directors and employees. Key aspects of this policy as follows:

- Directors and employees are encouraged to be long-term holders of the Company's securities and are discouraged from any short-term trading;
- Directors and employees may trade for 4 weeks following announcement of the annual results, half-year results and the annual general meeting, provided the market has been fully informed. However, a trading embargo of 2 days applies immediately after any significant announcement;
- Directors and employees need to ensure that the market is fully informed before they can trade and to protect themselves should discuss the intended share trading with the Chairman or Company Secretary; and
- Trading outside the four-week period is required to be approved by the Chairman, prior to any transaction occurring. Generally, if the market is fully informed, the approval will be granted.

Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in the company's shares.

Directors' interest in the company's securities have not changed materially in the last 12 months.

4. Board committees

Board committees and membership

The Company does not currently have separate committees due to the current size and limited nature of operations. Fatfish Blockchain Limited does not comply with ASX recommendations on Board Committees.

Directors have been paid a fixed remuneration in the past, however currently Australian resident director's fees are capped at $2,000 per month. Directors would in past years have been paid a directors fee for attending Board Meetings, as well as being able to claim for out-of-pocket expenses and any time spent on special issues.

Fatfish Blockchain Limited's remuneration principle is that payments to non-executive Directors (as detailed in the Financial Statements) are fixed remuneration, reimbursement of expenses and time spent on specific issues. The executive Directors are paid for their executive duties at a negotiated rate in line with their qualifications and experience. Full details regarding remuneration are contained in the audited Remuneration Report in the Director's Report of the Annual Report.

5. Audit governance and independence

(a) Approach to audit governance

The Board is committed to these basic principles:

- Fatfish Blockchain Limited must produce true and fair financial reports; and
- Its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies.

(b) Engagement and total of external auditor

Fatfish Blockchain Limited's independent external auditors are Bentleys Audit & Corporate (WA) Pty Ltd.

(c) Discussions with external auditor or independence

The Board requires the external auditor to confirm that they have maintained their independence.

(d) Relationship with auditor

Fatfish Blockchain Limited's current policies on employment and other relationships with our external auditor are:

- the audit partners and any audit firm employee on the Fatfish Blockchain Limited's audit are prohibited from being an officer of Fatfish Blockchain Limited;
- an immediate family member of an audit partner or any audit firm employee on the Fatfish Blockchain Limited's audit is prohibited from being a Director or an officer in a significant position at Fatfish Blockchain Limited;
- a former audit firm partner or employee on the Fatfish Blockchain Limited' audit is prohibited from becoming a Director or officer in a significant position at Fatfish Blockchain Limited for at least five years and after the five years, can have no continuing financial relationship with the audit firm;
- members of the audit team and firm are prohibited from having a business relationship with Fatfish Blockchain Limited or any officer of Fatfish Blockchain Limited unless the relationship is clearly insignificant to other parties;
- the audit firm, its partners, its employees of the Fatfish Blockchain Limited's audit and their immediate family members are prohibited from having a direct or material indirect investment in Fatfish Blockchain Limited;
- officers of Fatfish Blockchain Limited are prohibited from receiving any remuneration from the audit firm;
- the audit firm is prohibited from having a financial interest in any Company with a controlling interest in Fatfish Blockchain Limited; and
- the audit firm engagement team in any given year cannot include a person who had been an officer of Fatfish Blockchain Limited during that year.

(e) Restrictions on non-audit services by external auditor

The external auditor is not restricted in the provision of non-audit services to Fatfish Blockchain Limited except as required by the Corporations Act or the ASX Listing Rules.

(f) Attendance at Annual General Meeting

Fatfish Blockchain Limited's external auditor attends the annual general meeting and is available to answer shareholder questions.

6. Controlling and managing risk

(a) Approach to risk management

Taking and managing risk are central to business and to building shareholder value. Fatfish Blockchain Limited' approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links Fatfish Blockchain Limited's vision and values, objectives and strategies, procedures and training.

(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing Fatfish Blockchain Limited's risk management strategy and policy. The Risk Oversight Committee is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Fatfish Blockchain Limited's activities.

Fatfish Blockchain Limited does not comply with ASX recommendations on these issues as it does not have a formal verifiable system of risk management or any employees to implement such a system as it does not view this to be appropriate at the current time. It relies on the oversight of the Directors and the various committees, together with the periodic verification of the external auditor.

(c) Company Secretarial assurance

The Board receives periodic reports about the financial condition and operational results of Fatfish Blockchain Limited. The CEO periodically provide formal statements to the Board that in all material respects:

- the Company's periodic financial statements present a true and fair view of Fatfish Blockchain Limited's financial condition and operational results for those reporting periods; and
- that risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

7. Remuneration framework

(a) Overview

Director's remuneration is approved and fixed by shareholders. Fatfish Blockchain Limited currently pays its Australian resident Directors and Company Secretary a fixed remuneration. These officers can claim reimbursement of out-of-pocket expenses incurred on behalf of Fatfish Blockchain Limited and time spent on specific issues.

(b) Employee Share Options scheme

There are no Employee Share Options Schemes (ESOS) granted over un-issued shares to directors or executives as part of their remuneration. The issue of any options would require approval by shareholders.

8. Corporate responsibility and sustainability

(a) Approach to corporate responsibility and sustainability

Fatfish Blockchain Limited's approach to corporate responsibility and sustainability is to manage its business in a way that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, Fatfish Blockchain Limited accepts that the responsibilities flowing from this go beyond both strict legal obligations and not just the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin our everyday activities and corporate responsibility practices.

(b) Code of conduct

Fatfish Blockchain Limited' Board and management are committed to their Code of Conduct (Code) which is based on their core values and on the expectations of their clients, of shareholders and of the broader community.

The Code aims to promote a high level of professionalism and proved a benchmark for ethical and professional behaviour throughout the Company. It also promotes a healthy, respectful workplace and environment for all their employees.

At the same time, the Code aims to support their business reputation and corporate image within the wider community and make employees aware of the consequence they face if they breach the Code.

The ASX recommendations require that the Code of Conduct is reviewed periodically, specifically to reflect the ASX Corporate Governance Principles and Recommendations.

(c) Insider trading policy and trading in Fatfish Blockchain Limited shares

The Company Secretary has responsibility for ensuring compliance with the continuous disclosure requirements of ASX Listing Rules, as well as overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Fatfish Blockchain Limited is committed to giving all shareholders comprehensive and equal access to information about its activities, and to fulfil continuous disclosure obligations to the broader market. Fatfish Blockchain Limited's policy is designed to ensure compliance with ASX Listing Rules continuous disclosure requirements. It ensures an information that a reasonable person would expect to have a material effect on the price of Fatfish Blockchain Limited's securities is disclosed.

Fatfish Blockchain Limited currently maintains its own website and relies on communication in this medium on the ASX Company Announcements platform carrying all the relevant information.

Compliance with ASX Corporation Governance Good Practice Recommendations

The table below outlines each of the ASX Best Practice Recommendations and the Company's compliance with those recommendations. The Company has adopted and substantially complies with ASX Corporate Governance Principles and Recommendations (Fourth Edition) to the extent appropriate to the size and nature of the Group's Operations.

Principles and Recommendations	Comply (Yes/No)	Note
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	Yes	

Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	No	1
Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	No	2
Principle 2: Structure the Board to be effective and add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	3
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Yes	
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	4
Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	

Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	Yes	
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (c) any other material breaches of that code that call into question the culture of the organisation.	Yes	
Recommendation 3.3 A listed entity should: (a) have and disclose a whistle-blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	No	5
Principle 4: Safeguard the integrity of corporate reports		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (v) the relevant qualifications and experience of the members of the committee; and (vi) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	No	6
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	

Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	
Principle 6 - Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	
Principle 7 - Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No	7
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place	Yes	

Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	Yes	
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	
Principle 8 - Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	8
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	9

Note 1

The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required. The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period with details of the performance evaluations conducted will be provided in the Company's Annual Report. No evaluation has taken place to the date of this report.

Note 2

The Company has not undertaken a performance evaluation of its senior executives noting that the Company currently does not employ any executives. Performance reviews will take place once senior executive roles are occupied.

Note 3

Due to the size and nature of the existing Board, the Company does not currently have a Nomination Committee. The full Board carries out the duties that would ordinarily be assigned to the Nomination Committee and the Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

Note 4

The current Chairman of the Company, Mr Ki Wai Lau, is not deemed an independent director due to his indirect shareholdings in the Company via Fatfish Blockchain Limited, of which he is an Executive Director.

Note 5

The Company does not currently operate under a documented Anti-bribery and corruption policy given the size, nature and geographical location of its operations.

Note 6

Due to the size and nature of the existing Board, the Company does not currently have a Audit Committee. The full Board carries out the duties that would ordinarily be assigned to the Audit Committee under the written terms of reference for that committee and annually to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial report.

Note 7

Due to the size and nature of the existing Board, the Company does not currently have a Risk Management Committee. The full Board carries out the duties that would ordinarily be assigned to the Risk Management Committee and devotes time annually to fulfilling the rules and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

Note 8

Due to the size and nature of the existing Board, the Company does not currently have a Remuneration Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee and devotes time annually to fulfilling the rules and responsibilities associated with setting the level and composition of remuneration for Directors, ensuring that such remuneration is appropriate and not excessive.

Note 9

The Company does not currently have any equity based remuneration schemes in place.

The Directors of Fatfish Blockchain Limited ("the Company") present their report on the consolidated entity ("the Group"), consisting of Fatfish Blockchain Limited and the entities it controlled at the end of and during the financial year ended 31 December 2019.

General Information

Directors

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows:

Dato' Larry Nyap Liou Gan
Chairman
Non-Executive Director
Appointed 1 September 2014

Larry Gan has been active in commerce and community work over a span of four decades.

He had a long association with **Accenture** with several global leadership roles, his last position as Managing Partner Asia and Managing Partner for the firm's multibillion dollar Venture Fund for Australasia. Over a career span of 26 years, he led the firm's growth in Asia; consulted for many large organisations around the world including the internal transformation of the Accenture business, and was regional lead for the firm's Strategy and eCommerce offerings.

Since his retirement in 2004, he has dedicated his time to **Corporate Governance** serving on the Minority Shareholders Watchdog Committee and as independent Chairman/Director on several public listed companies internationally. He was an independent director of Ambank Group, Maybank Investment Bank, Tanjong Limited, Hong Leong Assurance and Lotus Cars International. He is also very much involved in sports development and not for profit organisations.

Larry is presently a strategic investor in **digital enterprises**, and operates an extensive business network of entrepreneurs, consulting professionals and investment funds. He mentors start-ups and advocates disruptive business models. Alongside his investments, he assumes board roles in several publicly listed **internet and technology** companies. He served on the boards of Redtone International Berhad (Chairman), Diversified Gateway Solutions Berhad (Chairman), Omesti Berhad (CEO/MD), Prestariang Berhad and iProperty Limited. Today, he continues on the Boards of Cuscapi Berhad (Chairman), Rev Asia Berhad (Chairman), Fatfish Blockchain Limited (Chairman), Graphene Nanochem Limited, 8Common Limited and Flexiroam Limited.

Larry is a Certified Chartered Accountant (UK).

Other current directorships of listed companies

8Common Limited (listed on ASX)
Flexiroam Limited (listed on ASX)
Tropicana Corporation Berhad (listed on Bursa Malaysia)
Cloudaron Berhad (listed on Bursa Malaysia)
Rev Asia Berhad - formerly known as Catcha Media Berhad (listed on Bursa Malaysia) - Chairman
Graphene Nanochem PLC (listed on AIM)

Former directorships of listed companies in last three years

N/A

Kin Wai Lau
Chief Executive Officer
Executive Director
Appointed 21 July 2014

Kin Wai is a well-recognised technology entrepreneur in Southeast Asia who founded his first technology company when he was 23 and has since taken three technology companies public.

Mr Lau began his career as the co-founder and Managing Director of Viztel Solutions Berhad ("Viztel"), a telecom and mobile Internet software start-up. By the age of 28, Mr Lau had led Viztel to IPO and was one of the youngest Managing Directors of a public company in Southeast Asia.

In 2007, Mr Lau co-founded Cellsafe Biotech Group, a regional biotechnology business group focussing on non-controversial technologies for harvesting and cryogenic preservation of stem cells. Cellsafe is now a leading stem cell bank network in Southeast Asia, with operations across four countries.

In 2008, Mr Lau led a takeover of the Oriented Media Group Berhad (Omedia), a publicly traded digital media company in Malaysia, of which he was later appointed its Executive Chairman.

Mr Lau was a scholar of a Malaysian government-controlled corporation and graduated with first class honours in engineering from the University of Manchester in the United Kingdom. He was also a faculty research staff an a PhD candidate at the Imperial College, London.

Mr Lau frequently supports entrepreneurial campaigns in colleges and universities and is a regular judge at innovation and start-up competitions in Singapore.

Other current directorships of listed companies

iCandy Interactive Limited (listed on ASX)

Former directorships of listed companies in last three years

N/A

Donald Han Low
Non-Executive Director
Appointed 8 April 2008

Donald has worked in the corporate advisory and corporate finance sector with experience covering the whole business cycle, ranging from start-ups, business creation and exits via Initial Public Offerings (IPOs), Reverse Take Overs (RTO), Trade Sales and Mergers and Acquisitions (M&A). As part of all corporate restructurings, especially in distressed assets and business models, Donald takes a hands-on approach in the senior management of the companies post transactions.

He has served as a Chief Executive Officer (CEO) and as director on boards of private and publicly listed companies in Asia, Australia and Europe with interests ranging from traditional business such as agriculture (oil palm plantations, etc.), logistics, finance, mining, manufacturing, food and service (A&W) to new economy businesses in TMT (Telecommunication, Media & Technology) space and the fast growing internet environment.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

iCandy Interactive Limited (resigned 1 April 2018)

Jeffrey Hua Yuen Tan
Non-Executive Director
Appointed 12 October 2011

Mr Tan has 16 years' experience in equities and derivatives markets and client portfolio advisory roles and has also facilitated resource and property projects in China and Vietnam. Mr Tan is a director of Fraden Projects Australia Pty Ltd, a company of foreign project management consultants that facilitated the development of the USD 300 million Yen SO Project with the local government and Gamuda Berhad.

As a Director, Mr Tan has also facilitated the acquisitions and development of private ventures in China's Heilongjiang and Jilin Provinces.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Anthony Mackay
Non-Executive Director
Resigned 12 March 2019

Anthony is a respected Australian entrepreneur and executive who has an extensive track-record across global capital markets, especially in Asia and Europe. Anthony is best known as the founding CEO and Chairman of Chi-X Europe and Global, the alternative stock trading platforms that disrupted securities trading across Europe, Australia, Canada and Japan.

Chi-X Europe went on to become the largest trading venue for European Securities within 3 years of commencement with a market share of over 20% in the major markets. In 2011, Chi-X Europe was bought by a US Stock Exchange BATS, which was itself bought by CBOE.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Company Secretary

Mr Andrew Draffin and Ms Jiahui Lan was appointed as Joint Company Secretary on 1 April 2018.

Andrew is a director of the accounting firm DW Accounting & Advisory Pty Ltd. He holds a Bachelor of Commerce and is a member of the Chartered Accountants Australia and New Zealand. Andrew is a Director, Chief Financial Offer and Company Secretary of listed, unlisted and private companies across a broad range of industries. His focus is on financial reporting, treasury management, management accounting and corporate services, areas where he has gained over 19 years experience.

Jiahui is a director of the accounting firm DW Accounting & Advisory Pty Ltd. She holds a Bachelor of Business (Accounting). Jiahui is a Director and Company Secretary of listed, unlisted and private companies across a range of industries. Her focus is on financial reporting, management accounting and corporate services, areas where she has gained over 11 years experience.

Shareholdings of directors and other key management personnel

The interest of each Director and other key management personnel, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

	31 December 2019		31 December 2018	
	Ordinary Shares	Share Options	Ordinary Shares	Share Options
Dato' Larry Nyap Liou Gan*	117,458,557	-	11,346,150	30,673,075
Kin Wai Lau	30,709,609	-	25,709,609	10,000,000
Donald Han Low	-	-	-	-
Jeffrey Hua Tan	-	-	1,500,000	-
Anthony Mackay (resigned 12 March 2019)	-	-	-	5,000,000

* Dato' Larry Nya Liou Gan holds 41,059,207 ordinary shares via Planetbiz Investments Limited.

Interest in Contracts

None of the above directors have any personal interest in the contracts entered by Fatfish Blockchain Limited or its controlled entities other than those mentioned above and in Note 27 - Related Party Transactions.

Meetings of Directors

During the financial year, 11 meetings of directors (including circular resolutions) were held.

Attendances by each directors during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dato' Larry Nyap Liou Gan	11	11
Kin Wai Lau	11	11
Donald Han Low	11	11
Jeffrey Hua Tan	11	11
Anthony MacKay (resigned 12 March 2019)	11	11

CORPORATE INFORMATION

Corporate Structure

Fatfish Blockchain Limited is a company limited by shares that is incorporated and domiciled in Australia. Fatfish Blockchain Limited has prepared a consolidated financial report incorporating Fatfish Blockchain Limited and its subsidiaries, which it controlled during the financial year and are included in the financial statements.

Principle Activities and Significant Changes in Nature of Activities

The principal activity of the consolidated entity during the year was the investment in tech and internet companies.

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

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

Fatfish Blockchain Limited focuses on emerging global technology trends, specifically, the Company has been investing strategically across various sectors of blockchain, fintech and consumer internet technologies.

Review of Operations

The loss for the financial year ended 31 December 2019 was largely due to the decline in fair value of assets attributed to the listed shares held in iCandy Interactive Limited and Cloudaron Group Berhad.

During the current financial year, the Group has embarked on an internationalisation strategy to expand its presence to Europe:

- In February 2019, the Group's subsidiary Fatfish Global Ventures AB ("FGV") completed the acquisition of Snaefell Ventures AB – a Sweden based tech venture investment firm, which has a portfolio of 5 Swedish investee companies across e-commerce, software and Internet of Things (IOT); and
- In November 2019, the Group accepted an A$12.7m offer from Swedish listed Abelco Investment Group AB (publ) ("Abelco") for Abelco to merge with FGV. The merger will create a tech powerhouse with an international presence from the Nordic region to Southeast Asia. The merger between Abelco and FGV has been completed in March 2020.

In 2020, the management expects to focus on post-merger integration before moving forward to realise the synergies between Abelco and FGV, i.e., by bringing Swedish innovation to the high growth market of Southeast Asia.

Operating Results

The consolidated loss of the consolidated entity after providing for income tax amounted to $14,132,460 (2018: loss of $21,940,839).

Dividend Paid or Recommended

No dividends in respect to the current financial year have been paid, declared or recommended for payment.

Financial Position

The net assets of the Group have decreased by $19,584,903 from $31,137,931 as at 31 December 2018 to $11,553,028 as at 31 December 2019.

Capital Raising and Capital Structure

As at 31 December 2019, the Company has 813,565,311 fully paid ordinary shares. During the year, a total of 249,297,329 fully paid ordinary shares were issued. Please refer to Note 21 - Issued capital for further details.

Summary of Options on Issue

Issuing entity	Issue Date	Number of shares under option	Class of shares	Exercise Price	Expiry Date
Fatfish Blockchain Limited	9 Feb 2018	15,000,000	Unlisted options	$0.060	9 Feb 2020
Fatfish Blockchain Limited	14 Jun 2018	5,000,000	Unlisted options	$0.060	9 Feb 2020
Fatfish Blockchain Limited	25 Jun 2018	33,089,999	Unlisted options	$0.045	25 Jun 2021
Fatfish Blockchain Limited	6 Dec 2018	5,000,000	Unlisted options	$0.045	6 Dec 2021

Option holders do not have any rights to participate in any issues or other interest in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to Remuneration Report.

There have been no shares issued since the end of the financial year from the exercise of options.

Reconciliation to Preliminary Results

The following table reconciles statutory consolidated net losses after tax to preliminary consolidated net losses after tax in Appendix 4E.

Consolidated statement of profit or loss	Appendix 4E	Adjustments	Statutory Financial Report
Statutory net loss after tax	(8,277,500)	(5,854,960)	(14,132,460)
Comprehensive loss for the year	(10,184,216)	(12,311,060)	(22,495,276)

The following table reconciles statutory consolidated statement of financial position to preliminary consolidated statement of financial position in Appendix 4E.

Consolidated statement of financial position	Appendix 4E	Adjustments	Statutory Financial Report
Total Assets	27,959,767	(12,078,831)	15,880,936
Total Liabilities	4,142,902	185,006	4,327,908

The audit had just commenced before the lodgement of the Company's Appendix 4E. Listed below are the major items that have affected the Consolidated statement of profit or loss and Consolidated statement of financial position.

1. The Company has taken into consideration the market downturn due to the Covid-19 virus. Management have completed an impairment assessment of the assets held and have decided to further impair the following:
   - $6,053,712 in financial assets designated through other comprehensive income that are fair valued using level 2 inputs; and
   - $5,687,913 in subsidiaries held at fair value through profit or loss that are fair valued using level 2 inputs.

Events after the Reporting Period

On 16 March 2020, the Company announced that it has completed the Swedish Transaction with Abelco. The Company received the final settlement of 704,410,476 listed ordinary shares in Abelco, representing 50.1% of the enlarged share capital of Abelco, at a consideration of SEK 84.6million.

The Company has been monitoring the potential impact of COVID-19 on its operations. The Company has plans in place to minimise the impact and is dependent on the continued support of its staff. Given the uncertainty over the situation, the Company is not in a position to determine the full impact that COVID-19 will have on its operations, or quantify any financial impact.

The Company has a focus on digital companies. Many of our portfolio companies' product offerings and production process are completely digital. The Company will see an increase in the use of services and products of some of its portfolio companies, especially in gaming and e-commerce services. However, there are also portfolio companies that are affected by the challenging global economy.

Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations are likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officers or Auditor

An indemnity have been given by the company in favour of the directors to the extent that the Corporations Act 2001 allows. No payment or agreement have been given in relation to a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

The company was not a party to any such proceedings during the year.

Non-Audit services

There were no non-audit services provided by auditor during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 21 of the Financial Report.

REMUNERATION REPORT - AUDITED

This remuneration report, which forms part of the Director's report ,sets out information about the remuneration of the Group's Directors and other key management personnel for the year ended 31 December 2019. The prescribed details for each person covered by this report are detailed

Details of directors and other key management personnel

Directors and other key management personnel of the Group during and since the end of the financial year were as follows:

Name (current directors)	Position held
Dato' Larry Nyap Liou Gan	Non-Executive Chairman
Kin Wai Lau	Chief Executive Officer and Executive Officer
Donald Han Low	Non-Executive Director
Jeffrey Hua Tan	Non-Executive Director
Anthony Mackay (resigned 12 March 2019)	Non-Executive Director

Remuneration policy

Remuneration levels are competively set to attract the most qualified and experienced Directors and Senior Executives. The Board may obtain independent advice on the appropriateness of remuneration packages.

There are no schemes for retirement benefits.

The Directors are reimbursed for expenses incurred by them in the course of their duties as directors of the Company. There is no link between the provision of any non-monetary benefits and performance of the company.

The Group's earnings and movement in shareholder's wealth for five years to 31 December 2019 are detailed in the following table.

	31 December 2019 $	31 December 2018 $	31 December 2017 $	31 December 2016 $	31 December 2015 $
Revenue	2,745,601	3,837,100	1,386,554	1,082,789	232,574
Net (loss)/profit before tax	(14,132,460)	(21,940,839)	1,848,819	22,778,040	(8,163,988)
Net (loss)/profit after tax	(14,132,460)	(21,940,839)	1,840,484	22,778,040	(8,163,988)
Share price at start of year	$0.016	$0.079	$0.040	$0.050	$0.195
Share price at end of year	$0.010	$0.016	$0.079	$0.040	$0.050
Dividends paid	-	-	-	-	-
Basic (loss)/earnings per share	(1.73)	(3.58)	0.66	14.03	(6.17)

Key management personnel remuneration policy

The key management personnel of the company are represented by the directors and company secretary. The key management personnel remuneration is therefore the same as the directors' remuneration policy.

	Position Held as at 31 December 2019 and any change during the year	Contract details (duration & termination)
Dato' Larry Nyap Liou Gan	Non-Executive Chairman	No fixed term
Kin Wai Lau	Chief Executive Officer and Executive Director	No fixed term
Donald Han Low	Non-Executive Director	No fixed term
Jeffrey Hua Tan	Non-Executive Director	No fixed term
Anthony Mackay	Non-Executive Director (resigned 12 March 2019)	No fixed term

2019	Salaries, fees and leave $	Shares, Options/Incentive $	Superannuation $	Total $
Dato' Larry Nyap Liou Gan	31,636	-	-	31,636
Kin Wai Lau	151,853	-	-	151,853
Donald Han Low	24,000	-	-	24,000
Jeffrey Hua Tan	12,000	-	-	12,000
Anthony Mackay (resigned 12 March 2019)	-	-	-	-
	219,489	-	-	219,489

2018	Salaries, fees and leave $	Shares, Options/Incentive $	Superannuation $	Total $
Dato' Larry Nyap Liou Gan	30,000	-	-	30,000
Kin Wai Lau	149,440	-	-	149,440
Donald Han Low	24,000	-	-	24,000
Jeffrey Hua Tan	12,000	-	-	12,000
Anthony Mackay (resigned 12 March 2019)	37,500	-	-	37,500
	252,940	-	-	252,940

No post-employment benefits were paid to the directors. The directors do not participate in any incentive programs.

KMP Shareholdings

The number of ordinary shares in Fatfish Blockchain Limited held by each KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Granted as Remuneration during the year	Issued on Exercise of Options During the year	Other Changes during the year	Balance at year end
Dato' Larry Nyap Liou Gan	11,346,150	-	106,112,407	-	117,458,557
Kin Wai Lau	25,709,609	-	5,000,000	-	30,709,609
Donald Han Low	-	-			-
Jeffrey Hua Tan[1]	1,500,000	-	-	(1,500,000)	-
Anthony Mackay (resigned 12 March 2019)	-	-	-	-	-

[1] Sold on market for $13,500.

The number of unlisted options in Fatfish Blockchain Limited held by each KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Granted as Remuneration during the year	Issued on Exercise of Options During the year	Other Changes during the year	Balance at year end
Dato' Larry Nyap Liou Gan[1]	30,673,075	-	(106,112,407)	75,439,332	-
Kin Wai Lau[2]	10,000,000	-	(5,000,000)	(5,000,000)	-
Donald Han Low	-	-			-
Jeffrey Hua Tan	-	-	-	-	-
Anthony Mackay (resigned 12 March 2019)[3]	5,000,000	-	-	(5,000,000)	-

[1] 75,439,332 unlisted options were acquired off market for $75,439. 106,112,407 unlisted options were exercised for $1,167,236.

[2] 5,000,000 unlisted options were exercised for $55,000. 5,000,000 unlisted options expired.

[3] 5,000,000 unlisted options expired.

Share options granted to directors and executives

No shares or options were granted to Directors or Executives during the year.

Other transactions and balances with Key Management Personnel:

There were no transactions with Key Management Personnel during the year. Table below shows the movement in Mr Kin Wai Lau's loan to the respective companies.

Entity	Opening Balance	Conversion to Convertible Note	Loan Repaid	FX Movement	Closing Balance
Fatfish Global Ventures AB	63,986	-	(63,986)	-	-
Fatfish Internet Pte Ltd	74,055	(74,055)	-	-	-
	138,041	(74,055)	(63,986)	-	-

This concludes the remuneration report, which has been audited.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

Mr Kin Wai Lau
Director
Dated 31 March 2020

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Fatfish Blockchain Limited for the financial year ended 31 December 2019, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 31st day of March 2020

FATFISH BLOCKCHAIN LIMITED
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		Group	
		2019	2018
	Note	$	$
Continuing operations			
Revenue	3	2,745,601	3,837,100
Cost of sales		(1,629,113)	(2,489,944)
Gross Profit		1,116,488	1,347,156
Other income/(expenses)	4	370,693	734,613
Unrealised gain/(loss) on investments at fair value		(10,601,330)	(16,589,487)
Unrealised gain/(loss) in fair value of intangibles		(23,118)	(439,028)
Employee benefits expense		(821,320)	(1,096,046)
Depreciation and amortisation expense		(386,400)	(592,947)
Impairment expense		(1,679,354)	(2,276,241)
Administration expenses	4	(1,304,017)	(1,734,715)
Marketing expenses		7,406	(168,895)
Listing and filing fees		(120,449)	(182,475)
Occupancy expenses		(349,376)	(661,480)
Finance costs		(341,683)	(281,294)
Loss before income tax		(14,132,460)	(21,940,839)
Tax expense	5	-	-
Net loss for the year		(14,132,460)	(21,940,839)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Investments in equity instruments designated as Fair Value - OCI, net of tax		(8,480,410)	(3,978,018)
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		117,594	2,787,367
Total other comprehensive income/(loss) for the year		(8,362,816)	(1,190,651)
Total comprehensive income for the year		(22,495,276)	(23,131,490)
Net profit attributable to:			
Members of the parent entity		(11,858,216)	(17,448,538)
Non-controlling interest		(2,274,244)	(4,492,301)
		(14,132,460)	(21,940,839)
Total comprehensive income attributable to:			
Members of the parent entity		(20,476,624)	(19,126,044)
Non-controlling interest		(2,018,652)	(4,005,446)
		(22,495,276)	(23,131,490)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)	8	(1.73)	(3.58)
Diluted earnings per share (cents)	8	(1.73)	(3.58)

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Consolidated Group 2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	596,472	336,838
Trade and other receivables	10	353,031	506,053
Inventories	11	130,989	349,907
Other financial assets	13	845,069	2,128,986
Other assets	17	53,421	144,711
TOTAL CURRENT ASSETS		1,978,982	3,466,495
NON-CURRENT ASSETS			
Financial Assets - Fair value OCI	12	2,782,785	11,781,703
Property, plant and equipment	15	879,313	617,625
Investments at fair value through profit or loss	14	8,487,135	18,772,943
Intangible assets	16	532,573	2,171,762
Other non-current assets	17	1,180,372	1,203,325
Right-of-use assets		39,776	-
TOTAL NON-CURRENT ASSETS		13,901,954	34,547,358
TOTAL ASSETS		15,880,936	38,013,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	1,063,951	1,740,229
Borrowings	19	387,593	61,575
Other financial liabilities	20	2,783,851	4,067,140
Lease liability		40,459	-
TOTAL CURRENT LIABILITIES		4,275,854	5,868,944
NON-CURRENT LIABILITIES			
Other financial liabilities	20	-	849,414
Borrowings	19	52,054	157,564
TOTAL NON-CURRENT LIABILITIES		52,054	1,006,978
TOTAL LIABILITIES		4,327,908	6,875,922
NET ASSETS		11,553,028	31,137,931
EQUITY			
Issued capital	21	39,159,136	36,248,763
Reserves	30	(5,112,673)	3,505,735
Retained earnings		(24,127,887)	(12,269,671)
Equity attributable to owners of the parent entity		9,918,576	27,484,827
Non-controlling interest		1,634,452	3,653,104
TOTAL EQUITY		11,553,028	31,137,931

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

		Share Capital		Reserves					
	Note	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$	$	$
Consolidated Group									
Balance at 1 January 2018		33,747,894	5,178,867	(216,874)	-	5,001,522	43,711,409	33,289	43,744,698
Comprehensive income									
Loss for the year		-	(17,448,538)	-	-	-	(17,448,538)	(4,492,301)	(21,940,839)
Other comprehensive income for the year	28(i)	-	-	2,300,512	-	(3,978,018)	(1,677,506)	486,855	(1,190,651)
Total comprehensive income for the year		-	(17,448,538)	2,300,512	-	(3,978,018)	(19,126,044)	(4,005,446)	(23,131,490)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the year		3,029,624	-	-	-	-	3,029,624	-	3,029,624
Transaction costs net of tax		(528,755)	-	-	-	-	(528,755)	-	(528,755)
Options issued during the year		-	-	-	398,593	-	398,593	-	398,593
Recognition of non-controlling interest in Minerium Limited		-	-	-	-	-	-	866,643	866,643
Recognition of non-controlling interest in Fatfish Global		-	-	-	-	-	-	6,758,618	6,758,618
Total transactions with owners and other transfers		2,500,869	-	-	398,593	-	2,899,462	7,625,261	10,524,723
Balance at 31 December 2018		36,248,763	(12,269,671)	2,083,638	398,593	1,023,504	27,484,827	3,653,104	31,137,931
Balance at 1 January 2019		36,248,763	(12,269,671)	2,083,638	398,593	1,023,504	27,484,827	3,653,104	31,137,931
Comprehensive income									
Loss for the year		-	(11,858,216)	-	-	-	(11,858,216)	(2,274,244)	(14,132,460)
Other comprehensive income for the year	28(i)	-	-	(137,998)	-	(8,480,410)	(8,618,408)	255,592	(8,362,816)
Total comprehensive income for the year		-	(11,858,216)	(137,998)	-	(8,480,410)	(20,476,624)	(2,018,652)	(22,495,276)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the year		2,952,373	-	-	-	-	2,952,373	-	2,952,373
Transaction costs net of tax		(42,000)	-	-	-	-	(42,000)	-	(42,000)
Total transactions with owners and other transfers		2,910,373	-	-	-	-	2,910,373	-	2,910,373
Balance at 31 December 2019		39,159,136	(24,127,887)	1,945,640	398,593	(7,456,906)	9,918,576	1,634,452	11,553,028

The accompanying notes form part of these financial statements.

FATFISH BLOCKCHAIN LIMITED
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 $	Group 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,256,811	3,991,141
Dividends received		-	81
Interest received		1,851	3,381
Payments to suppliers and employees		(4,080,380)	(5,525,374)
Finance costs		-	(55,769)
Net cash generated by operating activities	24	(1,821,718)	(1,586,540)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	15,567
Acquisition of subsidiairies - net of cash acquired		-	(985,381)
Purchase of property, plant and equipment		(475,402)	(2,196,059)
Purchase of investments		-	(1,668,147)
Proceeds from disposal of investments		343,673	-
Loans to related parties:		-	
- payments made		(577,808)	(464,285)
- proceeds from repayments		220,016	848,236
Net cash (used in)/generated by investing activities		(489,521)	(4,450,069)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	1,992,700
Proceeds from exercise of options		1,313,833	234,459
Proceeds from issue of convertible notes		1,539,014	800,000
Payments for capital raising costs		(42,000)	(132,187)
Payments of lease liability - principal		(65,900)	-
Payments of lease liability - interest		(2,965)	-
Proceeds from borrowings		9,040	1,084,512
Repayments of borrowings		(173,668)	(1,095,180)
Net cash provided by (used in) financing activities		2,577,354	2,884,304
Net increase in cash held		266,115	(3,152,305)
Cash and cash equivalents at beginning of financial year		336,838	3,323,138
Effect of exchange rates on cash holdings in foreign currencies		(6,481)	166,005
Cash and cash equivalents at end of financial year	9	596,472	336,838

The accompanying notes form part of these financial statements.

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

The financial statements were authorised for issue on 31 March 2020 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Fatfish Blockchain Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls the 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. A list of subsidiaries is provided in Note 14.

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.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:
(i) the consideration transferred at fair value;
(ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(Note 1: Summary of significant accounting policies (cont'd))

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Refer to Note 14 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(c) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

(Note 1: Summary of significant accounting policies (cont'd))

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. Refer to Note 1(ad) for further details on changes in accounting policy.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	20-33%
Plant and equipment	20%
Furniture and fittings	20%
Computer equipment	20%
Motor Vehicle	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(Note 1: Summary of significant accounting policies (cont'd))

(i) Leases (the group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low- value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonable certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.
Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(j) Financial Instruments

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

- these 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.

(i) 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 below in note (iii) *Impairment of financial assets.*

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

(i) 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.

(ii) Items at fair value through profit or loss items at fair value through profit or loss compromise:

- 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.

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.

(Note 1: Summary of significant accounting policies (cont'd))

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.

(iii) 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 investments

Determing 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 revers 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-months ECL. When 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 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.

(iv) Recognition 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.

(v) 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 settled on a net basis or to realise the asset and settle the liability simultaneously.

(l) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(Note 1: Summary of significant accounting policies (cont'd))

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Investments in Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate. In addition, the Company's share of the profit or loss and other comprehensive income is included in the financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Company's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Company will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128: Investments in Associates and Joint Ventures and AASB 9: Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(o) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1(mn) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The company's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Company 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.

(p) Intangible Assets Other than Goodwill

Digital Currencies

(i) Intangibles

Digital currencies are indefinite life intangible assets initially recognised at cost. The digital currencies are subsequently measured at fair value by reference to the quote price in an active digital currency market.

Any increased or decrease in the fair value of the digital currencies are recognised through the profit and loss, similar to any gains or losses upon the disposals of digital currencies.

(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 losses control and, therefore, access to the economic benefits associated with ownership of the Digital Currencies inventory.

(Note 1: Summary of significant accounting policies (cont'd))

(r) 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.

(s) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(u) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks. Bank overdrafts are reporting within short-term borrowings in current liabilities in the statement of financial position.

(Note 1: Summary of significant accounting policies (cont'd))

(w) 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 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.

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.

Online store sales

Revenue from online store sales are recognised at the time of the item purchase.

Services revenue

Revenue from services performed in relation to those that has a contract would be recognised at the end of the month. Ad hoc services revenue would be recognised once the service has been performed.

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.

(x) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(y) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(z) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(aa) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(ab) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(Note 1: Summary of significant accounting policies (cont'd))

(ad) Going Concern Note

The financial statements have been prepared on a 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 year end 31 December 2019 of $14,132,460 (2018: $21,940,839) and had a working capital deficiency of $2,296,872 (2018: $2,402,449 Surplus).

The company currently has in place a convertible loan facility of $10m of which $1,200,000 was drawn down during the period and at the date of this report $8.0m remains available. We note this is available subject to certain conditions being met, including the average VWAP of the Company's shares over the 30 trading days prior to closing is higher than the floor price of $0.013 and the Company's share price is above the floor price for all of the 5 trading days prior to closing and the Company's market capitalisation not falling below $5m. The Company's share price at the date of this report is $0.005.

Included in the working capital deficit above, the entity has $1,833,930 convertible notes as disclosed in note 20 which subsequent to year end would now fall within the newly acquired Abelco Investment Group A.B. which is listed on the Nordic stock exchange.

The ability of the Company to continue as a going concern is principally dependent on the Company to increase cashflow from existing businesses, managing cashflow in line with available funds and the ability of the Company to draw down on the convertible note facility. These conditions indicates uncertinty that may cast doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Group 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.

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 reprot, the value of these investments was $5.6m and is made up of Abelco Investment Group A.B as disclosed in Note 29.

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 Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company 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 relation to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(ae) New and amended accounting policies adopted by the Group

Initial application of AASB 16

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short- term and low- value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

The lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 January 2019 was used to discount the lease payments.

The right of use assets for the leases were measured and recognised in the statement of financial position as at 1 January 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised as at 1 January 2019(that are related to the lease).

(af) 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 - Intellectual Property - Software*

Intangible assets include the Group's aggregate amounts spent on computer software development costs.

In determining the development expenditures to be capitalised, the Group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. Other important estimates and assumptions in this assessment process are the distinction between R & D and the estimated useful life.

Development costs associated with intangible assets are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect to software are internally generated and have a finite useful life. The amortisation method is line over the period of the expected benefit, being 5 years. Impairment testing is undertaken when impairment indicators exist.

(ii) *Key Estimate - Taxation*

Refer to Note 5 - Income Tax

(iii) *Key judgements and estimates - Impairment*

The Group assesses 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.

(iv) *Key Estimate - Impairment of Goodwill*

Refer to Note 16 - Intangible Assets

Note 2 Parent Information

	2019 $	2018 $
The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.		
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	640,941	175,454
Non-current Assets	11,284,603	31,362,278
TOTAL ASSETS	11,925,544	31,537,732
LIABILITIES		
Current Liabilities	128,760	321,422
Non-current Liabilities	78,379	78,379
TOTAL LIABILITIES	207,139	399,801
NET ASSETS	11,718,405	31,137,931
EQUITY		
Issued Capital	39,448,888	36,538,515
Reserves	398,593	398,593
Accumulated losses	(28,129,076)	(5,799,177)
TOTAL EQUITY	11,718,405	31,137,931
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total losses	(22,329,899)	(15,504,204)
Other comprehensive income	-	-
Total comprehensive income	(22,329,899)	(15,504,204)

Fatfish Internet Pte Ltd was acquired by Fatfish Blockchain Limited. As required by Australian Accounting Standard AASB 3: Business Combinations, Fatfish Blockchain Limited is deemed to have been acquired by Fatfish Internet Pte Ltd under the reverse acquisition rules. Accordingly, Fatfish Internet Pte Ltd is the Parent Entity for accounting purposes. Fatfish Blockchain Limited is the legal parent.

The above information has been extracted from the books and records of the legal parent, Fatfish Blockchain Limited and has been prepared in accordance with Australian Accounting Standards. Accordingly, the information presented above is not related to the accounting Parent Entity, Fatfish Internet Pte Ltd.

Contingent liabilities

The legal parent entity did not have any contingent liabilities as at 31 December 2019.

Note 3 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Group	
Revenue from continuing operations	2019 $	2018 $
- designer and consultant fees	-	2,975
- incubator services	75,748	71,765
- interest revenue	1,851	3,552
- online sales	2,038,283	3,206,730
- management fees	15,185	17,848
- services income	56,567	72,800
- income on digital currency mined	557,967	461,430
	2,745,601	3,837,100

Note 4 Profit for the Year

	Group 2019	Group 2018
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Expenses	$	$
Other income/(expenses)		
— unrealised foreign exchange gains/(losses)	(20,048)	129,650
— other income	5,648	590,089
— Extinguishment of liability	2,041,958	-
— Impairment of loans	(1,676,591)	-
— gain on sale of fixed assets	19,726	14,874
	370,693	734,613
(b) Included in administration expenses		
— accounting fees	92,591	106,274
— audit fees	89,328	67,164
— consulting fees	253,666	349,431
— subscription fees	25,673	15,141
— motor vehicle costs	7,758	21,811
— legal fees	517,920	670,895
— travel and accommodation	73,009	188,810
— office related expense	138,154	77,140
— secretarial fees	18,647	499
— research fees	-	34,902
— other miscellaneous expenses	87,271	202,648
	1,304,017	1,734,715

Note 5 Tax Expense

	Note	Group 2019 $	Group 2018 $
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)			
— consolidated group		(3,886,427)	(6,033,731)
— adjustment for tax-rate differences in foreign jurisdictions		669,525	1,955,241
Add:			
Tax effect of:			
— deferred tax not brough to accounts		575,810	(1,179,591)
— gain on fair value of investments not subject to tax in Singapore		2,921,723	4,667,770
— unrealised foreign currency gains/(losses)		(5,515)	(35,655)
— impairment charges		(361,346)	625,966
Income tax attributable to entity		-	-
Balance of franking account at year end		nil	nil
(b) Tax deferred tax assets not brought into account			
Deferred tax assets not brought to account, the benefits of which will only be realised if it is probably that taxable profit will be available against which the utilised tax losses can be utilised.			
Temporary differences			
Tax Losses			
- Operating losses		15,453,412	10,611,359

Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 December 2019.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2019 $	2018 $
Short-term employee benefits	219,489	252,940
Post-employment benefits	-	-
Total KMP compensation	219,489	252,940

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

– these amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Note 7 Auditor's Remuneration

	Group	
	2019 $	2018 $
Remuneration of the auditor for:		
Fatfish Blockchain Limited		
— auditing or reviewing the financial statements	52,896	53,748
	52,896	53,748
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	36,432	13,415
	89,328	67,163

Note 8 Earnings per Share

	Group	
	2019 $	2018 $
(a) Reconciliation of earnings to profit or loss		
Loss attributable to members of the parent entity	(11,858,216)	(17,448,538)
Earnings used to calculate basic EPS	(11,858,216)	(17,448,538)
Earnings used in the calculation of dilutive EPS	(11,858,216)	(17,448,538)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	684,311,565	487,524,293
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	684,311,565	487,524,293

Note 9 Cash and Cash Equivalents

	Note	Group	
		2019 $	2018 $
Cash at bank and on hand		596,472	336,838
Short-term bank deposits		-	-
	24	596,472	336,838

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2019	2018
Cash and cash equivalents	596,472	336,838
	596,472	336,838

Note 10 Trade and Other Receivables

	Group 2019 $	Group 2018 $
CURRENT		
Trade receivables	276,166	451,830
Accrued income and other receivables	76,865	54,223
Total current trade and other receivables	353,031	506,053

	Current	>30 days past due	>60 days past due	>90 days past due	Total
2019	**$**	**$**	**$**	**$**	**$**
Expected loss rate	-	-	-	-	-
Gross carrying amount	353,031	-	-	-	353,031
Loss allowing provision	-	-	-	-	-
2018					
Expected loss rate	-	-	-	-	-
Gross carrying amount	506,053	-	-	-	506,053
Loss allowing provision	-	-	-	-	-

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

	Note	Group 2019 $	Group 2018 $
(a) **Financial Assets Measured at Amortised Cost**			
Trade and other Receivables			
— Total current		353,031	506,053
— Total non-current		-	-
		353,031	506,053
Total financial assets measured at amortised cost	27	353,031	506,053

Note 11 Inventories

	Group 2019 $	Group 2018 $
CURRENT		
At cost:		
Finished goods	130,989	349,907
	130,989	349,907

Note 12 Financial Assets - Fair value OCI

	Note	Group 2019 $	Group 2018 $
NON CURRENT			
Fair assets - Fair value OCI		2,782,785	11,781,703
TOTAL CURRENT ASSETS		2,782,785	11,781,703

(a) Financial assets - Fair Value OCI

	2019 $	2018 $
NON CURRENT		
Listed and unlisted investments, at fair value		
- shares in listed corporations	2,609,485	4,519,693
- shares in unlisted corporations	173,300	7,262,010
	2,782,785	11,781,703

Listed Corporations

- Financial Assets - Fair value OCI's listed corporations have been valued using quoted prices in active markets.

	2019 $	2018 $
Opening Balance	4,519,693	3,475,305
Movement in foreign currency	85,280	359,132
Movement in fair value of financial assets - fair value OCI	(1,995,488)	685,256
Closing Balance	2,609,485	4,519,693

Unlisted Corporations

- Financial Assets - Fair value OCI's unlisted corporations have been valued using the market approach. The valuation techniques uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

	2019 $	2018 $
Opening Balance	7,251,010	4,910,508
Additions	105,955	744,454
Disposals	(343,673)	-
Additions through acquisition of subsidiaries	-	6,002,236
Reclassification from financial assets - fair value OCI to subsidiary	-	(423,619)
Movement in foreign currency	(269,791)	426,248
Movement in fair value of financial assets - fair value OCI	(6,570,201)	(4,408,817)
Closing Balance	173,300	7,251,010

On 15 November 2019, the Company announced it has accepted a ADU $12.7million offer for the sale of its 81% interest in Fatfish Global Ventures AB ("FGV") to Abelco Investment Group AB ("Abelco"). Abelco is a company incorporated in Sweden and is listed on the MGM nordic MTF exchange and invests in areas such as industry, engineering and technology.

Under the offer, the Company will dispose of its 81% shareholding in FGV to Abelco in return for 704,410,476 consideration shares or 50.1% of the enlarged share capital of Abelco subject to certain conditions precedent.

The Company have completed an impairment assessment of the assets held by FGV and its subsidiaries, which includes goodwill and investments in listed and unlisted companies. As part of the assessment, the Company has impaired $6,053,712 in financial assets designated through other comprehensive income that are fair valued using level 2 inputs. Refer to Note 29 for further information.

Note 13 Other Financial Assets

	Note	Group 2019 $	Group 2018 $
CURRENT			
Amounts receivable from:			
- related parties - others		22,775	79,723
- related parties - subsidiaries (unconsolidated)		569,030	924,379
- others		6,105	846,741
Less:			
Provision for impairment of amounts receivable from related parties		(24,083)	(669,728)
		573,827	1,181,115
Convertible Notes - Related Parties		271,242	947,871
	27	845,069	2,128,986
Total Other Financial Assets			
Current		845,069	2,128,986
Non-Current		-	-
		845,069	2,128,986

Note 14 Interests 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 2019 (%)	Ownership interest held by the Group 2018 (%)	Proportion of non-controlling interests 2019 (%)	Proportion of non-controlling interests 2018 (%)
Fatfish Disruptive Ventures Limited	British Virgin Island	100%	100%		
Minerium Limited	Guernsey	100%	100%		
Minerium Technology Limited	British Virgin Island	51%	51%	49%	49%
D2K Ventures Sdn Bhd	Malaysia	51%	51%	49%	49%
Fatfish Capital Limited	British Virgin Island	75%	75%	25%	25%
Fatfish Medialab Pte Ltd	Singapore	75%	75%	25%	25%
Fatfish Global Ventures AB	Sweden	81%	81%	19%	19%
Snaefell Ventures AB	Sweden	81%	81%	19%	19%
iSecrets AB	Sweden	38%	41%	62%	59%
Fatfish Internet Pte Ltd	Singapore	81%	81%	19%	19%
Fatfish Ventures Sdn Bhd	Malaysia	81%	81%	19%	19%
vDancer Pte Ltd	Singapore	77%	77%	23%	23%
Fintech Asia Group Limited	British Virgin Island	53%	43%	47%	57%
Smartfunding Pte Ltd	Singapore	27%	41%	73%	59%
Peer Direct Sdn Bhd	Malaysia	53%	43%	47%	57%
Fatberry Sdn Bhd	Malaysia	30%	26%	70%	74%
iCandy Interactive Limited	Australia	56%	62%	44%	38%
iCandy Digital Pte Ltd	Singapore	56%	62%	44%	38%
Appxplore (iCandy) Limited	British Virgin Island	56%	62%	44%	38%
Appxplore (iCandy) Sdn Bhd	Malaysia	56%	62%	44%	38%
Inzen (iCandy) Pte Ltd	Singapore	56%	62%	44%	38%
PT Joyseed Berbagi Sukses	Indonesia	37%	-	63%	-
iCandy Play Limited	British Virgin Island	56%	62%	44%	38%
iCandy Games Limited	British Virgin Island	56%	62%	44%	38%
Beetleroar Sdn Bhd	Malaysia	22%	-	78%	-

(Note 14: Interests in Subsidiaries (cont'd))

(c) **Significant Restrictions**

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

(d) **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 change in accounting policy sees the accounting parent, Fatfish Internet Pte Ltd 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.

Subsidiary	Country of Incorporation	Fair value at 31 December 2019	Fair value at 31 December 2018
vDancer Pte Ltd	Singapore	-	881,316
Fatfish Investments Pte Ltd	Singapore	-	10
iCandy Interactive Limited(i)	Australia	5,762,125	9,625,000
Fintech Asia Group Limited(ii)	British Virgin Island	2,725,010	8,266,617
		8,487,135	18,772,943

(i) The fair value of iCandy Interactive Limited (an ASX-listed entity) is based on its last traded price for the financial year ended 31 December 2019.

(ii) On 15 November 2019, the Company announced it has accepted a AUD $12.7 million offer for the sale of its 81% interest in Fatfish Global Ventures AB ("FGV") to Abelco Investment Group AB ("Abelco"). Under the offer, the Company will dispose of its 81% shareholding in FGV to Abelco in return for 704,410,476 consideration shares or 50.1% of the enlarged share capital of Abelco. The Company has impaired $5,687,913 using level 2 inputs. Refer to Note 29 for further information.

The fair value of the other subsidiaries as seen in the table above are based on the assessment of Directors and Management as at 31 December 2019.

Note 15 Plant and Equipment

	Group 2019 $	Group 2018 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,506,707	2,025,969
Accumulated depreciation and impairment losses	(1,790,794)	(1,652,293)
	715,913	373,676
Leasehold improvements		
At cost	111,689	115,105
Accumulated depreciation	(48,910)	(28,133)
	62,779	86,972
Furniture and fittings		
At cost	14,776	14,472
Accumulated depreciation	(14,134)	(11,857)
	642	2,615
Computer Equipment		
At cost	119,391	114,619
Accumulated depreciation	(72,884)	(51,894)
	46,507	62,725
Motor Vehicle		
At cost	120,272	117,801
Accumulated depreciation	(66,800)	(26,164)
	53,472	91,637
Total plant and equipment	879,313	617,625

(Note 15: Property, plant and equipment (cont'd))

(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 $
Consolidated Group:						
Balance at 1 January 2018	-	31,826	3,573	27,162	-	62,561
Additions	2,025,969	71,518	967	54,054	117,801	2,270,309
Disposals	-	-	-	-	-	-
Depreciation expense	(365,828)	(18,405)	(2,720)	(17,059)	(25,000)	(429,012)
Impairment expense	(1,194,578)	-	-	-	-	(1,194,578)
Movement in foreign currency	(91,887)	2,033	795	(1,432)	(1,164)	(91,655)
Balance at 31 December 2018	373,676	86,972	2,615	62,725	91,637	617,625
Additions	465,701	-	-	7,450	-	473,151
Depreciation expense	(127,225)	(23,380)	(2,019)	(19,986)	(39,897)	(212,507)
Movement in foreign currency	3,761	(813)	46	(3,682)	1,732	1,044
Balance at 31 December 2019	715,913	62,779	642	46,507	53,472	879,313

Note 16 Intangible Assets

	Group 2019 $	2018 $
Goodwill		
Cost	2,387,012	2,387,012
Accumulated impairment losses	(2,387,012)	(707,713)
Net carrying amount	-	1,679,299
Computer software:		
Cost	730,878	778,304
Accumulated amortisation and impairment losses	(380,501)	(303,693)
Net carrying amount	350,377	474,611
Cryptocurrency		
Cost	744,068	556,606
Accumulated amortisation and impairment losses	(561,872)	(538,754)
Net carrying amount	182,196	17,852
Total intangible assets	532,573	2,171,762

Consolidated Group:

	Goodwill	Computer Software $	Cryptocurrency $	Total $
Year ended 31 December 2018				
Balance at the beginning of the year	1,262,613	473,299	-	1,735,912
Additions	1,124,399	110,856	461,430	1,696,685
Reclassification from prepayments	-	-	383,730	383,730
Disposals	-	-	(288,554)	(288,554)
Amortisation and impairment losses	(707,713)	(119,633)	(439,028)	(1,266,374)
Movement in foreign currency	-	10,090	(99,727)	(89,637)
Closing value at 31 December 2018	1,679,299	474,612	17,851	2,171,762

(Note 16: Intangible assets (cont'd))

Year ended 31 December 2019				
Balance at the beginning of the year	1,679,299	474,612	17,851	2,171,762
Additions	-	-	187,462	187,462
Amortisation charge	-	(114,134)	-	(114,134)
Impairment losses	(1,679,299)	-	(23,118)	(1,702,417)
Movement in foreign currency	-	(10,100)	-	(10,100)
Closing value at 31 December 2019	-	350,378	182,195	532,573

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense as per the statement of profit or loss.

The goodwill arising on acquisition is allocated to three cash generating units being iSecrets AB, Minerium Technology Limited and Snaefell AB. These acquisitions are in line with the Company's operations being investing strategically across the blockchain, fintech and consumer internet technologies. The Company has impaired $1,062,613 and $614,071 in iSecrets AB and Snaefell AB as part of the Abelco Transaction that was announced on 15 November 2019. Refer to Note 29 for further information.

Note 17 Other Assets

	Group	
	2019	2018
	$	$
CURRENT		
Prepayments	53,421	144,711
	53,421	144,711
NON-CURRENT		
Prepayment for investment [(i)]	1,004,920	1,004,920
Deposits paid	175,452	198,405
	1,180,372	1,203,325
Total Other Assets		
Current	53,421	144,711
Non-Current	1,180,372	1,203,325
	1,233,793	1,348,036

[(i)] Relates to USD 750,000 paid in relation to the acquisition of 27% of Kryptos-X. The acquisition is not complete and has been recorded as a prepayment.

Note 18 Trade and Other Payables

	Group	
	2019	2018
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	143,456	628,129
Sundry payables and accrued expenses	920,495	1,112,100
	1,063,951	1,740,229

	Group	
	2019	2018
	$	$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	1,063,951	1,740,229
— Total non-current	-	-
	1,063,951	1,740,229

Note 19 Borrowings

	Note	Group 2019 $	Group 2018 $
CURRENT			
Secured liabilities at amortised cost:			
Bank loans		365,661	47,655
Lease liability		21,932	13,920
Total current borrowings		387,593	61,575
NON-CURRENT			
Secured liabilities at amortised cost:			
Bank loans		-	97,498
Lease liability		52,054	60,066
Total non-current borrowings		52,054	157,564
Total borrowings	27	439,647	219,139

	Group 2019 $	Group 2018 $
(a) Total current and non-current secured liabilities:		
Bank loan	365,661	145,153
Lease liability	73,986	73,986
	439,647	219,139

Note 20 Other Financial Liabilities

	Group 2019 $	Group 2018 $
CURRENT		
Amounts payable to:		
- Others	260,810	3,121,353
- Related parties - subsidiaries (unconsolidated)	689,111	606,125
Convertible loans	1,833,930	179,697
Promissory Note	-	159,965
	2,783,851	4,067,140
NON-CURRENT		
Convertible loans	-	849,414
	-	849,414
Total Other Financial Liabilities		
Current	2,783,851	4,067,140
Non-Current	-	849,414
	2,783,851	4,916,554

Terms of payables:

All payables are at call.
There are no securities attached.
No interest payable on amounts owing

During the financial year, Fatfish Global Ventures AB had $1,833,930 (SEK 12,040,524) convertible notes on issue. The terms and conditions for each note are set out below:

Maturity	Due and payable which is on the date the Fatfish Global Venture AB's shares is admitted to trading on a regulated market or trading venue, however on 4 June 2021 at the latest.
Interest on loan	Interest free
Conversion	On the date of which Fatfish Global Venture AB's shares are admitted to trading on a regulated market or trading venue.
Conversion Price	SEK 8.1 per share

Note 21 Issued Capital

	Group	
	2019	2018
	$	$
813,565,311 fully paid ordinary shares (2018: 564,267,982 fully paid ordinary shares)	39,159,136	36,248,763
	39,159,136	36,248,763

(a) **Ordinary Shares**

	Number of shares	Amount $
Opening Balance at 1 January 2018	440,863,274	33,747,894
Issued during the year	123,404,708	3,029,624
Less: transaction costs	-	(528,755)
Closing Balance at 31 December 2018	564,267,982	36,248,763
Issued during the year	249,297,329	2,952,373
Less: transaction costs		(42,000)
Closing Balance at 31 December 2019	813,565,311	39,159,136

(b) **Options**

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

	Group	
	2019 No.	2018 No.
At the beginning of the reporting period	191,633,613	154,858,096
Options issued during the year	-	58,089,999
Options exercised during the year	(119,439,332)	(21,314,482)
Options expired during the year	(14,104,282)	-
At the end of the reporting period	58,089,999	191,633,613

(c) **Capital Management**

The Board's policy is to maintain a sufficiently strong capital base so as to maintain investor, creditor and market confidence and to sustain future progress on the consolidated entity's programs.

As the consolidated entity has not yet reached the point of deriving sufficient income from its programs to generate net profits, it has not assessed a return on capital target, nor can a return on capital yet be adequately calculated. The consolidated entity does not have a defined share buy-back plan, or other proposal for the purchase on-market of its own shares.

There were no changes to the consolidated entity's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 22 Capital and Leasing Commitments

(a) **Finance Lease Commitments**

	Group	
	2019 $	2018 $
Payable — minimum lease payments		
— not later than 12 months	14,749	14,446
— between 12 months and five years	62,648	74,603
Minimum lease payments	77,397	89,049
Less future finance charges	(13,088)	(15,063)
Present value of minimum lease payments	64,309	73,986

(b) **Investment Expenditure Commitments**

During the 2017 and 2018 financial year, the Group had signed contracts to invest in some entities. Listed below are the amounts that are required to be paid to complete these investments

	Amount Committed	
	2019 $	2018 $
Acquisition of 27% Kryptos-X	356,837	303,080
— not later than 12 months	356,837	303,080

Note 23 Operating Segments

General Information

Information of reportable 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.

(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

(f) **Segment information**

(i) **Segment performance**

31 December 2019	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
REVENUE	1,851	140,955	2,038,282	564,513	2,745,601
Total segment revenue	1,851	140,955	2,038,282	564,513	2,745,601
Total group revenue					2,745,601
Segment result from continuing operations before tax	(948,049)	(10,667,919)	(8,791,481)	5,721	(20,401,728)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					6,269,268
Net loss before tax from continuing operations					(14,132,460)

31 December 2018	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
REVENUE	3,552	165,388	3,206,730	461,430	3,837,100
Total segment revenue	3,552	165,388	3,206,730	461,430	3,837,100
Total group revenue					3,837,100
Segment result from continuing operations before tax	(971,070)	(17,800,060)	(9,646,003)	(1,613,602)	(30,030,735)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					8,089,896
Net loss before tax from continuing operations					(21,940,839)

(ii) **Segment assets**

31 December 2019	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
Segment assets					
Segment assets include:					
— Additions to non-current assets (other than financial assets and deferred tax)	57,347,592	12,598,840	42,266,242	3,020,403	115,233,077
Reconciliation of segment assets to group assets					
Intersegment eliminations					(99,352,141)
Total group assets					15,880,936

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Note 23: Operating Segments (continued)

31 December 2018	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
Segment assets					
Segment assets include:					
— Additions to non-current assets (other than financial assets and deferred tax)	55,577,930	23,272,379	55,373,416	699,132	134,922,857
Reconciliation of segment assets to group assets					
Intersegment eliminations					(96,909,004)
Total group assets					38,013,853

(iii) **Segment liabilities**

31 December 2019	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
Segment liabilities					
Reconciliation of segment liabilities to group liabilities	207,137	4,701,674	6,705,146	2,948,539	14,562,496
Intersegment eliminations					(10,234,588)
Total group liabilities					4,327,908

31 December 2018	Australia $	Singapore $	Sweden $	British Virgin Island $	Total $
Segment liabilities					
Reconciliation of segment liabilities to group liabilities	399,801	3,429,194	2,540,022	585,285	6,954,302
Intersegment eliminations					(78,380)
Total group liabilities					6,875,922

(iv) **Revenue by geographical region**

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	31 December 2019 $	31 December 2018 $
Australia	1,851	3,552
Singapore	140,955	165,388
Sweden	2,038,282	3,206,730
British Virgin Island	564,513	461,430
Total revenue	2,745,601	3,837,100

(v) **Assets by geographical region**

The location of segment assets by geographical location of the assets is disclosed below:

	31 December 2019 $	31 December 2018 $
Australia	1,822,133	3,307,148
Singapore	12,341,686	26,046,656
Sweden	548,402	7,709,253
British Virgin Island	1,168,715	950,796
Total Assets	15,880,936	38,013,853

Note 24 Cash Flow Information

	Group 2019 $	Group 2018 $
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit after income tax	(14,132,460)	(21,940,839)
Non-cash flows in profit		
Impairment expense	1,679,354	2,276,241
Amortisation and depreciation	386,400	592,947
Extinguishment of liability	(2,041,958)	-
Impairment of loans	1,676,591	-
Unrealised loss/(gain) in foreign exchange	(165,681)	(129,650)
Unrealised losses on investments at fair value	10,601,330	16,589,487
Unrealised losses on intangibles	23,118	439,028
Finance costs	341,683	281,294
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	153,022	9,517
(Increase)/decrease in prepayments	114,243	(921,232)
(Increase)/decrease in inventories	218,918	30,069
Increase/(decrease) in trade payables and accruals	(676,278)	1,186,598
Net cash generated by operating activities	(1,821,718)	(1,586,540)

(b) **Changes in Liabilities arising from Financing Activities**

	1 January 2019	Initial application of AASB 16	Conversion of Convertible Notes	Finance costs	Cash flows	Foreign exchange movement	Reclassification	31 December 2019
	$	$	$	$	$	$		$
Short term borrowings	61,575	-	-	-	(164,628)	(11,397)	502,043	387,593
Long term borrowings	157,564	-	-	-	-	-	(105,510)	52,054
Convertible Note	1,189,076	-	(1,633,334)	253,651	1,539,963	(117,125)	601,698	1,833,929
Lease liabilities	-	111,634	-	-	(68,865)	(2,310)	-	40,459
Total	**1,408,215**	**111,634**	**(1,633,334)**	**253,651**	**1,306,470**	**(130,832)**	**998,231**	**2,314,035**

Note 25 Events After the Reporting Period

On 16 March 2020, the Company announced that it has completed the Swedish Transaction with Abelco. The Company received the final settlement of 704,410,476 listed ordinary shares in Abelco, representing 50.1% of the enlarged share capital of Abelco, at a consideration of SEK 84.6million.

The Company has been monitoring the potential impact of COVID-19 on its operations. The Company has plans in place to minimise the impact and is dependent on the continued support of its staff. Given the uncertainty over the situation, the Company is not in a position to determine the full impact that COVID-19 will have on its operations, or quantify any financial impact.

The Company has a focus on digital companies. Many of our portfolio companies' product offerings and production process are completely digital. The Company will see an increase in the use of services and products of some of its portfolio companies, especially in gaming and e-commerce services. However, there are also portfolio companies that are affected by the challenging global economy.

Note 26 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6.

ii. **Entities subject to significant influence by the Group:**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(Note 26: Related Party Transactions (Continued))

iii. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(c) **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Group	
	2019 $	2018 $
i. **Director related entities**		
- Directors' fees paid to Dato' Larry Nyap Liou Gan	30,000	30,000
- Directors' fees and wages paid to Kin Wai Lau		149,440
- Directors' fees paid to DHL Corporate Advisory of which Mr Donald Low is a director and shareholder	24,000	24,000
- Directors' fees paid to Baustan Capital of which Mr Jeffrey Tan is a director and shareholder	12,000	12,000
- Directors' fees paid to Anthony Mackay	-	37,500
	66,000	252,940

ii. The following balances were outstanding at the end of the reporting period

	Amounts owed by related parties		Amounts owed to related parties	
	31 Dec 2019 $	31 Dec 2018 $	31 Dec 2019 $	31 Dec 2018 $
iFashion Group Pte Ltd	-	8,794		-
iCandy Interactive Limited	106,418	106,418		-
vDancer Pte Ltd	-	432,711		-
iCandy Digital Pte Ltd	382,489	376,456		-
Appxplore (iCandy) Sdn Bhd	-	-	61,717	-
Fatfish Investments Partners Pte Ltd	-	-	237,479	232,605
Fatfish Ventures Sdn Bhd	-	-	384,118	373,520
	488,907	924,379	683,314	606,125

Note 27 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		Group	
	Note	2019 $	2018 $
Financial Assets			
cash and cash equivalents	9	596,472	336,838
trade and other receivables	10	353,031	506,053
Financial Assets - Fair value OCI			
- listed investments	12	2,609,485	4,519,693
- unlisted investments	12	173,300	7,262,010
		3,732,288	12,624,594
Other financial assets	13	845,069	2,128,986
Total Financial Assets		4,577,357	14,753,580
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	18	1,063,951	1,740,229
— Borrowings	19	439,647	219,139
Other financial liabilities	20	2,783,851	4,916,554
Total Financial Liabilities		4,287,449	6,875,922

Note 27: Financial Management (continued)

Financial Risk Management Policies

The directors are responsible for Fatfish Blockchain Limited's risk management strategy and management is responsible for implementing the directors' strategy. A risk management program focuses on the unpredictability of finance markets and seeks to minimise potential adverse effects on financial performance. Fatfish Blockchain uses different methods to measure difference types of risk to which it is exposed. These methods include sensitivity analysis in the case on interest rate and market risk. Fatfish Blockchain does not use derivatives.

The consolidated entity's financial instruments consists of deposits with banks and accounts receivables and payables. The main purpose of non-derivative financial instruments is to raise finance for group operations.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds ad derivative financial instruments is limited as the counterparties are banks with high credit rating assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The following table details the Group's remaining contractual maturity for its financial liabilities and financial assets.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $
Financial liabilities due for payment								
Bank overdrafts and loans	365,661	97,498	-	-	-	-	365,661	97,498
Convertible loans	-	849,414	-	-	-	-	-	849,414
Trade and other payables	1,063,951	1,740,229	-	-	-	-	1,063,951	1,740,229
Other financial liabilities	2,783,851	4,067,140	-	-	-	-	2,783,851	4,067,140
Finance lease liabilities	21,932	61,575	52,054	-	-	-	73,986	61,575
Total expected outflows	4,235,395	6,815,856	52,054	-	-	-	4,287,449	6,815,856

Note 27: Financial Management (continued)

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $
Financial Assets - cash flows realisable								
Cash and cash equivalents	596,472	336,838	-	-	-	-	596,472	336,838
Trade, term and loans receivables	353,031	506,053	-	-	-	-	353,031	506,053
Financial assets - Fair value OCI	2,782,785	11,781,703	-	-	-	-	2,782,785	11,781,703
Other financial assets	845,069	2,128,986	-	-	-	-	845,069	2,128,986
Total anticipated inflows	4,577,357	14,753,580	-	-	-	-	4,577,357	14,753,580
Net (outflow) / inflow on financial instruments	341,962	7,937,724	(52,054)	-	-	-	289,908	7,937,724

No financial assets have been pledged as security.

c. Market Risk

i. *Interest rate risk*

The Group's exposure to market risk primarily consists of financial risks associated with changes in interest rates as detailed below. As the level of risk is low, the Group does not use any derivatives to hedge its exposure.

The Group is exposed to interest rate risks as it holds funds at variable interest rates.

ii. *Foreign currency risk*

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Due to instruments held by overseas operations, fluctuations in foreign currency may impact on the Group's financial results unless those exposed are appropriately hedged.

The following significant exchange rates were applied during the year	**Average Rate**		**Spot Rate**	
$1 AUD	**2019**	**2018**	**2019**	**2018**
Singapore	0.9483	0.9916	0.9483	1.0378
Sweden	0.1521	0.1540	0.1523	0.1600
United States	0.6952	0.7479	0.7006	0.7058

Interest rate Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
Year ended 31 December 2019	**Profit $**	**Equity $**
+/- 0.75% in interest rates	4,474	4,474

	Consolidated Group	
Year ended 31 December 2018	**Profit $**	**Equity $**
+/- 0.75% in interest rates	2,526	2,526

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

The Directors consider that the carrying amounts of financial assets and liabilities recorded at cost less any accumulated impairments in the financial statements approximates their fair values.

The fair values of financial assets and liabilities are determined as follows:

- Other financial assets and financial liabilities are determined in accordance with general accepted pricing models.

Note 27: Financial Management (continued)

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 39 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

	Note	2019		2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	9	596,472	596,472	336,838	336,838
Trade and other receivables:					
- unrelated parties - trade and term receivables	10	353,031	353,031	506,053	506,053
Total trade and other receivables	10	353,031	353,031	506,053	506,053
Investments					
Financial assets - Fair value OCI					
- at fair value:					
- listed investments	12,29	2,609,485	2,609,485	4,519,693	4,519,693
- unlisted investments	12,29	173,300	173,300	7,262,010	7,262,010
Total financial assets at fair value through profit or loss		2,782,785	2,782,785	11,781,703	11,781,703
Total financial assets		3,732,288	3,732,288	12,624,594	12,624,594
Financial liabilities at amortised cost					
Trade and other payables	18	1,063,951	1,063,951	1,740,229	1,740,229
Lease liability		21,932	21,932	61,575	61,575
Bank debt		365,661	365,661	97,498	97,498
Total financial liabilities		1,451,544	1,451,544	1,899,302	1,899,302

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

Note 28 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.

Note 28: Fair Value Measurements (cont'd)

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.

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.

		31 December 2019			
Recurring fair value measurements	**Note**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets					
Financial assets at fair value through profit or loss					
— Investments at fair value	14	5,762,125	2,725,010	-	8,487,135
Financial assets at fair value through other comprehensive income:					
— Shares in listed companies	12	2,609,485	-	-	2,609,485
— Shares in unlisted companies	12	-	173,300	-	173,300
Total financial assets recognised at fair value on a recurring basis		8,371,610	2,898,310	-	11,269,920

Note 29 Abelco Transaction

On 15 November 2019, the Company announced it has accepted a AUD $12.7million offer for the sale of its 81% interest in Fatfish Global Ventures AB ("FGV") to Abelco Investment Group AB ("Abelco"). Abelco is a company incorporated in Sweden and is listed on the NGM Nordic MTF exchange and invests in areas such as industry, engineering and technology.

Under the offer, the Company will dispose of its 81% shareholding in FGV to Abelco in return for 704,410,476 consideration shares or 50.1% of the enlarged share capital of Abelco subject to certain conditions precendent.

The deemed disposal date is 6 January 2020 when the transaction became unconditional and the shares were transferred on 16 March 2020.

The value of the consideration shares was $9,712,411, based on the market price of Abelco on deemed disposal date. This represents by analogy the market value of FGV on the date of disposal.

Management have completed an impairment assessment of the assets held by FGV and its subsidiaries, which includes goodwill and investments in listed and unlisted companies. As part of the assessment, Management have impaired goodwill of $1,062,613 and $614,071 in iSecrets AB and Snaefell AB respectively. In addition, the Company has impaired:

- $6,053,712 in financial assets designated through other comprehensive income that are fair valued using level 2 inputs. Refer to Note 12.
- $5,687,913 in subsidiaries held at fair value through profit or loss that are fair valued using level 2 inputs. Refer to Note 14.

As of the date of this report, the Abelco share price is SEK 0.048 which equates to approximately AUD $5.6million.

Note 30 Reserves

a. **Option Reserve**

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

	Group 2019 $	Group 2018 $
Balance at beginning of year	398,593	-
Options issued	-	398,593
Options exercised	-	-
Options expired	-	-
	398,593	398,593

b. **Foreign Currency Translation Reserve**

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

	Group 2019 $	Group 2018 $
Balance at beginning of year	2,083,638	(216,874)
Foreign currency movements during the year	(137,998)	2,300,512
	1,945,640	2,083,638

c. **Financial Assets Reserve**

The financial assets reserve records revaluations of financial assets.

	Group 2019 $	Group 2018 $
Balance at beginning of year	1,023,504	5,001,522
Fair value movements during the year	(8,480,410)	(3,978,018)
	(7,456,906)	1,023,504

Total Reserves	Group 2019 $	Group 2018 $
Option reserve	398,593	398,593
Foreign currency translation reserve	1,945,640	2,083,638
Financial assets reserve	(7,456,906)	1,023,504
	(5,112,673)	3,505,735

Note 31 Company Details

The registered office of the company is:
Fatfish Blockchain Limited
Level 4, 91 William Street
Melbourne Vic 3000

The principal places of business are:
Fatfish Blockchain Limited
Level 4, 91 William Street
Melbourne Vic 3000

DIRECTORS' DECLARATION

FATFISH BLOCKCHAIN LIMITED
(ASX:FFG | US:FFTTF)

In accordance with a resolution of the directors of Fatfish Blockchain Limited, 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 Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   (b) give a true and fair view of the financial position as at 30 December 2019 and of the performance for the 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

3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director

Mr Kin Wai Lau

Dated this 31 March 2020

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Fatfish Blockchain Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fatfish Blockchain Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(ad) in the financial report which indicates that the Consolidated Entity incurred a net loss of $14,132,460 during the year ended 31 December 2019. As stated in Note 1(ad), these events or conditions, along with other matters as set forth in Note 1(ad), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of Goodwill and intangible assets
 	
As disclosed in note 16, the Consolidated Entity has intangible assets of $532,573 after impairment charges of $1,679,299 in which the majority of this related to the iSecret and Snaefell Goodwill following the Abelco Transaction as disclosed in note 29.
 	
Impairment of goodwill is considered to be a key audit matter due to the significance of the assets to the Consolidated Entity's financial position, current year's performance and due to the judgement involved in determining the key assumptions used in the recoverable amount.
 	
An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the CGU is based on certain key assumptions.
 	
As disclosed in note 29, the Company has subsequent to year end sold its 81% interest in Fatfish Global Ventures AB ("FGV") to Abelco Investment Group AB ("Abelco") in return for a controlling interest of 704,410,476 consideration shares in Abelco which represents 50.1% of the enlarged share capital of Abelco. Management has impaired goodwill and other financial assets within the FGV disposal group in line with the deemed value of Abelco at disposal date.
	Our procedures amongst others included:
	
	- Obtaining the Abelco share sale agreement and assessing the key terms of the disposal;
	- We assessed that *AASB 5 Non-current assets held for sale and discontinued operations* is not applicable as the Group retains control over the FGV disposal group through the acquisition of Abelco;
	- We assessed the net assets of the FGV disposal group, which included goodwill in iSecret and Snaefell as well as certain listed and unlisted investments which are fair valued on a recurring basis in line with the fair value hierarchy prescribed under *AASB 13;*
	- The excess between the net assets of the FGV disposal group and the deemed value of Abelco was impaired as follows:
	  - Impairment of goodwill $1,676,684;
	  - Impairment of $6,053,712 in financial assets designated through other comprehensive income that are fair valued using level 2 inputs;
	  - Impairment of $5,687,913 in subsidiaries held at fair value through profit and loss that are fair valued using level 1 inputs.
	- We assessed the appropriateness of the disclosures included in Note 16, 28 and 29 to the financial report.

Key audit matter	How our audit addressed the key audit matter
Fair value of Financial Assets – Fair Value OCI As disclosed in note 12, the Consolidated Entity held $2,782,785 investments classified as Financial Assets – Fair Value OCI. Valuation of these investments is considered to be a key audit matter due to the significance of the assets to the Consolidated Entity's financial position, current year's performance and due to the judgement involved in determining the key assumptions used in the valuation of these assets.	Our procedures in relation to management's valuation of Financial Assets – Fair Value OCI: - Obtaining an understanding of the valuation methodology and assumptions used; - Critically evaluating management's methodologies and their documented basis for key assumptions utilised in the valuations which are described in Note 12, 28 and 29; - We assessed the appropriateness of the disclosures included in Notes 12, 28 and 29 to the financial report.
Fair value of investments held at fair value through profit or loss As disclosed in note 14, the Consolidated Entity held $8,487,135 in subsidiaries held at fair value through profit and loss. Valuation of these investments is considered to be a key audit matter due to the significance of the assets to the Consolidated Entity's financial position, current year's performance and due to the judgement involved in determining the key assumptions used in the valuation of these assets.	Our procedures in relation to management's valuation of the investments included: - Obtaining an understanding of the valuation methodology and assumptions used; - Critically evaluating management's methodologies and their documented basis for key assumptions utilised in the valuations which are described in Note 14, 28 and 29; We assessed the appropriateness of the disclosures included in Notes 14, 28 and 29 to the financial report.
Recoverability of other financial assets The Consolidated entity has provided loans to multiple entities including related parties and to external parties, totalling $845,069 as disclosed in note 13. Due to the quantum of the loan, the recoverability of the loans were considered a key audit matter. The Consolidated Entity has a provision for $24,083 for loans which recovery is considered doubtful.	Our procedures amongst others included: - Holding discussions with management over the recoverability of the loans; - Assessment of the counterparty's capacity to repay the loan; and We assessed the appropriateness of the disclosures included in Notes 13 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2019. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 31 December 2019, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 31st day of March 2020

FATFISH BLOCKCHAIN LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
ADDITIONAL INFORMATION FOR LISTED COMPANIES

FATFISH BLOCKCHAIN LIMITED (ASX:FFG | US:FFTTF)

The following information is current as at 30 March 2020:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	**No. of Holders**	**No. of Ordinary Shares**
1 – 1,000	442	163,193
1,001 – 5,000	218	586,543
5,001 – 10,000	600	5,555,105
10,001 – 100,000	835	36,645,870
100,001 – and over	468	770,614,600
	2,563	813,565,311

b. The number of shareholdings held in less than marketable parcels is 2,137. (2018: 1,731)

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	**Number** **No. of Fully Paid Ordinary Shares**	**% Held of Issued Ordinary Capital**
HSBC Custody Nominees (Australia) Limited	293,238,604	36.04%
Mr Abu Bakar Fikri Bin Sulaiman	49,375,000	6.07%

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1.	HSBC Custody Nominees (Australia) Limited	293,238,604	36.04%
2.	Mr Abu Bakar Fikri Bin Sulaiman	49,375,000	6.07%
3.	Mr Kin Wai Lau	30,209,609	3.71%
4.	BNP Paribas Noms Pty Ltd <UOB Kay Hian Priv Ltd DRP>	24,173,466	2.97%
5.	Mr Chang Jeh Ong	20,000,000	2.46%
6.	Mr Say Kee Saw	16,270,300	2.00%
7.	BNP Paribas Noms Pty Ltd <IB AU Noms Retail Client DRP>	14,138,639	1.74%
8.	Mr Bruce Andrew Hateley	14,015,000	1.72%
9.	Mr Chang Jeh Ong	13,150,668	1.62%
10.	J P Morgan Nominees Australia Pty Limited	12,095,861	1.49%
11.	Mr Hao Chen Pang	10,895,646	1.34%
12.	Mr Gary Dean Shaw	8,000,000	0.98%
13.	Acquinti Limited	8,000,000	0.98%
14.	Harford Vantage (Australia) Pty Ltd	7,666,100	0.94%
15.	Citicorp Nominees Pty Limited	6,754,461	0.83%
16.	Ms Cheryl Umoh	4,300,000	0.53%
17.	Mr Graham John Walker	4,200,000	0.52%
18.	Mr Kong Khai Yean	4,000,000	0.49%
19.	Mr Noel Russsell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super Fund A/C>	3,984,200	0.49%
20.	Mr Mao Cai	3,954,682	0.49%
		548,422,236	67.41%

2. The name of the company secretary are Mr Andrew Draffin and Ms Jiahui Lan.

3. The address of the principal registered office in Australia is Level 4, 91 William Street, Melbourne Victoria 3000.

4. Registers of securities are held at the following addresses

   Automic Group
   Level 2, 267 St Georges Terrace
   Perth WA 6000

5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.