

28 February 2020

ASX Announcement

Appendix 4E Commentary: Fatfish Registers Lower Net Loss

Highlights:

- **Fatfish registers lower net loss for the year \$8,227,500 compared to prior year loss of \$21,940,839**
- **\$12.7 million merger between the Company's Swedish subsidiary, Fatfish Global Ventures AB and Swedish listed Abelco will drive value**

International venture investment and development firm, Fatfish Blockchain Limited ("**Fatfish**", "**FFG**" or the "**Company**") is pleased to announce its Appendix 4E preliminary financial report for the 12-month period ended 31 December 2019.

The consolidated net loss for the financial year ended 31 December 2019 was \$8,227,500, narrowed down significantly compared to 2018 which registered a net loss of \$21,940,839.

The financial year 2019 marks the Group's entry into Europe, particularly Sweden. Following the Group's subsidiary, Fatfish Global Venture AB's ("**FGV**") acquisition of Sweden based tech venture investment firm, Snaefell Ventures AB in February 2019, FGV is currently undergoing a merger with Swedish listed Abelco Investment Group AB (publ) ("**Abelco**") in deal that is worth \$12.7million to the Group.

FGV's merger with Abelco will create a tech powerhouse with an international presence from the Nordic region to Southeast Asia, with a portfolio exceeding 20 holdings. The merger is expected to close during the first quarter of 2020 and is expected to become the key driver of shareholder value for Fatfish moving forward.

During the financial year, the Group has also completed the disposal of non-core assets such as shares in Malaysia-listed Peterlabs Holdings Berhad and Altairian Capital, allowing the management to focus on Fatfish's core area of business.

This announcement has been authorised by the Board of Directors of the Company.

– End –



Fatfish Blockchain Limited

(ACN 004 080 460)
Level 4, 91 William Street
Melbourne VIC 3000
Australia

www.fatfish.co

About Fatfish Blockchain Limited

Fatfish Blockchain Limited (**ASX: FFG, US: FFTF**) is a publicly traded international venture investment and development firm. FFG partners with entrepreneurs and experienced executives to build and grow tech businesses via a co-entrepreneurship model. FFG focuses on emerging global technology trends, specifically FFG has been investing strategically across various sectors of **blockchain, fintech and consumer internet** technologies.

Fatfish is currently invested in the highly viable sectors of Blockchain and Consumer Internet:

- (i) **Blockchain Technology** – cryptocurrency exchange, cryptomining business, blockchain focused fund management business; and
- (ii) **Consumer Internet** – A portfolio of companies that focus on digital entertainment, fintech, e-commerce and enterprise software. The portfolio includes iCandy Interactive Ltd (ASX: ICI), Cloudearon Berhad (MYX: CLOUD), Beam Space, iFashion Group, Fatberry, Lunch Actually, iSecrets, Stilla, Wheellys and many others.

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

For more details, please contact:

ir@fatfish.co or visit www.fatfish.co

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Lodged with the ASX under Listing Rule 4.3A

Contents

Results for announcement to the market

Net tangible assets

Control over other entities

Associates and joint venture entities

Preliminary financial statements

Compliance statement

Company Details

Name of reporting entity:	Fatfish Blockchain Limited
ABN:	88 004 080 460
Reporting period:	1 January 2019 - 31 December 2019
Prior corresponding reporting period:	1 January 2018 - 31 December 2018

Results for announcement to the market

Revenue from ordinary activities	Down	29%	to	\$	2,711,037
Loss from ordinary activities attributable to members	Down	59%	to	\$	7,067,806
Net loss for the year attributable to members	Down	0%	to	\$	-

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year.

Revenue from ordinary activities \$2,711,037 compared to last year's revenue of \$3,837,100.

Net loss attributable to members \$7,067,806 compared to last year's profit of \$17,448,538.

Loss per share of (1.03 cents) compared with last year's loss of (3.58 cents)

Diluted loss per share of (1.03 cents) compared with last year's loss of (3.58 cents).

Review of Operations

The consolidated net loss for the financial year ended 31 December 2019 was \$8,227,500, compared to net loss of \$21,940,839 for the financial year ended 31 December 2018. The Company has managed to narrow down the loss significantly compared to prior year.

The net assets of the Group as at 31 December 2019 was \$23,816,865.

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 Cloudearon Group Berhad.

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

- (i) 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
- (ii) 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 is expected to close during the first quarter of 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.

Net tangible assets

Net tangible asset backing per ordinary share at 31 December 2018, (0.029 cents), and at previous corresponding period, (0.036 cents).

Control over other entities

Name of entity:	N/A
Date of control gained:	N/A
Contribution to reporting entity's profit:	N/A

**PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 For the year ended 31 December 2019**

	Note	Group	
		2019 (unaudited) \$	2018 \$
Continuing operations			
Revenue	2	2,711,037	3,837,100
Cost of sales		<u>(1,589,727)</u>	<u>(2,489,944)</u>
Gross Profit		1,121,310	1,347,156
Other income/(expenses)	3	535,288	734,613
Unrealised gain/(loss) on investments at fair value		(4,913,789)	(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	8	(1,679,354)	(2,276,241)
Administration expenses	3	(1,303,237)	(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		<u>(294,461)</u>	<u>(281,294)</u>
Loss before income tax		(8,227,500)	(21,940,839)
Tax expense		-	-
Net loss for the year		<u>(8,227,500)</u>	<u>(21,940,839)</u>
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		(2,426,697)	(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		469,981	2,787,367
Total other comprehensive income/(loss) for the year		<u>(1,956,716)</u>	<u>(1,190,651)</u>
Total comprehensive income for the year		<u>(10,184,216)</u>	<u>(23,131,490)</u>
Net profit attributable to:			
Members of the parent entity		(7,067,806)	(17,448,538)
Non-controlling interest		<u>(1,159,694)</u>	<u>(4,492,301)</u>
		<u>(8,227,500)</u>	<u>(21,940,839)</u>
Total comprehensive income attributable to:			
Members of the parent entity		(9,297,963)	(19,126,044)
Non-controlling interest		<u>(886,253)</u>	<u>(4,005,446)</u>
		<u>(10,184,216)</u>	<u>(23,131,490)</u>
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(1.03)	(3.58)
Diluted earnings per share (cents)		(1.03)	(3.58)

The above statement should be read in conjunction with the accompanying notes.

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2019

	Note	Group	
		2019 (unaudited) \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		596,472	336,838
Trade and other receivables		293,196	506,053
Inventories		130,989	349,907
Other financial assets	4	1,193,615	2,128,986
Other assets		225,070	144,711
TOTAL CURRENT ASSETS		2,439,342	3,466,495
NON-CURRENT ASSETS			
Financial Assets - Fair value OCI	5	8,836,498	11,781,703
Property, plant and equipment	6	904,944	617,625
Investments at fair value through profit or loss	7	14,201,714	18,772,943
Intangible assets	8	532,573	2,171,762
Other non-current assets		1,004,920	1,203,325
Right-of-use assets		39,776	-
TOTAL NON-CURRENT ASSETS		25,520,425	34,547,358
TOTAL ASSETS		27,959,767	38,013,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		994,703	1,740,229
Borrowings		439,647	61,575
Other financial liabilities	9	2,668,093	4,067,140
TOTAL CURRENT LIABILITIES		4,102,443	5,868,944
NON-CURRENT LIABILITIES			
Other financial liabilities		-	849,414
Borrowings		-	157,564
Lease liability		40,459	-
TOTAL NON-CURRENT LIABILITIES		40,459	1,006,978
TOTAL LIABILITIES		4,142,902	6,875,922
NET ASSETS		23,816,865	31,137,931
EQUITY			
Issued capital	10	39,111,914	36,248,763
Reserves		1,275,578	3,505,735
Retained earnings	11	(19,337,477)	(12,269,671)
Equity attributable to owners of the parent entity		21,050,015	27,484,827
Non-controlling interest		2,766,851	3,653,104
TOTAL EQUITY		23,816,866	31,137,931

The above statement should be read in conjunction with the accompanying notes.

PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Share Capital		Reserves			Subtotal	Non-controlling interests	Total
	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve			
	\$	\$	\$	\$	\$	\$	\$	
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	-	-	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	-	(7,067,806)	-	-	-	(7,067,806)	(1,159,694)	(8,227,500)
Other comprehensive income for the year	-	-	196,540	-	(2,426,697)	(2,230,157)	273,441	(1,956,716)
Total comprehensive income for the year	-	(7,067,806)	196,540	-	(2,426,697)	(9,297,963)	(886,253)	(10,184,216)
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	2,905,151	-	-	-	-	2,905,151	-	2,905,151
Transaction costs net of tax	(42,000)	-	-	-	-	(42,000)	-	(42,000)
Total transactions with owners and other transfers	2,863,151	-	-	-	-	2,863,151	-	2,863,151
Balance at 31 December 2019	39,111,914	(19,337,477)	2,280,178	398,593	(1,403,194)	21,050,015	2,766,851	23,816,866

The accompanying notes form part of these financial statements.

PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Group	
	2019 (unaudited)	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,321,464	3,991,141
Dividends received	-	81
Interest received	1,851	3,381
Payments to suppliers and employees	(4,854,263)	(5,525,374)
Finance costs	-	(55,769)
Net cash generated by operating activities	<u>(2,530,948)</u>	<u>(1,586,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	15,567
Acquisition of subsidiaries - net of cash acquired	-	(985,381)
Purchase of property, plant and equipment	(471,071)	(2,196,059)
Proceeds from disposal of investments	343,673	-
Purchase of investments	-	(1,668,147)
Loans to related parties:		
- payments made	(821,756)	(464,285)
- proceeds from repayments	935,371	848,236
Net cash (used in)/generated by investing activities	<u>(13,783)</u>	<u>(4,450,069)</u>
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)
Proceeds from borrowings	-	1,084,512
Repayments of borrowings	-	(1,095,180)
Net cash provided by (used in) financing activities	<u>2,810,847</u>	<u>2,884,304</u>
Net increase in cash held	266,116	(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	(6,482)	166,005
Cash and cash equivalents at end of financial year	<u>596,472</u>	<u>336,838</u>

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 31 December 2019

Note 2: Revenue

	Group	
	2019 (unaudited)	2018
	\$	\$
(a) Revenue		
- designer and consultant fees	-	2,975
- incubator services	75,748	71,765
- interest revenue	1,851	3,552
- online sales	2,003,719	3,206,730
- management fees	15,185	17,848
- services income	56,567	72,800
- income on digital currency mined	557,967	461,430
	<u>2,711,037</u>	<u>3,837,100</u>

Note 3: Profit for the year

	Group	
	2019 (unaudited)	2018
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Other income/(expenses)		
- unrealised foreign exchange gains	(20,048)	129,650
- other income	535,610	590,089
- gain on sale of fixed assets	19,726	14,874
	<u>535,288</u>	<u>734,613</u>
(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 relation expense	138,155	77,140
- secretarial fees	18,647	499
- research fees	-	34,902
- other miscellaneous expenses	86,490	202,648
	<u>1,303,237</u>	<u>1,734,715</u>

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 31 December 2019

Note 4: Other Financial Assets

	Group	
	2019 (unaudited)	2018
	\$	\$
Current		
Amount receivable from:		
- related parties - others	28,905	79,723
- related parties - subsidiaries (unconsolidated)	908,174	924,379
- others	605,126	846,741
Less:		
Provision for impairment of amounts receivable from related parties	(619,832)	(669,728)
	922,373	1,181,115
Convertible Notes - Related Parties	271,242	947,871
Total current assets	1,193,615	2,128,986
Total Other Financial Assets		
Current	1,193,615	2,128,986
Non-Current	-	-
	1,193,615	2,128,986

Terms of receivables:

All receivables are at call.

There are no securities attached.

There are no securities attached.

During the financial year, the Company had 1 convertible note for a total value of \$271,242 (SGD 255,998). The terms and conditions for each convertible note are set out below.

1. Fatfish Ventures Sdn Bhd

Maturity

Due and payable on 10 April 2020

Interest on loan

No interest payable

Conversion by holder

On maturity, if the Company decides not to opt for repayment, the Company can choose to convert the principle sum into shares of the company.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 31 December 2019

Note 5: Financial Assets - Fair value OCI

	Group	
	2019 (unaudited)	2018
	\$	\$
Non-Current		
Financial Assets - Fair value OCI	8,836,498	11,781,703
	<u>8,836,498</u>	<u>11,781,703</u>
Financial Assets - Fair value OCI		
Listed and unlisted investments, at fair value		
- shares in listed corporations	2,609,485	4,519,693
- shares in unlisted corporations	6,227,013	7,262,010
	<u>8,836,498</u>	<u>11,781,703</u>
<i>Reconciliation</i>		
Listed Corporations		
Opening balance - 1 January 2019	4,519,693	
Movement in foreign currency	85,280	
Increase in fair value of financial assets - fair value OCI	<u>(1,995,488)</u>	
	<u>2,609,485</u>	
Unlisted Corporations		
Opening balance - 1 January 2019	7,262,010	
Movement in foreign currency	(613,327)	
Increase in fair value of financial assets - fair value OCI	<u>(421,670)</u>	
	<u>6,227,013</u>	

Note 6: Property, Plant and Equipment

	Group	
	2019 (unaudited)	2018
	\$	\$
PLANT AND EQUIPMENT		
Leasehold Improvements		
Cost	111,689	115,105
Accumulated depreciation	<u>(48,910)</u>	<u>(28,133)</u>
	<u>62,779</u>	<u>86,972</u>
Furniture and Fittings		
Cost	14,776	14,472
Accumulated depreciation	<u>(14,134)</u>	<u>(11,857)</u>
	<u>642</u>	<u>2,615</u>
Computer Equipment		
Cost	116,573	114,619
Accumulated depreciation	<u>(66,690)</u>	<u>(51,894)</u>
	<u>49,883</u>	<u>62,725</u>
Motor Vehicle		
Cost	120,272	117,801
Accumulated depreciation	<u>(66,800)</u>	<u>(26,164)</u>
	<u>53,472</u>	<u>91,637</u>
Plant and equipment		
Cost	2,506,707	2,025,969
Accumulated depreciation and impairment losses	<u>(1,768,539)</u>	<u>(1,652,293)</u>
	<u>738,168</u>	<u>373,676</u>
Total Plant and Equipment	<u>904,944</u>	<u>617,625</u>

Reconciliation

	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Motor Vehicle	Plant and Equipment	Total
Opening net book value	86,972	2,615	62,725	91,637	373,676	617,625
Additions	-	-	5,371	-	465,701	471,072
Depreciation expense	(23,380)	(2,019)	(15,952)	(39,897)	(101,393)	(182,641)
Movement in foreign currency	(813)	44	(2,261)	1,732	184	(1,114)
	<u>62,779</u>	<u>640</u>	<u>49,883</u>	<u>53,472</u>	<u>738,168</u>	<u>904,944</u>

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS For the year ended 31 December 2019

Note 7: 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 the Group.

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group		Proportion of non-controlling interests	
		2019	2018	2019	2018
Fatfish Disruptive Ventures Limited	British Virgin Island	100%	100%	-	-
Minerium Limited	Guemsey	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	Singapore	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%	-

(b) Significant Restrictions

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

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

The Board adopted the exception to consolidation for investment entities as described in AASB 10 which became effective on 1 October 2018. 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
iCandy Interactive Limited	Australia	5,762,125	9,625,000
Fatfish Investments Partners Pte Ltd	Singapore	-	10
Fintech Asia Group Limited	British Virgin Island	8,439,589	8,266,617
		14,201,714	18,772,943

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 31 December 2019

Note 8: Intangible Assets

	Group	
	2019 (unaudited) \$	2018 \$
Goodwill		
Cost	2,387,012	2,387,012
Accumulated impairment losses	(2,387,012)	(707,713)
Net carrying amount	<u>-</u>	<u>1,679,299</u>
Computer software		
Cost	761,079	778,304
Accumulated amortisation and impairment losses	(410,702)	(303,693)
Net carrying amount	<u>350,377</u>	<u>474,611</u>
Cryptocurrency		
Cost	720,980	556,606
Accumulated amortisation and impairment losses	(538,784)	(538,754)
Net carrying amount	<u>182,196</u>	<u>17,852</u>
Total Intangible Assets	<u><u>532,573</u></u>	<u><u>2,171,762</u></u>

Reconciliation

	Goodwill	Computer Software	Cryptocurrency	Total
Opening net book value	1,679,299	474,611	17,852	2,171,762
Additions	-	-	177,078	177,078
Amortisation and impairment losses	(1,679,299)	(114,134)	-	(1,793,433)
Movement in fair value	-	-	(12,734)	(12,734)
Movement in foreign currency	-	(10,100)	-	(10,100)
	<u>-</u>	<u>350,377</u>	<u>182,196</u>	<u>532,573</u>

Note 9: Other Financial Liabilities

	Group	
	2019 (unaudited) \$	2018 \$
Current		
Amount payable from:		
- related parties - others	122,998	-
- related parties - subsidiaries (unconsolidated)	725,863	606,125
- others	101,060	3,121,353
Convertible Loans	1,718,172	179,697
Promissory Note	-	159,965
Total current assets	<u>2,668,093</u>	<u>4,067,140</u>
Non-Current		
Convertible Loans	-	849,414
Promissory Note	-	849,414
Total Other Financial Liabilities		
Current	2,668,093	4,067,140
Non-Current	-	849,414
	<u><u>2,668,093</u></u>	<u><u>4,916,554</u></u>

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 31 December 2019

Note 10: Issued Capital

(a) Share Capital

The share capital of Fatfish Blockchain Limited (the Company) consists of 813,565,311 fully paid ordinary shares as at 31 December 2019.

(b) Movements in ordinary share capital

	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	<u>564,267,982</u>	<u>36,248,763</u>
Issued during the year	249,297,329	2,905,151
Less: transaction costs	-	(42,000)
Closing Balance at 31 December 2019	<u><u>813,565,311</u></u>	<u><u>39,111,914</u></u>

Note 11: Accumulated Losses

	Group	
	2019 (unaudited)	2018
	\$	\$
Retained earnings at the beginning of the financial period	(12,269,671)	5,178,867
Net (losses)/profit attributable to members	<u>(7,067,806)</u>	<u>(17,448,538)</u>
Accumulated losses at end of the financial period	<u><u>(19,337,477)</u></u>	<u><u>(12,269,671)</u></u>

Note 11: Accumulated Losses

Losses used to calculate basic and dilutive EPS	(7,067,806)	(17,448,538)
---	-------------	--------------

	Number	
	2019	2018
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
Basic loss per share (cents)	(1.03)	(3.58)
Diluted loss per share (cents)	(1.03)	(3.58)

Note 12: Events Subsequent to Reporting Date

On 20 January 2020, the Company announced that its deal with Swedish-listed Abelco has become unconditional and is expected to close soon. Upon closing, the purchase consideration of approximately AUD \$12.7 million will be paid by Abelco to the Company in the form of Abelco shares.

As at the date of this report, the purchase consideration is still outstanding.

COMPLIANCE STATEMENT

The financial information provided in Appendix 4E is based on the annual financial report which is being prepared in accordance with Australian Accounting Standards or standards acceptable to ASX.

The reporting and the accounts upon which the report is based used the same accounting policies.

In the Directors' Opinion, this report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited.

The financial report is not likely to be the subject of dispute or qualification.



Signed:
 Kin Wai Lau
 Director
 28 February 2020