ACN 122 921 813

APPENDIX 4E

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

This Appendix 4E report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

Appendix 4E Information

Reporting Year	**Comparative Period**
Year ended 31 December 2015	5 months ended 31 December 2014

Results for announcement to the market

		Percentage change *%*		*Amount* *A$*
Revenue from ordinary activities	up	629.7%	to	7,544,457
Loss from ordinary activities after tax attributable to members of Animoca Brands Corporation Limited	down	61.9%	to	(2,934,459)
Net loss attributable to members of Animoca Brands Corporation Limited	down	61.9%	to	(2,934,459)

Reported revenue of $7.5 million for the full year 2015 represents a 69% increase, year on year, compared to the same period in 2014[1], and a 559% increase on FY 2014 (the period from 1 August 2014 – 31 December 2014 equal to US$933,485). This was driven by the ongoing growth and activity of our user base, which was fuelled by the expansion of our mobile app portfolio and distribution channels. This has validated our strategy of producing a large number of apps at a reasonable cost to increase our portfolio and consequently user engagement.

Dividend information

No dividend was paid or declared by the Company in the year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 31 December 2015.

Net Tangible Assets Per Security

	31 December 2015	*31 December 2014*
Net tangible assets per security[2]	$0.011	($0.025)

Change in presentation currency

[1] Percentage increase based on USD:AUD conversion of the 2014 aggregate of the pro forma accounts from 1 January 2014 – 30 June 2014 disclosed in the Replacement Prospectus dated 4 December 2014 plus the unaudited management accounts for July 2014 plus the audited accounts for 1 August 2014 – 31 December 2014. Conversion rate based on USD:AUD rate of 1.3687.

[2] Note this amount includes the fair value of the performance shares treated as a financial liability. Refer to the notes to the attached financial statements for further details.

From 1 January 2015, the group changed the currency in which it presents its consolidated and parent entity financial statements from US Dollars to Australian Dollars. This change has no impact on the net income of the Consolidated Entity other than presentation in Australian Dollars instead of US Dollars.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in this report that had previously been reported in US Dollars has been restated to Australian Dollars using the procedures outlined below:

- Assets and liabilities denominated in non-Australian Dollar currencies were translated to Australian dollars at closing rates of exchange. Non Australian dollar trading results were translated into Australian Dollars at average rates of exchange. Differences resulting from the re-translation of the opening net assets and the results for the year have been taken into equity;
- All exchange rates used were extracted from the Groups underlying financial records.

The exchange rates of Australian Dollars to US Dollars over the periods included in this Annual Report and accounts are as follows:
Closing rate – 2014 - $0.82
Average rate – 2014 - $0.903

Other Information
This report is based on the consolidated financial statements which are audited by Grant Thornton Audit Pty Ltd. Grant Thornton Audit Pty Ltd has signed an unqualified audit report in the attached financial statements.

animoca BRANDS

ACN 122 921 813

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Contents to the Annual Financial Report

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1. **First year as a listed entity** on the Australian Securities Exchange following successful acquisition and re-listing completed in January 2015

2. **Completion of $3.1 million equity raise** with strategic Investor Ourpalm, one of the world's largest mobile game companies, in July 2015

3. **Appointment of Steven Hu,** Co-CEO of Ourpalm, as Non-Executive Director, expanding the expertise of the Board

4. **Further $4.7 million in capital raised** from sophisticated and institutional investors in December 2015 to implement new initiatives and monetisation strategy

5. **Revenue of $7.5 million**, representing a **69% increase, year on year**, compared to the same period in 2014 (based on the aggregate of pro forma, management, and audited accounts during the period), and a 559% increase on FY 2014 (the period from 1 August 2014 – 31 December 2014) – driven by increased distribution channels, an expanded app portfolio, and strong advertising growth

6. **Expansion of licensed IP** – First celebrity deal through the licensing of Paris Hilton name and image

7. **Partnership with Mattel** – Licensing IP and developing children's apps in partnership with a global leader in the design, manufacture and marketing of toys and family products. Animoca Brands launched its first two Mattel-based products in 2015.

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    - Agreement with Tencent, leading Chinese entertainment company to publish successful *Armies of Dragons* mobile game
    - 15 games by Animoca Brands featured as part of Google's 'Designed for Families' section of the Google Play Store

11. **Star performer during the year** – *Doraemon Gadget Rush* was downloaded over 1.8 million times in less than two weeks following its launch on 5 February 2015

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13. **Partnership with Leading Hollywood Entertainment Studio Lionsgate and feature film producer Splash Entertainment** to produce two mobile games for the animated feature film, Norm of the North

14. Average number of **Monthly Active Users** increased by 38% in 2015 to 8.6 million

15. **Total new installations** of our apps this year grew by 37%, from 45 million in 2014 to 61 million in 2015, bringing the total cumulative number of app installs to 174.7 million at the end of 2015

16. Successfully launched **75 new games** in 2015, including two successful releases in partnership with Mattel, bringing Animoca Brands' total number of apps to 411

17. **Solidified position as a leading designer and developer of mobile gaming products**, through partnerships with leading global brands

Chairman's Report

First year as a listed entity on the Australian Securities Exchange following successful acquisition and re-listing completed in January 2015

Dear Shareholders,

Welcome to the Animoca Brands Annual Report for the year ending 31 December 2015. This was our first year trading as a publicly listed company on the Australian Securities Exchange.

At the time of our listing we set an ambitious set of targets, including licensing more intellectual properties for our brand portfolio, launching more games in more categories around the world, and increasing our footprint in the fast-growing Chinese market. I'm pleased to report that we have achieved all of these targets.

Expansion of licensed IP - Licensing of Paris Hilton name and image and partnership with Mattel, global leader in the design, manufacture and marketing of toys and family products

From our partnership with Mattel (through which we're accessing dozens of the best-known toy and entertainment brands in the world), to the strategic investment by Ourpalm (one of China's largest mobile game companies), we have had a great year of business development.

Achieved Multiple Milestones

In 2015 we pushed our total cumulative downloads to over 174 million, which was a direct result of the expansion of our app portfolio. This strong performance in app marketing and distribution provides validation for our strategy to produce and publish a high volume of apps.

Throughout the year we continued to demonstrate our ability to partner with major global companies and globally recognised brands. Our partnership with Mattel, a global leader in the design, manufacture and marketing of toys and family products, has provided Animoca Brands with access to an extensive portfolio of well-known characters and toys, including Thomas & Friends, Ever After High, Monster High, Barbie, Hot Wheels, BLOKS, Bob the Builder, and others.

Agreement with Tencent, China's largest Internet company, to publish *Armies of Dragons* mobile game

We have worked hard to strengthen our distribution channels in order to increase the reach and audience penetration of our products. In the past year we added a number of new partners to improve our ability to reach an even broader audience. In November 2015, we began to publish our successful *Armies of Dragons* mobile app on Tencent's WeChat platform in South East Asia. This deal has opened the opportunity for the Company to publish more games on WeChat, which is recognised as one of the world's largest messenger platforms and the leading platform for casual games distribution in China.

In 2015 Google launched its new 'Designed for Families' section of the Google Play store, aimed at helping parents source appropriate games and content for by organising it by brand; we were extremely pleased that Google requested 15 of our games for inclusion in the launch of 'Designed for Families'.

15 games by Animoca Brands to feature as part of Google's new 'Designed for Families' section of the Google Play Store

Our Mattel-based game *Thomas and Friends: Race On!* launched on December 15 and was downloaded approximately 900,000 times in its first month, with downloads accelerating at the beginning of 2016 as the *Thomas and Friends* feature film was released across China

Partnership with premier next-generation global content leader Lionsgate and feature film producer Splash Entertainment to produce two mobile games for the animated feature film *Norm*

Our portfolio of licensed IP has continued to expand and we enter 2016 with a strong collection of brands in our possession. Subsequent to the end of the year, we entered into a partnership with leading Hollywood entertainment company Lionsgate to develop two new games based on the character in Lionsgate's newly released *Norm of the North* motion picture.

In addition to games based on famous intellectual properties, Animoca Brands also develops original titles, one of which in particular stood out in 2015. *Groove Planet* is an experimental music game launched in December on Apple's App Store, which immediately garnered very strong popular and critical praise, accumulating over 650,000 downloads in its first month and topping the download charts around the world. Apple industry resource Cult Of Mac called it "one of the most original and fun iOS games." Leading iPhone/iPad game reviewer TouchArcade rated it 4.5 out of 5 stars and named it Game of the Week, saying its production values are "through the roof, and it's just a joy to play". Apple responded very positively to *Groove Planet*, and featured it over 1,000 times in the App Store globally.

Mobile Gaming Continues to Gain Traction Globally

Animoca Brands operates in a growing global gaming market, an industry expected to reach US$44 billion in revenue by 2018 according to a recent report by Newzoo. Our core user base is situated within the Asia-Pacific, with roughly 49% of our user base located in the region (16% in China and 33% in the rest of Asia-Pacific). The region continues to be the fastest growing for mobile games, with revenue in China reaching US$6,530 million last year. China is now recognised as the country with the highest mobile gaming revenue, closely followed by Japan with US$6,180 million. These two countries combined account for over 40% of the total global market share of in-app purchase revenues, and Animoca Brands regularly pursues partnerships and distribution agreements with key participants in these markets.

In March 2015, we partnered with Ourpalm to release our global hit *Doraemon Gadget* Rush in China. In April 2015, we partnered with Gravity Co Ltd and Neocyon Inc, subsidiaries of Gung Ho Entertainment, a leading Japanese video game corporation, to release two high profile mobile games: *Ragnarok Kingdoms* and *Cinderella Farm*.

The focus of our games is on the Android and iOS platforms, which continue to account for the majority of the smartphone market. According to International Data Corporation (IDC) Android and iOS accounted for over 96% of smartphone shipments worldwide and shipments continue to increase.

- **Completion of $3.1 million equity raise** with strategic Investor Ourpalm in July
- **Further $4.7 million in capital raised** from sophisticated institutional investors in December. Funds raised will increase new initiatives and monetisation strategies

Looking Ahead

This year we raised a total of AU$10.2 million. Upon listing in January 2015, we completed a successful equity raising of $2.4 million, followed by our strategic partnership with Ourpalm in May raising $3.1 million, and in December a share placement raising $4.7 million in capital.

These capital injections, coupled with our partnership with Mattel, position Animoca Brands to accelerate both user growth and monetisation of our user base as we focus on a number of new opportunities.

Based on the progress we have made this year we expect 2016 to be a pivotal year for the Company as we roll out a number of exciting new initiatives, including an exciting new e-book initiative in partnership with Mattel.

The introduction of e-books and its related advertising opportunities are expected to increase our revenue growth in 2016. As we develop further products in partnership with global brand leaders we anticipate that our user base will continue to grow, thereby presenting new revenue, cross-promotion, and advertising opportunities. We will continue to add to our portfolio of licensed brands and to our distribution channels across key markets.

We have established a solid base from which to expand our alliances with global brands, and I have great confidence in our ability to continue to attract leading brands and publishers as partners.

Finally, I would like to thank all our shareholders. 2016 promises to be exciting and highly active for Animoca Brands, and I look forward to the progress that we will achieve as we continue to pursue our high-volume strategy.

Mr David Kim
Chairman

Chief Executive Officer's Report

Dear Shareholders,

Welcome to our Annual Report for 2015. This year we welcomed a number of new shareholders and delivered on a number of important milestones set for the Company, including the expansions of our licensed brand portfolio, distribution channels, and mobile app portfolio.

Financial Overview

I am pleased to report revenue of $7.5 million for the full year 2015. This represents a **69% increase, year on year**, over the same period in 2014[1], and a 559% increase on FY 2014 (the period from 1 August 2014 – 31 December 2014 equal to US$933,485). This was driven by the ongoing growth and activity of our user base, which was fuelled by the expansion of our mobile app portfolio and distribution channels. This revenue increase validates our strategy of producing a large number of apps at a reasonable cost in order to increase our portfolio and, consequently, user engagement.

Revenues of $7.5 million, representing a **69% increase** year on year – driven by increasing in-app purchases as the volume of mobile apps and distribution channels have grown, in turn expanding the user base.

in 2015 we incurred a loss of $2,934,459, representing a reduction on the loss incurred in FY2014 (US$6,355,034) of 290%.

Operational Highlights

During the year, we experienced significant user growth across our game portfolio, with an average of 5.1 million new monthly users each month. We continued to launch new products frequently, having produced and published 75 new apps in 2015, bringing the Company's portfolio to 411 apps.

Our *Doraemon Gadget Rush* game launched in February 2015 and dominated the download charts across Asia with 1.8 million downloads in less than two weeks, becoming one of

Star performer during the year – *Doraemon Gadget Rush* was downloaded over 1.8 million times in less than two weeks when it was launched on 5 February 2015

[1] Percentage increase based on USD:AUD conversion of the 2014 aggregate of the pro forma accounts from 1 January 2014 – 30 June 2014 disclosed in the Replacement Prospectus dated 4 December 2014 plus the unaudited management accounts for July 2014 plus the audited accounts for 1 August 2014 – 31 December 2014. Conversion rate based on USD:AUD rate of 1.3687.

our star performers. It also became the number one most downloaded iPad game in China, Japan, Taiwan, Indonesia, Hong Kong, Vietnam, Brunei and Macau, based on daily rankings.

Average number of **Monthly Active Users** increased by 38% in 2015 to 8.6 million

Monthly Active Users grew from an average of 6.2 million per month in 2014 to an average of 8.6 million per month in 2015, an increase of 38%. New installations of Animoca Brands apps grew by 37%, from 45 million in 2014 to 61 million in 2015, bringing the cumulative total number of downloads to 174.7 million by the end of 2015.

Following the partnership signed with Mattel in May, we launched our first Mattel game in November, called *Ever After High™ Tea Party Dash*! This was followed by a second Mattel-based game in December titled *Thomas and Friends™: Race On!*, and then a third game called *Ever After High™ Charmed Style* in January this year. These games co-developed with Mattel have been widely accepted by users, who have downloaded them over 3.9 million times as of 12 February 2016.

Successfully launched 75 **new games** in 2015, including two new releases in partnership with Mattel, bringing the total number of apps to 411

December also saw the launch of *Groove Planet*, an experimental music game that received numerous accolades from industry reviewers and was featured prominently by Apple. *Groove Planet* received a high number of downloads during the Christmas period and drove record-high advertising rates for the Company.

Expanded Brand Portfolio

The Company continued its strategy to acquire additional Intellectual Property rights to expand our portfolio of branded games. In March 2015, we acquired the right to license the name and image of global celebrity Paris Hilton, one of the world's most recognised names and among the most followed celebrities on social media. We subsequently launched new Paris Hilton branded in-app merchandise in the Star Girl mobile game, owned by our partner Complete Star.

Ongoing product expansion based on existing and newly licensed IP - First in-app merchandise launched using the Paris Hilton brand and first games published with Mattel: *Thomas & Friends™: Race On!, Ever After High™: Tea Party Dash!, Ever After High™ Charmed Style*

In May, we joined forces with Mattel to co-develop mobile games based on its portfolio of globally recognised brands including Thomas & Friends™, Hot Wheels™, Monster High™, Ever After High™ and BLOKS™. This partnership has significantly expanded our portfolio of licensed brands. We will work closely with Mattel to launch various new products, including e-Books based the existing libraries of physical books utilising Mattel's brands.

Management

Following the successful strategic investment secured with Ourpalm, Mr Steven Hu joined the Board of Directors as a Non-Executive Director.

Appointment of Steven Hu as Non-Executive Director, expanding the expertise of the Board

Mr Hu brings over a decade of corporate and venture capital experience in both Internet and Wireless. His experience leading the transformation of Ourpalm into a global gaming company is expected to provide Animoca Brands with access to in-depth knowledge of the Chinese mobile gaming market. He adds to an already well-credentialed and high calibre board.

I am confident that the expertise and skills of our board and management team are those required to grow our business and implement our new strategic initiatives this year.

Strategy

We remain committed to our development strategy of partnering with globally recognised brands to develop a wide range of mobile apps, with the intention of increasing our ability to create successful games and apps that continue to attract wider audiences of users.

In 2015 we partnered with more brands, which increased our ability to launch new games and products. In 2016 we will collaborate with Mattel to launch our first range of e-books based on Mattel's content, expanding our product offering and revenue streams.

Diversifying product offering through collaboration with Mattel to launch range of e-books

This year we also intend to focus on increasing in-app mobile advertising. According to eMarketer, advertising on mobile grew an estimated 61% in 2015, and is forecast to grow a further 48% in 2016 to over $140 billion globally. Currently, about 23% of our revenue is generated by in-app advertising, however advertising is in high demand among clients, and we aim to increase our revenue contributions from advertising to take advantage of this trend.

Outlook

This has been our first full year operating as a publicly traded Company and we have made significant progress since our listing on the ASX in January 2015.

Throughout the year we have been focused primarily on three main drivers:

- Expanding our brand portfolio through partnerships to co-develop games with leading global brands
- Increasing our distribution channels with well-established and recognised platforms

- Establishing a solid base from which to launch new products and further encourage revenue generation from existing offerings

Having been successful in expanding our brand portfolio and distribution channels we have established a solid base from which to continue to grow our global audience this year. We are now focused on leveraging our partnerships and substantial user base to increase our ability to ramp up our revenue generation from multiple sources.

We have a number of new games in our pipeline and new initiatives, which we're excited about launching later this year. New initiatives include the introduction of e-books and an increased focus on in-app advertising in order to further diversify our revenue streams.

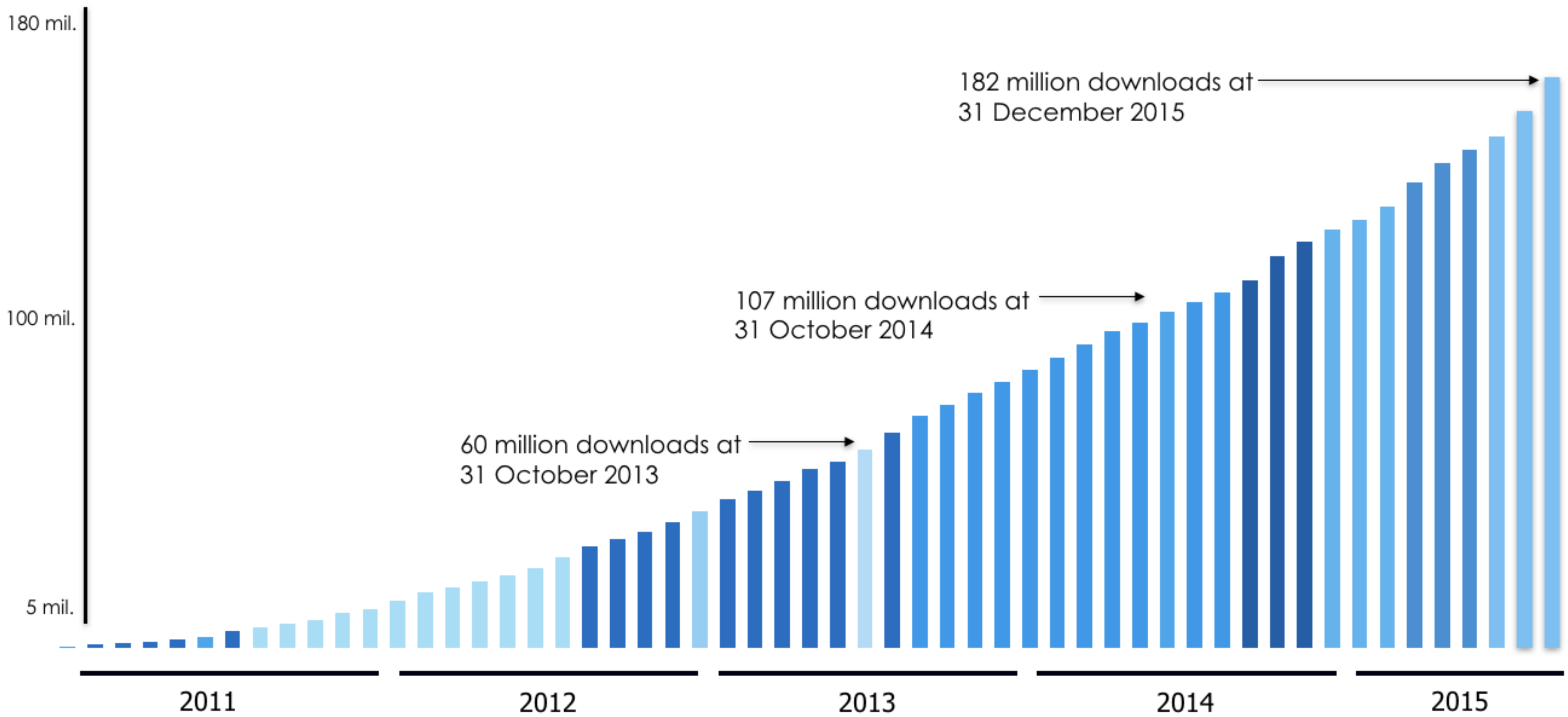
Solidified position as a leading designer and developer of mobile gaming products in partnership with leading global brands

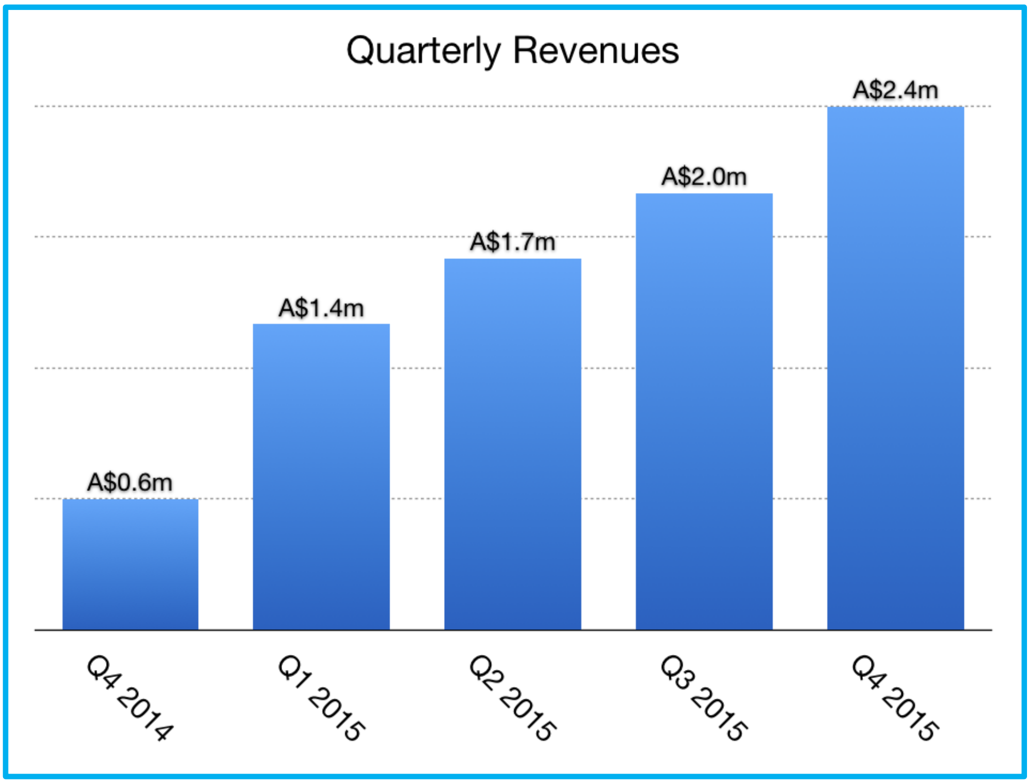
Asia Pacific has proven to be a critically important region for Animoca Brands. China overtook Japan to become the largest market, by revenues, for mobile games in 2015, growing at an astounding 46.5% over 2014 data. This year Southeast Asia emerged as the fastest-growing mobile game region in the world, growing 69.1% year on year. We took advantage of this growth by partnering with Chinese behemoths Ourpalm, Tencent, and Xiaomi to launch various games in China and/or around Asia, and we will continue to focus our efforts around the region to capitalize on its significant market opportunities.

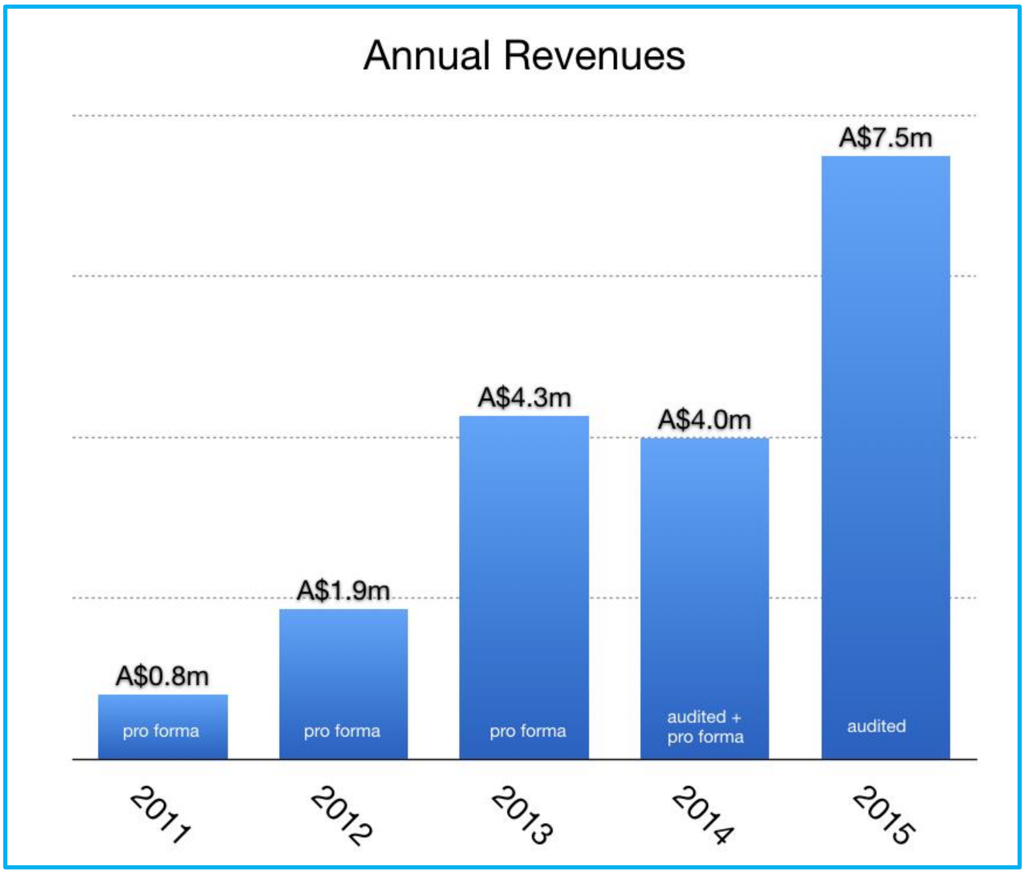
On behalf of the board, I wish to thank our shareholders and staff for their support and contribution to the business this year. I look forward to continuing the momentum into 2016, which is shaping up to be an eventful year for Animoca Brands.

Mr Robert Yung
Chief Executive Officer

Animoca Brands – New User Growth







Note: The 2014 revenues are comprised of pro forma results from January – June 2014, audited results from August – December 2014, and unaudited management accounts for July 2014. The pro forma revenue figures above are originally in US$ and were disclosed in the Company's prospectus issued in December 2014 and have been translated to A$ for reference purposes only. The rate used is the year end US$/A$ FX rate of the RBA, namely 1.2192 for the year ending 31 December 2014. Some of the quarterly revenue figures illustrated in the chart and table are originally in US$ and have been translated to A$ for reference purposes only. The rates used are the year end US$/A$ FX rate of the RBA, namely 1.1675, 1.2712, 1.2839, 1.3105, and 1.3917 for each of Q4 2014 through Q4 2015, respectively.

Corporate information

ABN 29 122 921 813

Directors
Mr David Kim (Chairman)
Mr Robert Yung (Managing Director)
Mr Yat Siu
Mr David Brickler
Mr Richard Kuo
Mr Martin Green
Mr Bin Hu

Company Secretary
Jillian McGregor

Registered office
Suite 3, Shore 2/3, 13 Hickson Road, Sydney, NSW, Australia, 2000

Share Register
Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Phone: +61 8 9315 2333

Animoca Brand Corporation Limited's shares are listed on the Australian Securities Exchange (ASX) under the stock code 'AB1'. Its presentation and functional currency is Australian dollars and unless otherwise stated, amounts referred to in this report are stated in this currency.

Auditors
Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville, South Australia, Australia

Grant Thornton Hong Kong
Level 12, 28 Hennessey Road
Wan Chai, Hong Kong

Website: http://www.animocabrands.com/

Director's Report

Animoca Brands directors submit their report for the year ended 31 December 2015.

Directors

The names of the Company's directors in office during the year and until the date of this report are set out below. Directors were in office for this entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities:

Non-Executive Chairman

Mr David Kim *(BA (Hons))* appointed 24 December 2014

Mr Kim serves as the Chief Executive Officer (CEO) of Appionics, more commonly known by the consumer brand 'Animoca'. Prior to that he was the CEO of mail.com Corporation, a leading personalised email and messenger service company based in Seattle and Hong Kong. Mr Kim also manages several independent financing and advisory projects ranging from private equity investments to refinancing of distressed assets. In recent years, he has advised and served on the boards of many prominent companies around the Pacific Rim including Viztel Solutions Group of Malaysia and Daum Corporation in Korea, where after 7 years of service as the chairman of the Audit Committee, he spearheaded the USD $105 million acquisition of Lycos, Inc. After the highly publicized transaction, Mr Kim managed the integration of the acquisition as the CEO of Lycos. In 1999, when he steered China.com Corporation to its Initial Public Offering and in doing so he became the youngest Chief Financial Officer (CFO) of a company listed on the NASDAQ. He has also served as managing director for Softbank, Inc., and as managing director and CEO for Techpacific Venture Capital Limited. A graduate of Stanford University in Economics and Communications with Honours, Mr Kim is also a classical vocalist with extensive musical and theatrical interest and experience.

Managing Director

Mr Robert Yung *(BA (Hons) MA)*, appointed 24 December 2014

Mr Yung is the Chief Executive Officer of Animoca Brands Corporation Ltd and a director of Appionics. He was previously the co-founder and CFO of Redgate Media, a venture-backed Chinese television and outdoor media holding company sold to Inno-Tech Holdings Limited (HK.8202) in 2012. Mr Yung was also co-founder and Chief Strategy Officer of One Media Group Limited (HK.426), a Hong Kong-based magazine group whose IPO he oversaw in 2005. Prior to that, he was the founder and CEO of One Studio Limited, a venture-backed web development company in Hong Kong, and OSMedia Limited, a Chinese television advertising sales company. Mr Yung began his career in Asia as the General Manager of Metromedia Asia Limited, a subsidiary of Metromedia International Group (AMEX: MMG), building wireless broadband networks and mobile telecoms services in China and Indonesia. He holds a Master of Arts from New York University and a Bachelor of Arts with Honors in Public Policy from the University of Chicago.

Non-Executive Directors:

Mr Yat Siu, appointed 24 December 2014

Mr Siu is the founder and Chief Executive Officer of Outblaze Limited, a digital media company specialising in gaming, cloud technology, and smartphone/tablet software development. In 2009 he sold Outblaze's messaging division to IBM and successfully pivoted Outblaze Limited from B2B messaging services to B2C digital entertainment. Mr Siu is a director for TurnOut Ventures Limited, a partnership between Outblaze Investments Limited and Turner Entertainment Holdings Asia-Pacific Limited, and he is co-founder of Appionics (known by the consumer brand 'Animoca'), a major developer and publisher of smartphone games. In 2012 he set up ThinkBlaze, the research arm of Outblaze Limited dedicated to investigating socially meaningful issues related to technology. Mr Siu has earned numerous accolades including Global Leader of Tomorrow at the World Economic Forum, and Young Entrepreneur of the Year at the DHL/SCMP Awards. He is a supporter of various Non-Government Organisations (NGOs) and serves on the board of directors for the Asian Youth Orchestra.

Mr David Brickler *(BA (MBA))*, appointed 24 December 2014

Mr Brickler (BA, MBA) provides IT software integration and technical support for some of Australia's more well known not-for-profit companies. He has recently served as the ICT Manager for Baptcare - a provider of healthcare and family and community services throughout Victoria and Tasmania. Before this, Mr Brickler was Senior Director of Applications for World Vision International, one of the world's largest non-profit organisations. Prior to that, he served as Asia Pacific CIO for Mizuho Securities Asia Ltd., was an Executive Director of Ernst & Young in Hong Kong, and Global CIO for the Noble Group, one of the largest commodities traders in the world. Mr Brickler was the founder and CEO of Emergent Technology Limited, a venture-backed Hong Kong supply-chain company, and a Vice President of Information Technology at Caspian Securities. Prior to his 14 years in Hong Kong, he spent 15 years in Japan, including several years as the Vice President of Equity Technology at Goldman Sachs Securities Co. Ltd, Japan. Mr Brickler also served in various engineering positions at EDS Japan LLC, Sundai, and Fujitsu Limited. He holds an MBA from Kellogg-HKUST and a BA from Princeton University and is a fluent speaker of Chinese and Japanese.

Mr Richard Kuo *(B.Com., LL.B FAICD)*, appointed 24 December 2014

Mr Kuo is the founder and CEO of Pier Capital, a boutique investment banking firm specialising in the technology sectors. He is a non-executive director of Probiotec Limited (ASX Listed), Favourit.com and SCEGGS Darlinghurst Limited and has held directorships of Equity Capital Markets Limited, Glenorchy Arts & Sculpture Park and Australian Art Events Foundation. Mr Kuo initially practiced as a lawyer specialising in corporate law in a large national law firm before moving into investment banking as a corporate financier. His technology experience includes part of the senior management team in Open Telecommunications during a period when it grew to become one of Australia's largest software companies. He has advised on a wide range of domestic and cross-border transactions involving technology and digital media companies and manages a portfolio of emerging Australian and international technology companies. Mr Kuo is a Fellow of the Australian Institute of Company Directors and holds qualifications in accounting, finance and law together with post graduate qualifications in applied finance and investment.

Mr Martin Green *(BA (Hons))*

Mr Green holds a BA (Hons) in Accounting & Finance from the University of West of England (Bristol) and qualified as a Chartered Accountant with Ernst & Young in London before joining their Corporate Finance Division. He continued his career with Ernst & Young Corporate Finance in Australia before joining Consolidated Press Holdings (CPH) in 1999. During his more than 10 years with CPH he undertook various tasks including sourcing deals, deal analysis and execution and ongoing management of a wide range of investments for the Group. Mr Green is now resident in Hong Kong.

Mr Bin Hu, appointed 18 August 2015

Mr Hu has over a decade of experience in the internet and mobile industry and is one of China's pioneers in that space. Mr Hu currently serves as Co-CEO of Ourpalm, where he oversees the company's strategy and operation and spearheads the transformation of Ourpalm into a global gaming company. Prior to joining Ourpalm, Mr Hu was a partner at Chinese venture capital firm Qiming Venture Partners, one of the best known and successful investors in China. During his time at Qiming, Mr Hu played an important role in the firm's investments in promising Chinese companies, including one of the world's largest smartphone makers, Xiaomi, advertising platform Domob, online dating service provider Jiayuan.com (NASDAQ: DATE), Zhihu.com and D.cn. Mr Hu was instrumental in helping these companies grow into industry leaders. Mr Hu was also a co-founder of KongZhong.net (NASDAQ: Kong), one of China's first mobile value added service providers, where he managed the mobile gaming business. He began his career at Sina (NASDAQ: SINA) and helped launch their news portal, paving the way for the company to eventually become one of China's largest internet portals. He holds a bachelor degree in information science from Peking University.

Company Secretary

Ms Jillian McGregor, appointed 21 September 2015

Ms McGregor regularly advises companies and directors on compliance with the Corporations Act 2001 (Cth) and ASX listing rules and other corporate legal matters, having had approximately 20 years experience working as a corporate lawyer. Ms McGregor holds degrees in commerce and law. Ms McGregor currently holds and has held company secretarial positions for other listed and unlisted companies.

Mr Donald Stephens *(BA (Acc), FCA), resigned 30 September 2015*

Mr Stephens is a Chartered Accountant and corporate adviser with over 25 years' experience in the accounting industry, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He holds other public company secretarial positions and directorships with private companies and provides corporate advisory services to a wide range of organisations.

Interests in the shares, performance shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the ordinary shares and performance shares of Animoca Brands Corporation Limited were as follows (noting no director held options in the Company at the date of this report):

	Number of ordinary shares	Number of Performance Shares (Class A)	Number of Performance Shares (Class B)
D Kim	35,000	-	-
R Yung	35,000	-	-
Y Siu	14,056,882	5,978,856	2,989,428
D Brickler	-	-	-
R Kuo	400,000	-	-
M Green	977,501	-	-
B Hu	-	-	-

Dividends

No dividend was paid or declared by the Company in the year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 31 December 2015.

Principal activities

The Group's principal activities are the development and marketing of a broad portfolio of mobile games for smartphones and tablets.

Functional currency

Effective 1 January 2015, the Company elected to change the presentation currency in its financial statements from US Dollars to Australian Dollars. All amounts, including comparative amounts disclosed in US Dollars in previous reports, have been restated into Australian Dollars. This change is discussed in more detailed in note 2.1 to the financial statements included in this report.

Review of operations

On 23 January 2015, the Company was reinstated to official quotation on the ASX under the symbol "AB1," reflecting the completion of the acquisition of Animoca Brands Corporation (and entity incorporated in the British Virgin Islands) in 2014. During the year ended 31 December 2015, Animoca Brands continued to progress in its strategy of developing casual mobile games, primarily based on well-known licensed intellectual property, for global audiences, as well as continuing to publish games on behalf of third parties. The Company successfully licensed its first celebrity brand, the image and name of Paris Hilton, its first Hollywood film brand, Lionsgate's *Norm of the North*, and formed a partnership with the Mattel Corporation to co-develop games featuring brands from Mattel's enormous library of intellectual property. The addition of the Mattel brands gives the Company one of the largest portfolios of licensed intellectual property in the industry. The Company launched two games in partnership with Mattel in 2015: Ever After High™: Tea Party Dash! and Thomas & Friends™: Race On! Animoca Brands also made significant progress in growing its user base and the level of engagement of its users, with the number of new installations growing 37% to 61 million, bringing the total to 174.7 million by the end of 2015. Average monthly active users grew 38% to 8.6 million during the year, with a record of 10.8 million during the month of December.

Subsequent to the reporting date, the Company launched another game featuring Mattel's Ever After High™ Brand, entitled Ever After High™ Charmed Style. The Company also launched its popular Garfield Chef game in China in partnership with Xiaomi, one of the largest smartphone makers in the world and the largest in China. Garfield Chef was downloaded over 1.5 million times in its first month on Android alone. The Company also began the development of its ebooks initiative and made further progress on increasing its app portfolio, as detailed in the subsequent events portion of the directors report.

During the year ended 31 December 2015, the Company incurred a loss of $1,988,437, compared with the 5 months ended 31 December 2014, when the Company incurred a loss of US$6,360,537. The loss during the year ended 31 December 2015 included a one-off non-cash gain on the fair value adjustment of the performance shares of the Company of $1,877,058.

Significant changes in the state of affairs

In May 2015, the Company signed a partnership agreement with Mattel, which multiplied the number of licensed brands in the portfolio exponentially, given the enormous size of the

Mattel brand portfolio that Animoca brands now has the rights to utilize. In July 2015, Ourpalm, one of China's largest mobile game companies, invested $3.1 million in the Company and became its largest shareholder.

Significant events after the reporting date

On 8 January 2016, the Company announced a partnership with Lionsgate and Splash Entertainment to produce two mobile games for the animated feature *Norm of the North*.

On 3 February 2016, the Company announced that it partnered with Xiaomi to publish *Garfield Chef* in China. Xiaomi is the largest smartphone maker in China and the fourth-largest in the world, and it generated more than 1.5 million downloads for Garfield Chef in its first month.

Likely developments and expected results

The Company announced on 2 December 2015 that it had raised $4.69 million by way of a share placement to invest in the development of new mobile entertainment products and the launch of subscription based products including ebooks. The Company continues to make progress towards this goal, while it continues to launch more games based on licensed intellectual property and publish more games produced by third parties.

Environmental regulation and performance

The Group's operations are not subject to any significant environmental regulations in Australia or Hong Kong.

Share options

At the date of this report, the following options to acquire ordinary shares in the Company were on issue:

Issue Date	Expiry Date	Exercise Price	Balance at 1 Jan 2015	Net Issued/(exercised or expired) during year	Balance at 31 Dec 2015
24/12/2014	23/01/2018	$0.20	2,366,025	-	2,366,025
			2,366,025	-	2,366,025

In accordance with the Company's replacement prospectus dated 4 December 2014, a total of 2,366,025 unlisted options were issued to the brokers of the Company in connection with the acquisition of Animoca Brands Corporation. Refer to note 21 for further details in relation to these allotments.

Indemnification and insurance of directors and officers

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Animoca Brands Corporation Limited against legal costs incurred in defending proceedings for conduct other than:

a) A wilful breach of duty.
b) A contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

The total amount of insurance contract premiums - was $12,000

Indemnification of auditors

To the extent permitted by the law, the Company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by a third party arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit Pty Ltd during or since the financial year.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director's Meetings		Audit & Risk Meetings		Remuneration & Nomination Meetings	
	Attended	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**
David Kim	9	9	3	4	1	1
Robert Yung	9	9	4*	-	1*	-
Yat Siu	8	9	2*	-	-	-
David Brickler	8	9	1	4	1	1
Richard Kuo	9	9	4	4	1*	-
Martin Green	9	9	4*	-	1	1
Bin Hu	3	4	-	-	-	-

*attended by invitation

The Company has formed the following committees:

Audit and risk committee

Richard Kuo (Chairman)
David Kim
Martin Green

Remuneration and nomination committee:
Martin Green (Chairman)
David Kim
David Brickler

The committees had 4 and 1 meetings, respectively, during the year.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor

Grant Thornton Audit Pty Ltd is in office in accordance with section 327 of the Corporations Act (Cwth) 2001.

Non-audit services

Grant Thornton Audit Pty Ltd, in its capacity as auditor for Animoca Brands Corporation Ltd, has not provided any non-audit services throughout the financial year. The auditor's independence declaration for the year ended 31 December 2015 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 30.

Remuneration Report (audited)

This Remuneration Report for the year ended 31 December 2015 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent.

i. **Non-executive directors (NEDs) and Managing Director**

Mr David Kim	(Chairman)
Mr Robert Yung	(Managing Director)
Mr Yat Siu	(Non-Executive Director)
Mr David Brickler	(Non-Executive Director)
Mr Richard Kuo	(Non-Executive Director)
Mr Martin Green	(Non-Executive Director)
Mr Bin Hu	(Non-Executive Director)

ii. **Other KMPs**

Donald Stephens	(former Company Secretary) – resigned 30 September 2015
Jillian McGregor	(Company Secretary) – appointed 21 September 2015
Lobson Chan	(Chief Operating Officer)

Remuneration philosophy

The Board is responsible for determining remuneration policies applicable to directors and senior executives of the entity. The broad policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration, consideration is given by the Board to the Group's financial performance.

Use of Remuneration Consultants

During the financial year, there were no remuneration recommendations made in relation to key management personnel for the Company by any remuneration consultants.

Voting and comments made at the Company's 2015 Annual General Meeting

When a resolution that the 2014 remuneration report be adopted was put to the vote at the Company's 30 June 2015 annual general meeting, less than 25% of votes cast were against the adoption of that report. The Company did not receive any specific feedback at the annual general meeting on its remuneration report.

Director remuneration arrangements

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's constitution and the ASX listing rules specify that the Non-Executive Director fee pool shall be determined from time to time by a general meeting. The last determination disclosed in the Company's prospectus dated 16 March 2007 approved an aggregate fee pool of $200,000 per year.

Contracts

The current Non-Executive Directors are all subject to an appointment agreed under the Animoca Brands Corporation sale and purchase agreement.

The Company's Managing Director Mr Robert Yung is subject to an Executive Service Agreement entered into with the Company's beneficially owned subsidiary Animoca Brands Ltd (an entity registered in Hong Kong, 'Animoca Brands HK') effective from 1 August 2014. The agreement provides for an annual salary of HK$1,500,000 and entitles Mr Yung to participate in the Company's rental reimbursement, insurance and medical benefits programs. Animoca Brands HK will also match Mr Yung's contribution to a Mandatory Provident Fund, up to the limit mandated by the Mandatory Provident Fund Schemes Authority. Animoca Brands HK will reimburse reasonable and necessary travel and other expenses incurred by Mr Yung. Either party may terminate the contract on three months' notice to the other or provision of salary in lieu of notice.

The Company's Chief Operating Officer Mr Lobson Chan is subject to an employment agreement with Animoca Brands HK effective from 1 August 2014. The agreement provides for an annual salary of HK$691,200 and entitles Mr Chan to participate in the Company's rental reimbursement, insurance and medical benefits programs. Animoca Brands HK will also match Mr Chan's contribution to a Mandatory Provident Fund, up to the limit mandated by the Mandatory Provident Fund Schemes Authority. Animoca Brands HK will reimburse reasonable and necessary travel and other expenses incurred by Mr Chan. Either party may terminate the contract on two months' notice to the other or provision of salary in lieu of notice.

Structure

The remuneration of Non-Executive Directors consists of directors' fees and consulting fees. The payment of additional fees for consulting to the Company recognises the additional time commitment of Non-Executive Directors who have assisted the Company over and above their director duties.

Non-Executive Directors do not receive retirement benefits.

The remuneration of Non-Executive Directors for the year ended 31 December 2015 is outlined below:

Table 1: Remuneration of Key Management Personnel

KMP	**Financial Year/Period Ended**	**Salary and fees $**	**Short term benefits $**	**Share based payments $**	**Post-employment /Super-annuation $**	**Total $**
M Green	2015	29,224	-	-	2,776	32,000
	2014*	10,762	-	-	-	10,762
R Yung	2015	255,596	-	-	3,067	258,663
	2014*	71,916	-	-	1,065	72,981
D Kim	2015	30,000	-	-	-	30,000
	2014	-	-	-	-	-
Y Siu	2015	30,000	-	-	-	30,000
	2014	-	-	-	-	-
D Brickler	2015	29,224	-	-	2,776	32,000
	2014	-	-	-	-	-
R Kuo	2015	40,000	-	-	-	40,000
	2014	-	-	-	-	-
B Hu	2015	10,274	-	-	976	11,250
	2014	-	-	-	-	-
J McGregor	2015	19,200	-	-	-	19,200
	2014	-	-	-	-	-
L Chan	2015	117,779	-	-	2,555	120,334
	2014*	40,895	-	-	1,065	41,960
M Billing	2015	-	-	-	-	-
	2014*	10,762	-	-	-	10,762
M Sheldrick	2015	-	-	-	-	-
	2014*	26,796	-	-	2,545	29,341
D Stephens	2015	-	-	-	-	-
	2014*		-	-	-	-
FY 14		161,131	-	-	4,675	165,806
FY 15		561,297			12,150	573,447

*2014 remuneration has been converted to Australian Dollars with the change of presentation currency at the average rate of US$1 – A$0.903

Messrs David Kim, Yat Siu, David Brickler and Richard Kuo were appointed on 24 December 2014 and they received no remuneration in the prior year that required disclosure in accordance with the Corporations Regulations 2001, regulation 2M.3.03, items 6 - 11.

No element of remuneration of the key management personnel listed above was performance based. Whilst as discussed in the remuneration philosophy, consideration is given to financial performance, there is no direct relationship between Key Management Personnel ("KMP") remuneration and the Company's performance in the last 5 years.

Option holdings of key management personnel

No options were held by KMPs for the period ended 31 December 2014.

No options were held by KMPs for the year ended 31 December 2015.

Table 2: Shareholdings of key management personnel – ordinary fully paid shares

KMP	**Balance 1 Jan 2015**	**Net change other**	**Balance 31 December 15**
M Green	847,501	130,000	977,501
D Kim	-	35,000	35,000
R Yung	-	35,000	35,000
Y Siu	14,021,882	35,000	14,056,882
B Hu	-	-	-
D Brickler	-	-	-
R Kuo [1]	250,000	150,000	400,000
D Stephens	-	-	-
L Chan	-	-	-
J McGregor	-	-	-
	15,119,383	**385,000**	**15,504,383**

1. Mr Kuo is a director of Pier Capital Pty Ltd, which acquired 250,000 fully paid ordinary shares under the Company's replacement prospectus dated 4 December 2014. Mr Kuo, director of Buddha Capital Pty Ltd acquired 150,000 fully paid shares in 2015.

In addition to the above, Asyla Investments Ltd (an entity that Mr Y Siu is a director of) was issued a total 5,978,856 Performance Class A and 2,989,428 Performance Class B shares on 24 December 2014 as part consideration for the acquisition of Animoca Brands Corporation (BVI). Both securities were held by the entity at the end of the reporting date. No other director who was in office during the year held (directly, indirectly or beneficially) Performance Class A or Performance Class B shares.

Other transactions and balances with key management personnel and their related parties

HLB Mann Judd (SA) Pty Ltd received professional fees for accounting, taxation, secretarial and transactional services provided during the year amounting to $55,167 including GST, (2014: $121,599). A total of $5,074 including GST was outstanding at 31 December 2015 (2014: $60,563). Donald Stephens, the former Company Secretary of Animoca Brands Corporation Ltd, is a consultant with HLB Mann Judd (SA) Pty Ltd.

As at 31 December 2015, the following directors fees payable to the Company's directors were:

Accrued Directors Fees	**$**
Richard Kuo	40,000
David Brickler	16,000
Martin Green	16,000
(Steven) Hu Bin	11,250
David Kim	30,000
Yat Siu	30,000
	143,250

These amounts are included within Trade and Other Payables within the financial statements.

During the year ended 31 December 2015, the Company has paid office service and management service fees of $320,194 to Outblaze Limited, a company in which Mr. Yat Siu is a director and has beneficial interest.

During the year ended 31 December 2015, the Company entered into an agreement with Moonblink Limited ("Moonblink"), in which the Company acquired a US$150,000 convertible loan note issued by TinyTap Ltd (the "Convertible Loan") from Moonblink at a consideration of US$150,000. Moonblink is a company in which Mr. Siu Yat is a director and has beneficial interest.

Outblaze Ventures Holdings Ltd (an entity registered in Hong Kong that is a wholly owned subsidiary of Appionics Holdings Ltd) has, in accordance with a Mobile App Advertising Services agreement, earned commissions during the year ended 31 December 2015 totaling $230,364 (2014 - $138,653) During the period ended 31 December 2014, Appionics Holdings Ltd also lent $1,170,337 to fund operating expenses prior to the completion of the Company's offer under its replacement prospectus dated 4 December 2014. The Company has settled the loan within the reporting year. Messrs David Kim, Robert Yung and Yat Siu are all directors of Appionics Holdings Ltd.

During the year ended 31 December 2015, Outblaze Ventures has further assigned to Animoca Brands Corporation, a wholly-owned subsidiary of the Company, all of its rights, title and interest in the advertising revenue or proceeds in relation to the commercialisation of 69 new Apps (the "New Advertising Revenue") with effect from 2015 at nil consideration. In addition to the above, during the current year, Outblaze Ventures assigned to Animoca Brands Corporation its rights, titles and interests in licences for the use of certain animation/fictional and related characters in its game development and distribution, such as Doraemon Jewels and related characters at nil consideration. With the consent from

Totally Apps and Outblaze Ventures, Animoca Brands Corporation assigned all of above rights, titles and interest in the New Advertising Revenue and the use of the above animation/fictional and related characters in its game development and distribution to the Company with effect from 2015 at nil consideration. Outblaze Ventures is a company in which Mr. Yat Siu is a director and has beneficial interest.

End of remuneration report.

Signed in accordance with a resolution of the Directors.

Mr David Kim
Chairman
29 February 2016

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ANIMOCA BRANDS CORPORATIONS LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Animoca Brands Corporations Limited Corporation Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner - Audit & Assurance

Adelaide, 29 February 2016

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2015		31 December 2015	31 December 2014
Revenue from operating activities	**7**	7,544,457	1,033,916
Cost of revenue from operating activities		(2,603,921)	(634,376)
Gross profit		4,940,536	399,540
Interest Income		7,693	-
Gain on fair value adjustment – Performance Shares		1,010,808	-
Employee benefits expense	**8**	(1,402,963)	(1,091,033)
Marketing expenses		(3,632,871)	(138,674)
Occupancy expenses		(560,613)	(80,162)
Research and Development Expenses		(2,320,000)	-
Other expenses	**9**	(977,049)	(101,859)
Transaction costs	**3**	-	(6,686,927)
Loss before income tax expense		(2,934,459)	(7,699,115)
Income tax benefit/(expense)	**10**	-	-
Loss from continuing operations		(2,934,459)	(7,699,115)
Loss attributable to members of the parent entity		(2,934,459)	(7,699,115)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(22,893)	(102,012)
Total comprehensive loss for the year		(2,957,352)	(7,801,127)
Loss per share:		*Cents*	*Cents*
Basic loss per share	**23**	2.3	10.0
Diluted loss per share	**23**	2.3	10.0

The accompanying notes form part of these financial statements

Consolidated statement of financial position

As at 31 December 2015	Note	31 December 2015 $	31 December 2014 $
CURRENT ASSETS			
Cash and cash equivalents	**11**	4,935,747	2,855,443
Trade and other receivables	**12**	2,401,703	39,057
Financial assets	**13**	205,310	-
Other assets	**14**	44,311	1,524
TOTAL CURRENT ASSETS		7,587,071	2,896,024
NON CURRENT ASSETS			
Plant and equipment	**15**	25,533	-
TOTAL NON CURRENT ASSETS		25,533	-
TOTAL ASSETS		7,612,604	2,896,024
CURRENT LIABILITIES			
Trade and other payables	**16**	2,898,458	1,914,542
Short-term provisions	**17**	42,123	37,522
Other liabilities	**18**	2,906,250	-
TOTAL CURRENT LIABILITIES		5,846,831	1,952,064
NON-CURRENT LIABILITIES			
Other liabilities	**18**	-	3,917,057
TOTAL NON-CURRENT LIABILITIES		-	3,917,057
TOTAL LIABILITIES		5,846,831	5,869,121
NET ASSETS/(LIABILITIES)		1,765,773	(2,973,097)
EQUITY			
Contributed equity	**19**	16,192,964	8,496,742
Reserves	**20**	(3,793,617)	(3,770,724)
Accumulated losses		(10,633,574)	(7,699,115)
TOTAL EQUITY		1,765,773	(2,973,097)

The accompanying notes form part of these financial statements

Consolidated statement of changes in equity

For the year ended 31 December 2015

	Note	Issued capital ordinary	Share based payments reserve	Foreign currency trans-lation reserve	Other components of Equity	Accumulated losses	Total equity
Balance at 1 January 2015		8,496,742	248,345	(102,012)	(3,917,057)	(7,699,115)	(2,973,097)
Comprehensive income							
Loss for the year		-	-	-	-	(2,934,459)	(2,934,459)
Other comprehensive income/(expense)		-	-	(22,893)	-	-	(22,893)
Total comprehensive income for the year		-	-	(22,893)	-	(2,934,458)	(2,957,352)
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued	**19**	7,981,500	-	-	-	-	7,981,500
Transaction costs in issuing shares	**19**	(285,278)	-	-	-	-	(285,278)
Total transactions with owners and other transfers		7,696,222	-	-	-	-	7,696,222
Balance at 31 December 2015		16,192,964	248,345	(124,905)	(3,917,057)	(10,633,574)	1,765,773

The accompanying notes form part of these financial statements

Consolidated statement of changes in equity (Continued)

For the year period 31 December 2014

	Note	Issued capital ordinary	Share based payments reserve	Foreign currency trans- -lation reserve	Other components of Equity	Accumulated losses	Total equity
Balance at 1 January 2014		1	-	-	-	-	1
Comprehensive income							
Loss for the year		-	-	-	-	(7,699,115)	(7,699,115)
Other comprehensive income/(expense)		-	-	(102,012)	-	-	(102,012)
Total comprehensive income for the year		-	-	(102,012)	-	(7,699,115)	(7,801,127)
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued under the Company's prospectus		2,400,000	-	-	-	-	2,400,000
Deemed acquisition of Animoca Brands Corporation Ltd (formerly Black Fire Minerals Ltd)		6,260,250	-	-	-	-	6,260,250
Performance shares (Class A and B) to vendors of Animoca Brands Corporation BVI		-	-	-	(3,917,057)	-	3,917,057
Transaction costs in issuing shares		(163,509)	-	-	-	-	(163,509)
Share based payments		-	248,345	-	-	-	248,345
Total transactions with owners and other transfers		8,496,741	248,345	-	(3,917,057)		4,228,029
Balance at 31 December 2014		8,496,742	248,345	(102,012)	(3,917,057)	(7,699,115)	(2,973,097)

The accompanying notes form part of these financial statements

Consolidated statement of cash flows

For the year ended 31 December 2015

	Note	31 December 2015	31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,455,559	-
Interest and other items of similar nature received		7,693	-
Payments to suppliers and employees		(9,721,588)	(1,159,937)
NET CASH (USED IN) OPERATING ACTIVITIES	**11**	(4,258,336)	(1,159,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired upon acquisition of subsidiary	**3**	-	519,528
Purchase of property, plant and equipment		(27,523)	-
Purchase of convertible loan		(205,310)	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(232,833)	519,528
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,982,000	2,400,000
Payment of transaction costs for issue of shares		(285,778)	(95,722)
Proceeds from borrowings from related parties*		-	1,170,337
Repayment of borrowings		(976,629)	-
NET CASH PROVIDED BYFINANCING ACTIVITIES		6,719,593	3,474,614
Net increase in cash and cash equivalents		2,228,424	2,834,205
Exchange rate adjustments		(148,120)	21,237
Cash at the beginning of the year		2,855,443	1
CASH AT THE END OF THE YEAR	**11**	4,935,747	2,855,443

* Due to the Company's capital raising under a replacement prospectus which closed on 24 December 2014, the Company was provided loans by related parties of its former parent Appionics Holdings Ltd to fund its operating expenses (namely staff costs) from the date of commencement of operations, 1 August 2014 to 31 December 2014. The Company had (in addition to the above) recorded revenue from its app portfolio and incurred costs relating to generating this revenue, with the net cash proceeds from these operations having been received by and settled post the reporting date.

The accompanying notes form part of these financial statements

Notes to the consolidated financial statements

For the year ended 31 December 2015

1. Corporate information

The consolidated financial statements of Animoca Brands Corporation Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 29 February 2016.

Animoca Brands Corporation Limited is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The Group's principal activities are described in the director's report.

2. Summary of significant accounting policies

2.1. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The consolidated financial statements provide comparative information in respect of the previous period. The financial report is presented in Australian dollars, being the presentation currency for the Group.

The financial report has been prepared on the basis of a going concern.

(a) Change in presentation currency

From 1 January 2015, the group changed the currency in which it presents its consolidated and parent entity financial statements from US Dollars to Australian Dollars. This change has no impact on the net income of the Consolidated Entity other than presentation in Australian Dollars instead of US Dollars.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in this report that had previously been reported in US Dollars has been restated to Australian Dollars using the procedures outlined below:

- Assets and liabilities denominated in non-Australian Dollar currencies were translated to Australian dollars at closing rates of exchange. Non Australian dollar trading results were translated into Australian Dollars at average rates of exchange. Differences resulting from the re-translation of the opening net assets and the results for the year have been taken into equity;
- All exchange rates used were extracted from the Groups underlying financial records.

The exchange rates of Australian Dollars to US Dollars over the periods included in this Annual Report and accounts are as follows:

Closing rate – 2014 - $0.82
Average rate – 2014 - $0.903

(b) Reverse acquisition

As discussed in Note 3 below, Animoca Brands Corporation Ltd (formerly Black Fire Minerals Ltd, 'Animoca Parent') completed an acquisition of Animoca Brands Corporation (an entity incorporated in the British Virgin Islands, 'Animoca Brands') on 24 December 2014. Animoca Brands was deemed to be the acquirer for accounting purposes under the principles of AASB 3 Business Combinations. Accordingly, the consolidated financial statements of Animoca Parent (formerly Black Fire Minerals Ltd) have been prepared as a continuation of the financial statements of the Animoca Brands Group from 24 December 2014.

The impact of the reverse acquisition on each of the primary statements was as follows:

Statement of Financial Position

- The 31 December 2014 statement of financial position represents both Animoca Parent and Animoca Brands as at 31 December 2014.

Statement of Profit or Loss and Other Comprehensive Income

- The 31 December 2014 statement of profit or loss and other comprehensive income comprises 12 months of Animoca Brands and Animoca Parent for the period from 24 December 2014 to 31 December 2014.

Statement of Changes in Equity

- The 31 December 2014 statement of changes in equity comprises Animoca Brands' equity balance at 1 January 2014, its loss for the period, and transactions with equity holders for the annual period. It also comprises Animoca Parent's transactions with equity holders for the period from 24 December 2014 to 31 December 2014 and the equity balances of Animoca Brands and Animoca Parent as at 31 December 2014.

Statement of Cash Flows

- The 31 December 2014 statement of cash flows comprises the cash balance of Animoca Brands at 1 January, the cash transactions of Animoca Brands for the year ended 31 Decemer 2014 and Animoca Parent for the period from 24 December to 31 December 2014, and the cash balance of Animoca Brands and Animoca Parent at 31 December 2014.

2.2. Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.3. Changes in accounting policy, disclosures, standards and interpretations

(i) Changes in accounting policies

The accounting policies adopted in the preparation of this Annual Report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended that potentially impact the Group but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 December 2015 are outlined below:

AASB 9 Financial Instruments (December 2014)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

AASB 15 Revenue from Contracts with Customers

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
  - establishes a new revenue recognition model
  - changes the basis for deciding whether revenue is to be recognised over time or at a point in time
  - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
  - expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

IFRS 16 – Leases

IFRS 16 will replace IAS 17 Leases for financial reporting periods beginning on or after 1 January 2019. Early adoption is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers.

The key features of the new standard are:

- elimination of classification of leases as either operating leases or finance leases for a lessee
- the recognition of lease assets and liabilities on the balance sheet, initially measured at present value of unavoidable future lease payments
- recognise depreciation of lease assets and interest on lease liabilities on the statement of profit or loss and other comprehensive income over the lease term
- separation of the total amount of cash paid into a principal portion and interest in the statement of cashflows
- short-term leases (less than twelve months) and leases of low-value assets (such as personal computers) are exempt from the requirements

As the standard was only issued post the end of the year end, management have not yet had an opportunity to fully consider the impact on the financial statements, however do not expect any material impact.

2.4. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the statement of comprehensive income listed as transaction costs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of AASB 139, it is measured in accordance with the appropriate Australian Accounting Standard. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(c) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(d) Foreign currency translation

The Group's consolidated financial statements are presented in Australia dollars, which is also the Parent's functional currency. The other entities within the group have a functional currency of US Dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sales of applications and In-apps purchase items

The Group receives income from the sale of applications and In-app purchase items via the smart phone platform. Revenue is recognised on a per transaction basis upon the successful download of the applications or in-app purchase items.

Service fee income

Service fee income is recognised in the accounting period in which the services rendered.

Advertising income

The Group receives income from the rendering of advertising services through the advertising platform. Revenue is recognised upon the delivery of the service.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(g) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense cannot be recognised as an asset in a subsequent period.

No development expenditure incurred during the year ended 31 December 2015 or 2014 has been recognised as an intangible asset as they did not meet the criteria for captialisation as listed above.

(h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(ii). Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include performance shares and trade and other payables.

Financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(k) 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.

Long service leave and annual leave

The Group does not expect its long service leave to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. Annual leave benefits are expected to be wholly settled within 12 months and are recorded at the nominal amount of leave outstanding at each reporting date.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(m) 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.

(n) Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in the statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Comparative Figures

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

(r) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments 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 Group.

Key estimates

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Share-based payments
The Group initially measures the cost of cash-settled transactions with employees or contractors using a binomial model to determine the fair value of the liability incurred. The Group initially measures the cost of equity-settled transactions with employees or contractors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

Fair value of financial instruments
Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Refer to note 18 for further details.

3. Reverse acquisition – prior year

Acquisition of Animoca Brands Corporation BVI
On 24 December 2014, the Group acquired 100% of the voting shares of Animoca Brands Corporation BVI ('Animoca Brands'), an unlisted private company based in the British Virgin Islands that beneficially owns a portfolio of apps in the mobile gaming industry. The shareholders of Animoca Brands obtained 62% of the voting rights in Animoca Brands Corporation Ltd ('Animoca Parent', formerly Black Fire Minerals Ltd).

At the date of the acquisition, Animoca Parent was a non-trading listed company. This is a reverse acquisition in which Animoca Brands was considered the accounting acquirer and Animoca Brands is the accounting acquiree. Under the requirements in AASB 3 Business Combinations, this could not be accounted for as a business combination because Animoca Parent was not a business. Under the generally accepted accounting guidance, this was accounted for using the reverse acquisition principles in AASB 3, except that no goodwill was recognised and a transaction cost expense was recognised that represented the cost of Animoca Brands acquiring the listed status of Animoca Parent.

Accordingly, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Animoca Brands, were measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Animoca Parent (formerly Black Fire Minerals Ltd) are measured at fair value on the date of acquisition.

Fair value of consideration transferred

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Animoca Brands) in the form of equity instruments issued to the shareholders of the legal parent entity (Animoca Parent (formerly Black Fire Minerals Ltd)). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Animoca Brands) would have issued to the legal parent entity Animoca Parent (formerly Black Fire Minerals Ltd) to obtain the same ownership interest in the combined entity.

Details of the transaction are:

	Fair value $
Fair value of consideration transferred	**6,260,250**
Fair value of assets and liabilities held at acquisition date:	
Cash and cash equivalents	519,528
Trade and other receivables	13,948
Other current assets	33,000
Trade and other payables	(112,355)
Identifiable assets and liabilities assumed	454,121
Surplus of consideration after accounting for identifiable assets and liabilities assumed	**5,806,129**
Add: Transaction costs incurred in completing combination	880,798
Transaction costs recorded in Profit of Loss	**6,686,927**

The purchase consideration deemed to have been paid differs from the actual consideration paid due to the nature of the reverse acquisition. The legal cost that Animoca Parent (formerly

Black Fire Minerals Ltd) paid to acquire Animoca Brands was 75,000,000 fully paid ordinary shares, having a deemed value of $15,000,000 and 30,000,000 Class A and 15,000,000 Class B Performance shares having a fair value on issue of $ 3,917,057.

As Animoca Parent did not contain an operating business and represented merely a listed shell Company, the surplus identified above has been treated as a transaction cost and expensed in the Company's statement of profit or loss and other comprehensive income.

4. Operating Segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group only operates in one operating segment being the product development and marketing of mobile app games. Therefore, all segment assets and liabilities, and the segment result, relate to the one business segment and consequently no detailed segment analysis has been prepared.

The Groups has no individual customer concentration risk. The underlying users are located mainly throughout the Asia Pacific region.

The Group distributes its games globally on platforms including the Apple App store, Google Play and Amazon amongst others.

5. Information About Subsidiaries

The consolidated financial statements of Animoca Brands Limited include:

Name	**Principal Activities**	**Country of incorporation**	**% Equity interest**	
			31 Dec 2015	**31 Dec 2014**
Animoca Brands Corporation	Mobile app game maker	British Virgin Islands	100%	100%
Animoca Brands Ltd	Mobile app game maker	Hong Kong	100%	100%

(1) These entities were wound up and deregistered in accordance with section 601AA(4) of Corporations Act (*Cwth*) 2001. Notices confirming the deregistration were received from ASIC on 6 March 2015.

Parent of the group

The parent entity of the Group is Animoca Brands Corporation Ltd and is based and listed in Australia.

6. Financial assets and financial liabilities

6.1 Fair value

AASB 7 Financial Instruments - Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

All financial instruments were valued using these valuation techniques. There were no changes in valuation techniques for financial instruments in the year.

The following table presents the group's financial liabilities measured and recognised at fair value at 31 December 2015 and 31 December 2014:

Significant unobservable inputs (Level 3)	**31 December 2015**	**31 December 2014**
Other current liabilities – Performance shares	2,906,250	-
	2,906,250	-

The performance shares mature on 30 June 2016.

There have been no transfers between Level 1, Level 2 or Level 3 during the year.

The fair value of the performance shares has been estimated using a forecasted financial model based on the number of shares expected to vest in accordance with the relevant terms and conditions of the performance shares. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and the discount rate.

The significant unobservable inputs used in the fair value measurement of the performance shares, together with a quantitative sensitivity analysis as at 31 December 2015 is as follows:

Input	Sensitivity of the input to fair value
Underlying share price	5% increase (decrease) in the price would result in an increase (decrease) in fair value by $145,313 ($145,313)
Sales revenue	5% increase (decrease) in the forecast revenue would result in an increase (decrease) in fair value by $465,000 ($348,750)
Trading result	5% increase (decrease) in the forecast trading result would result in an increase (decrease) in fair value by $nil ($nil)

6.2 Financial risk management objectives and policies

The Group's principal financial liabilities comprise of performance shares and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include trade and other receivables and cash and short-term deposits that are derived directly from its operations.

The Group is not exposed materially to market risk, credit risk or liquidity risk. The Board takes ultimate responsibility for managing the financial risks of the Group.

Foreign exchange

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

Consolidated	**Assets**	**Liabilities**
	$	**$**
US Dollars	7,057,199	2,137,404

Trade receivables

The Group will have in future financial periods trade receivables due from the App Store (owned by Apple Inc.) and the Google Play Store (owned by Google Inc.) in relation to in app purchases in game apps. In this respect, the Group does have a concentration of receivables with these counterparties. Given the credit worthiness of these parties however, the Group believes it is not exposed to material to credit risk in relation to receivables.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents, performance shares and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in notes 19 and 20.

Proceeds from share issues are used to fund the Group's development and marketing of its mobile game app portfolio.

7. Revenue from Operating Activities

	31 December 2015	31 December 2014
App Advertising revenue	1,706,108	864,405
In App Purchases revenue	3,842,562	169,511
Service revenue	1,995,787	-
	7,544,457	1,033,916

8. Employee benefits expense

	31 December 2015	31 December 2014
Wages, salaries and other remuneration expenses	1,380,262	979,632
Retirement benefit expense	14,854	42,650
Other employment costs	7,827	34,665
Transfer to/(from) annual leave provision	-	34,086
	1,402,963	1,091,033

9. Other expenses

	31 December 2015	31 December 2014
Share registry	42,958	-
Travel	155,440	-
Insurance	122,428	-
Professional fees	433,974	-
Other expenses	222,249	101,859
	977,049	101,859

10. Income Tax

	31 December 2015	31 December 2014
Accounting (loss) before income tax	**(2,934,459)**	**(7,699,115)**
At Australia's statutory income tax rate of 30% (2014: 30%)	(880,337)	(2,113,455)
Adjust for the tax effect of:		
Non-allowable items – transaction costs	-	1,809,799
Tax rate differences – Hong Kong	362,715	129,325
Un-recognised tax assets	517,622	174,331
Income tax (benefit)	-	-

As at 31 December 2015, Animoca Brands Ltd (Hong Kong) had estimated available tax losses of approximately $3,570,998 (At Hong Kong tax rate of 16.5% = $589,215), which the Group anticipates will be able to be offset against future taxable income by the Group. The parent entity's tax losses are not presented as they likely will be forgone due to failing the relevant loss tests in accordance with Australian Taxation legislation.

11. Cash and cash equivalents

	31 December 2015	31 December 2014
Cash in bank and on hand	4,935,747	2,855,443
	4,935,747	2,855,443

	31 December 2015	31 December 2014
Reconciliation of net loss after tax to net cash flows from operations		
Accounting loss after income tax	(2,934,459)	(7,699,115)
Adjustments for:		
Non-cash items		
Depreciation of plant and equipment	1,990	-
Foreign currency	125,227	-
Transaction costs/(reversal)	-	5,806,129
Fair value gain	(1,010,807)	-
Changes in assets and liabilities:		
(Increase) in prepayments	(42,787)	-
Increase in trade payables and accruals (net of related party loans)	1,960,545	734,585
Increase in provisions	4,601	37,521
(Increase) in receivables	(2,362,646)	(39,057)
Net cash (used in) operating activities	(4,258,336)	(1,159,937)

12. Trade and Other Receivables

	31 December 2015	31 December 2014
Trade Receivable	2,305,765	-
GST Receivable	4,565	13,948
Other Receivable (i)	15,077	25,109
Related party receivables (ii)	76,296	-
	2,401,703	39,057

(i) Other receivables are non-interest bearing and are generally received within 30 days.

(ii) Related party receivables are non-interest bearing and are normally settled on 30-day terms. Refer to note 22 for details of these transactions.

There were no amounts past due but not impaired.

13. Financial assets - Convertible Loan

	31 December 2015	31 December 2014
Unlisted convertible loan designated at fair value through profit or loss	**205,310**	-

On 31 December 2015, the Company acquired an unlisted convertible loan (the "Convertible Loan") with a principal amount of US$150,000 issued by TinyTap Ltd ("TinyTap") from Moonblink Limited, a company which is owned and controlled by Mr. Siu Yat (a director of the Company). The consideration paid for the Convertible loan was $205,310 (US$150,000).

The Convertible Loan bears interest at an annual rate of 6% and matures on 20 November 2016. During the year ended 31 December 2015, there were no conversion of the Convertible Loan and the Company plans to hold the investment in Convertible Loan for the foreseeable future.

The Company designated the entire Convertible Loan as financial assets at fair value through profit or loss at initial recognition. The directors of the Company considered that the fair value of the Convertible Loan is not materially different from its carrying amount at the end of the reporting year because the investment was made on 31 December 2015.

14. Other Current Assets

	31 December 2015	31 December 2014
Prepayments	36,144	1,524
Deposits	8,167	-
	44,311	1,524

15. Plant and Equipment

	Leasehold improvements	Office equipment	Furniture and fixtures	Total
Year ended 31 December 2015				
Opening net book amount	-	-	-	-
Additions	7,250	12,639	7,634	27,523
Depreciation	(363)	(991)	(636)	(1,990)
Closing net book amount	6,887	11,648	6,998	25,533
At 31 December 2015				
Cost	7,250	12,639	7,634	27,523
Accumulated depreciation	(363)	(991)	(636)	(1,990)
Net book amount	6,887	11,648	6,998	25,533

16. Trade and other payables

	31 December 2015	31 December 2014
Trade payables (i)	1,125,044	165,150
Accrued expenses	655,479	772,763
Related party payables (ii)	1,117,935	976,629
	2,898,458	1,914,542

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms

(ii) Related party payables are non-interest bearing and are normally settled on 30-day terms. Refer to note 22 for details of these transactions.

17. Short-term provisions

Current

	31 December 2015	31 December 2014
Annual leave provision	42,123	37,522
	42,123	37,522

Leave provisions for employees based in Hong Kong are expected to be wholly settled within 12 months. The entire amount is presented as current as the entity does not have the unconditional right to defer the settlement.

18. Other liabilities

	31 December 2015	31 December 2014
Performance shares – current	2,906,250	-
Performance shares – non current	-	3,917,057
	2,906,250	3,917,057

The Company as part consideration for the acquisition of Animoca Brands Corporation BVI (in addition to the 75,000,000 fully paid ordinary shares mentioned at note 3) the Company issued 30,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares. As the Performance Shares potentially convert into a variable number of shares in the Company, in accordance with Australian Accounting Standards the performance shares have been treated as a liability.

Under AASB 139, movements in the liability are taken to the profit and loss. The performance shares contain both revenue and EBIT (Earnings before interest and tax) milestones, with a final payment due as soon as practicable after 30 June 2016, but no later than 31 October 2016. Refer to the full terms and conditions of the performance shares disclosed to the ASX on 21 January 2015 for further details.

19. Share Capital

	31 December 2015	31 December 2014
Fully paid ordinary shares	16,192,964	8,496,742
	16,192,964	8,496,742

	Number	$
Ordinary shares		
Balance at beginning of reporting year	118,301,253	8,496,742
Shares issued during the year	49,219,455	7,981,500
Transaction costs on shares issued		(285,278)
Balance at end of the financial year	167,520,708	16,192,964

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends (in the event such a dividend was declared).

20. Reserves

	31 December 2015	31 December 2014
Share based payments reserve	248,345	248,345
Foreign currency translation reserve	(124,905)	(102,012)
Other components of equity	(3,917,057)	(3,917,057)
	(3,793,617)	(3,770,724)

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees and consultants, including key management personnel, as part of their remuneration. Refer to Note 21 for details of the issue of options.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries of Animoca Brands Corporation Ltd that have a different functional currency than Australian Dollars.

Other components of equity

Other components of equity represents the debit side of the recognition of the performance shares (refer note 18). As the issue of the performance shares was a transaction with a controlling shareholder in its capacity as a shareholder, it was not considered appropriate to recognise this amount as an additional expense in the profit and loss. Accordingly, this amount will be transferred to share capital upon the instruments being issued in accordance with their relevant performance milestones, or taken as an appropriation to accumulated losses if the instrument is forfeited.

21. Share Based Payments

No share options were issued in the current financial year.

On 24 December 2014 and in accordance with the Company's replacement prospectus dated 4 December 2014, a total of 2,366,025 unlisted options were issued to the brokers of the Company, Taylor Collison Ltd. The terms of these options were an exercise price of $0.20 and an expiry date of 23 January 2018 (with the securities escrowed until 23 January 2018).
The options were valued using a binomial option valuation method, using the following assumptions:

Volatility Rate:	78.16%
Estimated life	3.09 years
Risk free rate	2.27%
Number of steps	1,000

The total value pertaining to these options using the above assumptions amounted to $248,345.

22. Related Party Disclosures

Remuneration of Key Management Personnel

	31 December 2015	31 December 2014
Short-term employee benefits	561,297	161,131
Share based payments	-	-
Termination benefits	-	-
Post-employment benefits	12,150	4,675
Total compensation	573,447	165,806

HLB Mann Judd (SA) Pty Ltd has received professional fees for accounting, taxation, secretarial and transactional services provided during the year amounting to $55,167 including GST. A total of $5,074 including GST was outstanding at 31 December 2015. Donald Stephens, the former Company Secretary of Animoca Brands Corporation Ltd, was a consultant with HLB Mann Judd (SA) Pty Ltd.

Outblaze Ventures Holdings Ltd (an entity registered in Hong Kong that is a wholly owned subsidiary Appionics Holdings Ltd) has in accordance with a Mobile App Advertising Services agreement earned commissions during the year ended 31 December 2015 totaling $230,364.

During the year ended 31 December 2015, the Company has paid office service and management service fees of $320,194 to Outblaze Limited, a company in which Mr. Yat Siu is a director and has beneficial interest.

Set out below is a summary of related receivables/(payables) at balance date:

Name of company	**Relationship**	**31 December 2015**	**31 December 2014**
Totally Apps Holdings Limited ("Totally Apps")	Significantly influenced by Mr. Yat Siu, director of the Company	76,271	168,742
Baby Cortex Holdings Limited	Significantly influenced by Mr. David Kim, director of the Company	25	142
Outblaze Ventures Holdings Limited	Significantly influenced by Mr. David Kim, Mr Yat Siu and Mr Robert Yung, directors of the Company	(532,764)	(908,350)
Outblaze Limited	Significantly influenced by Mr. Yat Siu, director of the Company	(379,861)	(44,643)
Moonblink Limited	Significantly influenced by Mr. Yat Siu, director of the Company	(205,311)	-
Appionics Holdings Limited	Significantly influenced by Mr. David Kim, Mr Yat Siu and Mr Robert Yung, directors of the Company	-	(195,996)
		(1,041,639)	(980,105)

In addition to the contracted related party transactions detailed above, receivables and payables include amounts that are due (receivable) in relation to app revenues collected on behalf of Animoca Brands and reimbursements of marketing and promotional expenses (Payables) paid on behalf of the company.

23. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.
The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 December 2015	**31 December 2014**
Net loss attributable to ordinary equity holders of the parent entity:		
Continuing operations	2,934,459	7,699,115
Weighted average number of ordinary shares for basic earnings per share	126,181,931	77,013,098

Pursuant to AASB 133 – there is no dilutive securities on issue.

24. Subsequent Events

No other subsequent events have been noted which would impact the reported results for the financial year ended 31 December 2015.

25. Auditors Remuneration

	31 December 2015	31 December 2014
Grant Thornton for audit and review services*	91,602	75,388
Other services	-	-
	91,602	75,388

*Grant Thornton Audit Pty Ltd (the parent entity auditor) utilizes the services of Grant Thornton Hong Kong for a component of the audit. Included in the amount disclosed above is $73,000 paid to Grant Thornton Hong Kong a related firm of Grant Thornton Audit Pty Ltd.

26. Parent Entity Information

	31 December 2015	31 December 2014
Current assets	5,073,155	2,870,886
Non-current assets	-	15,000,000
Total assets	5,073,155	17,870,886
Liabilities		
Current liabilities	401,132	812,726
Non-current liabilities	2,906,250	3,917,058
	3,307,382	4,729,784
Issued capital	16,192,964	8,496,742
Accumulated losses	(33,648,145)	(14,576,594)
Share option reserve	(3,668,713)	(3,668,713)
Other components of equity	22,889,667	22,889,667
Total shareholders' equity	1,765,773	13,141,102
Profit/(loss) of the parent entity	(19,071,551)	(14,576,594)
Total comprehensive profit of the parent entity	(19,071,551)	(14,576,594)

The parent entity has no contingent liabilities or commitments for expenditure at 31 December 2015.

27. Commitments

At the reporting date, the total future minimum lease payments payable by the Company under non-cancellable operating leases in respect of properties is as follows:

	31 December 2015	31 December 2014
Within one year	399,615	-
	399,615	-

The Company has leased the office premises in Hong Kong jointly with a related company under an operating lease. The commitment represents the maximum amount that the Company is required to pay based on the leased agreement. The lease does not include contingent rentals.

28. Contingent Liabilities

At the date of signing this report, the Company is not aware of any Contingent Asset or Liability that should be disclosed in accordance with AASB 137.

Directors' declaration

In accordance with a resolution of the directors of Animoca Brands Corporation Limited, I state that:

In the opinion of the directors:

a) The financial statements and notes of Animoca Brands Corporation Limited for the year 31 December 2015 are 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 2015 and of its performance for the year ended on that date; and

   ii. complying with Accounting Standards and the Corporations Regulations 2001;

b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.2; and

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and the Group's Deputy Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the year ended 31 December 2015.

On behalf of the board

Mr David Kim
Chairman

29 February 2016

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANIMOCA BRANDS CORPORATION LIMITED

Report on the financial report

We have audited the accompanying financial report of Animoca Brands Corporation Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion,

a the financial report of Animoca Brands Corporation Limited 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 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in the directors' report for the year 31 December 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 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 on the remuneration report

In our opinion, the remuneration report of Animoca Brands Corporation Limited for the year ended 31 December 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 February 2016

ASX Additional Information

The information in this section has been prepared as at 9 February 2016, unless otherwise specified.

CORPORATE GOVERNANCE STATEMENT

The Company's corporate governance statement is located on the Company's website at www.animocabrands.com/corporate-governance/

20 LARGEST HOLDERS OF ORDINARY SHARES

Holder Name	Securities	%
FINGERFUN HK LTD	14,785,714	8.83%
ASYLA INV LTD	14,021,882	8.37%
DATAHOUSE INV LTD	14,013,115	8.37%
HSBC CUSTODY NOM AUST LTD	13,461,940	8.04%
INTEL CAP CORP	10,934,232	6.53%
YONG HUI CAP HLDGS I LTD	10,210,385	6.09%
RENDERSON LTD	5,024,406	3.00%
HONGKONG LEDONG TECH LTD	4,687,103	2.80%
EVERYDAY HLDGS LTD	4,262,910	2.54%
ELEUTHEO INV LTD	3,301,130	1.97%
BRISPOT NOM PL	3,140,720	1.87%
UBS NOM PL	2,604,506	1.55%
CLELAND PROJECTS PL	2,126,876	1.27%
NEFCO NOM PL	1,822,848	1.09%
CITICORP NOM PL	1,808,222	1.08%
ARDROY SEC PL	1,785,714	1.07%
CLELAND PROJECTS PL	1,572,890	0.94%
WATERFRONT LTD	1,546,429	0.92%
NEOTENY STARTUP 1 LTD PAR	1,545,971	0.92%
BIRLEY ROBIN MARCUS	1,500,001	0.90%
TOP 20 TOTAL	114,156,994	68.15%

SUBSTANTIAL HOLDERS

Set out below are the names of substantial holders in the Company and the number of equity securities in which each substantial holder and the substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company.

Substantial Holder	No of Equity Securities
FingerFun (HK) Limited	14,785,714 ordinary shares
Asyla Investments Limited	14,021,882 ordinary shares
Datahouse Investments Limited	14,013,115 ordinary shares
Intel Capital Corporation	10,934,232 ordinary shares
Yong Hui Capital Holdings I and II, IDG-Accel China entities and Chi Sing Ho	10,934,231 ordinary shares

In addition, the Company is a substantial holder of itself. It has a relevant interest in 48,774,717 ordinary shares. The relevant interest has arisen as it is a party to a number of voluntary escrow agreements and ASX mandatory restriction agreements with its shareholders under which the relevant shareholder is prohibited from disposing of its shares for a prescribed period of time.

DISTRIBUTION OF HOLDERS OF ORDINARY SHARES

Spread of Holdings	Holders	Securities	% of Issued Capital
NIL holding	0	0	0.00%
1 - 1,000	97	47,615	0.03%
1,001 - 5,000	160	410,281	0.24%
5,001 - 10,000	99	835,218	0.50%
10,001 - 100,000	190	8,236,024	4.92%
Over 100,000	141	157,991,570	94.31%
TOTAL ON REGISTER	687	167,520,708	

DISTRIBUTION OF HOLDERS OF CLASS A PERFORMANCE SHARES

Spread of Holdings	Holders	Securities	% of Issued Capital
NIL holding	0	0	0.00%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
Over 100,000	11	30,000,000	100.00%
TOTAL ON REGISTER	11	30,000,000	

DISTRIBUTION OF HOLDERS OF CLASS B PERFORMANCE SHARES

Spread of Holdings	Holders	Securities	% of Issued Capital
NIL holding	0	0	0.00%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
Over 100,000	11	15,000,000	100.00%
TOTAL ON REGISTER	11	15,000,000	

DISTRIBUTION OF OPTION HOLDERS

Spread of Holdings	Holders	Securities	% of Issued Capital
NIL holding	0	0	0.00%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
Over 100,000	1	2,366,025	100.00%
TOTAL ON REGISTER	1	2,366,025	

NUMBER OF HOLDERS AND VOTING RIGHTS IN EACH CLASS OF SECURITIES

Class of Security	No of Holders	Voting Rights
Ordinary shares	687	Yes (set out below)
Unquoted options exercisable at $0.20 expiring on 23 January 2018	1	No
Class A Performance Shares	11	No
Class B Performance Shares	11	No

Subject to the Company's constitution and to any rights or restrictions for the time being attached to any class or classes of shares (for example, the Class A and Class B Performance Shares which have no voting entitlements), at meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person, by proxy or representative;
- on a show of hands, every shareholder or person entitled to the rights of a shareholder according to the Company's constitution present in person, by proxy or representative, has one vote; and
- on a poll, every shareholder or person entitled to the rights of a shareholder according to the Company's constitution present in person, by proxy or representative, has:
    - one vote for each fully paid share that shareholder holds; and
    - a fraction of a vote for each partly paid share that shareholder holds, where the fraction is equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on that share,

  except that a shareholder is not entitled to vote shares at a general meeting if:
    - any calls or other sum presently payable by that shareholder in respect of those shares are outstanding; or
    - that shareholder is in breach of the ASX Listing Rules relating to restricted securities, or in breach of a restriction agreement by that shareholder in relation to those shares.

UNMARKETABLE PARCELS OF ORDINARY SHARES

The number of holders of ordinary shares with less than a marketable parcel of ordinary shares is 181.

SECURITIES SUBJECT TO ASX MANDATORY RESTRICTION AGREEMENTS

The following shares are subject to ASX mandatory restriction agreements:

Escrow Period	No of Securities	Type of Securities
24 months from date of Company's reinstatement to ASX (until 23 January 2017)	14,021,882	Ordinary shares
24 months from date of Company's reinstatement to ASX (until 23 January 2017)	5,978,856	Class A Performance Shares
24 months from date of Company's reinstatement to ASX (until 23 January 2017)	2,989,428	Class B Performance Shares
24 months from date of Company's reinstatement to ASX (until 23 January 2017)	2,366,025	Unlisted options

SECURITIES SUBJECT TO VOLUNTARY ESCROW

The following shares are subject to voluntary escrow arrangements:

Escrow Period	No of Ordinary Shares
Period from 18 August 2015 to 18 August 2016	34,752,835

CLASSES OF UNQUOTED SECURITIES

Class of Security	No of Holders	Total Units	Holders that own in excess of 20% of class
Unquoted options exercisable at $0.20 expiring on 23 January 2018	1	2,366,025	These options are held by Taycol Nominees Pty Ltd
Class A Performance Shares	11	30,000,000	Nil
Class B Performance Shares	11	15,000,000	Nil

USE OF CASH

The Company was admitted under ASX Listing Rule 1.3.2(b). The Company confirms that during the reporting period it used the cash and assets in a form readily convertible to cash that it had at admission to the official list of ASX in a way consistent with its business objectives.

GENERAL

There is not a current on-market buy-back for the Company's securities.

There have been no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act 2001 (Cth) which have not yet been completed.

The name of the Company's company secretary is Jillian McGregor.

The address and telephone number of the Company's registered office are Suite 3, Shore 2/3, 13 Hickson Road, Sydney, NSW 2000 and +61 2 9259 4700 respectively. The address and telephone number of the Company's principal administrative office are Unit 417-421, Level 4, Cyberport 1, 100 Cyberport Road, Hong Kong and +852 2534 0888 respectively.

The registers of securities of the Company and transfer facilities are kept by the Company's share registry, Security Transfer Registrars at 770 Canning Highway, Applecross, Western Australia 6153. The telephone number for Security Transfer Registrars is +61 8 9315 2333.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.