

28 February 2018

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Byte Power Group Half Yearly Results

Byte Power Group Limited reports on its performance for the half year ended 31 December 2017. Byte Power Group Ltd reported a loss for the half year ended 31 December 2017 of \$8,073,986 (December 2016: profit of \$1,454,916). The loss for the half year included an impairment expense for the Group's suspended cryptocurrency of \$6,689,735. The loss also included a provision for doubtful debts for the Asian Business segment of \$543,744.

The Group's revenues from continuing activities for the half year ended 31 December 2017 were \$1,150,063. This represents a decrease of 60.6% when compared to the same period last year (December 2016: \$2,916,546).

For the half year ended 31 December 2017, the Asian Business segment reported revenues of \$1,147,983 compared to \$507,123 for the same period last year. This contributed to 99.8% of total revenue for the Group (December 2016: 17%), a result due to a number of new sales opportunities through existing wine sales channels leading up to Chinese New Year.

The Company maintains a positive outlook as the Group continues to focus on opportunities through its partnership with Wimobilize Singapore Pte Ltd, on its cryptocurrency exchange development through its subsidiary, Byte Power Pty Ltd and through the wine distribution businesses in Asia, particularly with its 8 Eagles range.



Michael Wee
Company Secretary
Byte Power Group Limited

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Appendix 4D

Byte Power Group Ltd and Controlled Entities

Results for announcement to the market

1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
--

ABN or equivalent company reference

80 009 268 571

Half-year ended ('current period')

31 December 2017

Half-year ended ('previous period')

31 December 2016

2. Results for announcement to the market

	Current Period	Previous Period	Movement	
	\$A	\$A	\$A	%
2.1 Revenues from continuing activities	1,150,063	2,916,546	(1,766,483)	(60.6)
2.2 Profit (loss) from continuing activities after tax attributable to members	(8,073,986)	1,454,916	(9,528,902)	(654.9)
2.3 Net profit (loss) for the period attributable to members	(8,073,986)	1,454,916	(9,528,902)	(654.9)
2.4 Dividends (distributions)	Amount per security		Franked amount per security	
Interim dividend declared	Nil ¢		Nil ¢	
It is not proposed to pay any dividend for the half-year.				
2.5 Record date for determining entitlements to the dividend	Not applicable.			
2.6 Brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood. The commentary on the results for the period is contained in the "Review of Operations" included within the Directors' Report.				

3. NTA backing

	Current period - A cents	Previous corresponding period - A cents
Net tangible asset backing per ordinary security	(0.18) ¢	(0.18) ¢

4.1 Control gained over entities

Name of entity (or group of entities)

Not applicable.

Date control gained

Not applicable.

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material).

Not applicable.

Profit/(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.

Not applicable.

4.2 Loss of control of entities

Name of entity (or group of entities)

Not applicable.

Date control lost

Not applicable.

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material).

Not applicable.

Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).

Not applicable.

5. Dividends

Individual dividends per security

	Date dividend is payable	Amount per Security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:				
Current period	Not applicable	Nil ¢	Nil ¢	Nil ¢
Previous period	Not applicable	Nil ¢	Nil ¢	Nil ¢

6. Dividend reinvestment plans

The dividend or distribution reinvestment plans shown below are in operation.

Not applicable.

The last date for receipt of election notices for the dividend or distribution plans

Not applicable.

7. Details of associate and joint venture entities

Name of Entity	Entity's percentage holding in each of these entities		Entity's percentage holding in each of these entities	
	Current period - %	Previous corresponding period - %	Current period - \$A	Previous corresponding period - \$A
Not applicable.	Not applicable		Not applicable	

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):	Current period - \$A	Previous corresponding period - \$A
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities.	-	-

8. Foreign entities

For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International etc.)
This half-year release has been prepared in accordance with ASX Listing Rules, the disclosure requirements of ASX Appendix 4D, Australian Accounting Standards and the Corporations Act 2001.

9. If accounts are subject to audit dispute or qualification, details are described below.

The group's financial report for the half-year ended 31 December 2017 has been subject to review by the group's auditor. The auditor's review report relating to the financial report for the half-year ended 31 December 2017 includes an emphasis of matter in respect of the preparation of the financial report on a going concern basis.



Sign here:
(Company Secretary)

Date: 28-Feb-18

Print Name: Michael Wee

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT

The directors present their report on the Group consisting of Byte Power Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2017, made in accordance with a resolution of the directors.

Directors

The names of the directors of the company during the half year and as at the date of this report are:

Alvin Phua
Raphael Tham
Yano Lim
Michael Wee (appointed 15th December 2017)

Results

The Group has reported a loss for the half year ended 31 December 2017 of \$8,073,986 (December 2016: profit of \$1,454,916).

Review of Operations

Summary

The Group's revenues from ordinary activities for the period were \$1,150,063 compared to \$2,916,546 during the same period last year, representing a decrease of 60.6%.

The Group incurred a loss for the half year ended 31 December 2017 of \$8,073,986, compared to a profit of \$1,454,916 for the same period last year.

The Byte Power Group's Asia Business segment contributed 99.8% of total revenue for the Group (\$1,147,983), which was largely due to sales into existing sales channels.

Wine Power's sales revenues for the period were \$1,147,983 compared to \$507,123 for the same period last year. The increase in wine sales was due to a number of new sales opportunities through existing wine sales channels leading up to Chinese New Year.

BYTE POWER GROUP LIMITED
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DIRECTORS' REPORT
(continued)

The Company's Power Management business did not experience any growth for the half year ended 31 December 2017. However, the Group continues to explore new opportunities for this division.

Due to the aging of certain trade receivables, a provision for impairment of \$543,744 was provided for in the period.

Subsequent Events

On 1 January 2018, the Group was notified by Soar Labs Pte Ltd ("Soar Labs") that they had suspended a large portion of the Group's Soar coins. A balance of 179,183,168 Soar coins held by the Company and 34,602,426 Soar Coins held by a Director of the Company had been temporarily suspended based on a number of allegations made by Soar Labs. Subsequent to that date, and as a result of these events, the Group notified Soar Labs that it will not be proceeding with the Soar Labs' proposal for the development of its Cryptocurrency Exchange. The Group also commenced legal proceedings against Soar Labs in the High Court of the Republic of Singapore and on 9 February 2018 were granted Proprietary and Mareva injunctions freezing the assets and bank accounts of Soar Labs. This injunction is in force until the trial or further order. The Directors have conservatively elected to record a provision for impairment relating to intangible assets (cryptocurrency) as at 31 December 2017 of \$6,689,735.

On 10 January 2018, the Company announced that its subsidiary, Byte Power Pty Ltd ('BPPL') had entered into a development and services agreement with Noetic Synergy Sdn Bhd ('Noetic') to develop and manage its cryptocurrency exchange platform. Under the agreement, Noetic will deliver all BPPL's functional and technical specifications for its Cryptocurrency Exchange. Noetic expects BPPL will be able to launch the exchange by the end of April 2018.

As a result of the above matters, subsequent to balance date the Australian Stock Exchange ('ASX') placed the Company into suspension pending a satisfactory response to queries raised. This suspension is still in place at the date of this report and the matter has been referred to the Australian Securities and Investments Commission ('ASIC').

On 15 January 2018, the Company issued 830,000,000 fully paid ordinary shares to Directors of the Company in lieu of once-off discretionary bonuses as approved by shareholders in the 2017 Annual General Meeting on 15th December 2017.

Except for the above, there are no other matters or circumstances that have arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

Outlook

The Group continues to develop its IT&T segment through its partnership with Wimobilize Singapore Pte Ltd in Singapore, Malaysia, Australia, New Zealand, Hong Kong, Macau, China and Taiwan.

The development of the Cryptocurrency exchange continues and is planned for a launch in April 2018.

New and existing business opportunities for Wine Power will be explored through the wine distribution businesses in Asia, particularly with its 8 Eagles range, in the Singapore, Hong Kong, China, Myanmar, Malaysia, Vietnam, Japan and Korea markets.

The Board is optimistic that the rest of the year will yield positive results from all business segments of the business.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

Comments on the Group's operations and results

Detailed results are as follows:

	2017	2016	2017 % change
	\$	\$	
Revenue from ordinary activities	<u>1,150,063</u>	<u>2,916,546</u>	(60.6)
EBITDA	(8,681,557)	1,764,311	(436.5)
Depreciation and amortisation	(12,924)	(11,963)	
EBIT	<u>(8,694,481)</u>	<u>1,752,348</u>	(439.5)
Borrowing expenses	(162,978)	(179,773)	
Operating result before income tax	<u>(8,857,459)</u>	<u>1,572,575</u>	(663.2)
Income tax benefit/(expense)	783,474	(117,659)	
Net profit/(loss)	<u>(8,073,984)</u>	<u>1,454,916</u>	(654.9)

Cashflow analysis

The company has current assets of \$6,277,470 (30 June 2017, \$26,062,590). During the period it recorded net cash used in operating activities of \$1,189,651 (31 December 2016: net cash used in operating activities \$9,751).

Current liabilities of the Group as at 31 December 2017 was \$6,896,008 (June 2017: \$6,281,728).

The directors have considered the company and consolidated entity's operations and cash requirements for the next 12 months, as well as the positions with respect to the management of the payment of trade creditors, and are not aware of any reason, event or transaction that would result in the company not being able to pay its debts as and when they fall due. The company continues to have the support of major creditors, related parties and major shareholders. We are of the opinion that there are reasonable grounds to believe that the company has sufficient cash resources or access to additional cash resources to continue as a going concern.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the company's auditors, PKF Hacketts Audit, to provide the directors with a written Independence Declaration in relation to their review of the financial report for the half year ended 31 December 2017. The Auditor's Independence Declaration is attached and forms part of this Directors' Report.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line extending to the right.

Alvin Phua
Chairman & CEO

Brisbane, 28 February 2018

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF BYTE POWER GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

PKF Hacketts

PKF HACKETTS AUDIT



**SHAUN LINDEMANN
PARTNER**

BRISBANE
DATE: 28 FEBRUARY 2018

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

		Half-Year	
	Note	2017	2016
		\$	\$
Revenue			
Revenue from continuing activities		1,150,063	2,916,546
Cost of goods sold		(1,142,932)	(1,829,353)
Gross Profit		7,131	1,087,193
Other income / (expense)			
Impairment expense - intangibles (Cryptocurrency)	7	(6,689,735)	-
Gain from debt extinguishment		-	2,082,039
Other		1,709	(76,890)
Depreciation and amortisation expenses		(12,924)	(11,963)
Borrowing cost expenses		(162,978)	(179,773)
Salaries and employee benefits expenses		(236,951)	(305,201)
Directors' fees		(45,500)	(53,052)
Rent and outgoings		(47,459)	(34,286)
Travel, accommodation and entertainment		(121,103)	(79,094)
Consultants / Professional fees		(198,362)	(66,037)
Impairment provision expense - debtors		(543,744)	(675,372)
Marketing and outgoings - all segments		(651,735)	(47,704)
Other expenses from ordinary activities		(155,809)	(67,285)
Profit/(loss) before related income tax		(8,857,459)	1,572,575
Income tax (expense)/benefit		783,474	(117,659)
Net profit/(loss) for the period attributable to members of the parent entity		(8,073,986)	1,454,916
Other comprehensive income			
Exchange differences arising on translation of foreign operations		5,652	47,860
Revaluation of Intangible assets - Cryptocurrency		(7,791,506)	-
Total other comprehensive income/(loss) for the period, net of tax		(7,785,854)	47,860
Total comprehensive income/(loss) attributable to members of the parent entity		(15,859,840)	1,502,776
Total comprehensive income/(loss) attributable to:			
Owners of Byte Power Group Limited		(11,379,324)	1,502,776
Non-controlling interests		(4,480,516)	-
		(15,859,840)	1,502,776
Earnings per share:			
From continuing and discontinued operations:			
Basic earnings per share		cents per share (0.361)	cents per share 0.065
Diluted earnings per share		(0.361)	0.065

The accompanying notes form part of these financial statements

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		176,238	19,221
Receivables	6	4,039,885	4,531,036
Inventories		63,276	61,938
Intangible assets - Cryptocurrencies	7	912,547	21,409,561
Prepayments	8	1,085,524	-
Other		-	40,834
TOTAL CURRENT ASSETS		6,277,470	26,062,590
NON-CURRENT ASSETS			
Property, plant and equipment		-	2,624
Other		9,350	9,350
TOTAL NON-CURRENT ASSETS		9,350	11,975
TOTAL ASSETS		6,286,820	26,074,565
CURRENT LIABILITIES			
Payables	9	5,364,827	4,056,448
Related party payables	10	999,738	1,729,062
Interest bearing liabilities (related parties)		260,460	241,034
Provisions		270,983	255,184
Borrowings		-	-
TOTAL CURRENT LIABILITIES		6,896,008	6,281,728
NON-CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities		52,594	321,459
Related Party Payables		77,976	131,322
Interest bearing liabilities (related parties)		2,196,135	2,156,103
Long term liabilities		17,500	67,500
Deferred tax liabilities	12	144,004	4,354,011
TOTAL NON-CURRENT LIABILITIES		2,488,210	7,030,395
TOTAL LIABILITIES		9,384,218	13,312,123
NET ASSETS / (LIABILITIES)		(3,097,398)	12,762,442
EQUITY			
Contributed equity	2	53,114,922	53,109,922
Reserves	11	7,459,259	13,169,084
Accumulated losses		(64,018,979)	(58,344,480)
EQUITY ATTRIBUTED TO OWNERS OF BYTE POWER GROUP LTD		(3,444,798)	7,934,526
NON-CONTROLLING INTERESTS		347,400	4,827,916
TOTAL EQUITY		(3,097,398)	12,762,442

The accompanying notes form part of these financial statements

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Non-Controlling Interest A\$	Total A\$
Balance at 1 July 2016	53,109,922	(71,032)	(58,643,247)	-	(5,604,357)
Profit for the period	-	-	1,454,916	-	1,454,916
Total other comprehensive income	-	47,860	-	-	47,860
Total comprehensive income	-	47,860	1,454,916	-	1,502,776
Shares issued during the period	5,000	-	-	-	5,000
Share issue costs	-	-	-	-	-
Contribution by members	5,000	-	-	-	5,000
Sub-total	53,114,922	(23,172)	(57,188,331)	-	(4,096,581)
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2016	53,114,922	(23,172)	(57,188,331)	-	(4,096,581)
Balance at 1 July 2017	53,114,922	13,164,085	(58,344,481)	4,827,916	12,762,442
Loss for the period	-	-	(5,674,498)	(2,399,488)	(8,073,986)
Other comprehensive income	-	(5,704,826)	-	(2,081,028)	(7,785,854)
Total comprehensive income	-	(5,704,826)	(5,674,498)	(4,480,516)	(15,859,840)
Shares issued during the period	-	-	-	-	-
Share issue costs	-	-	-	-	-
Reserves	-	-	-	-	-
Contribution by members	-	-	-	-	-
Sub-total	53,114,922	7,459,259	(64,018,979)	347,400	(3,097,398)
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2017	53,114,922	7,459,259	(64,018,979)	347,400	(3,097,398)

The accompanying notes form part of these financial statements

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-Year	
		2017 A\$	2016 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,209,097	3,716,397
Payments to suppliers and employees		(2,367,959)	(3,589,785)
Interest received		-	-
Interest and other costs of finance paid		(30,789)	(136,363)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(1,189,651)	(9,751)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(10,300)	-
Proceeds from sale of intangibles		1,351,316	-
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		1,341,016	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	5,000
Repayment of lease liabilities		-	(8,406)
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		-	(3,406)
Net increase/(decrease) in cash held		151,365	(13,157)
Effects of functional currency exchange rate		5,652	47,860
Cash at beginning of half year		19,221	11,790
		<hr/>	<hr/>
Cash at end of half year		176,238	46,493

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: Summary of significant accounting policies

These consolidated interim financial statements and notes represent those of Byte Power Group Limited ("the Company") and controlled entities ("the Group").

Byte Power Group Limited is a public company incorporated and domiciled in Australia.

The financial statements were authorised for issue on 28 February 2018 by the directors of the Company.

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including *AASB 134 Interim Financial Reporting*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during and subsequent to the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2017 annual report.

New and Revised Accounting Requirements applicable to the current half-year reporting period

A number of new and revised accounting standard requirements became mandatory for the first time during the half-year reporting period to 31 December 2017.

The Group has adopted all of the new and revised standards and interpretations that are relevant to their operations and effective for the current half-year. Adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-year.

Going concern

This financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business.

As at 31 December 2017, the Group has recorded a net current asset deficiency of \$618,538 (30 June 2017: net current assets of \$19,780,862) and a net asset deficiency of \$3,097,398 (net asset position at 30 June 2017: \$12,762,442). The company has also recorded net cash outflows from operating activities of \$1,189,651 (December 2016 inflow of \$9,750). There are also significant related party liabilities.

As outlined in Note 4 and Note 7, the net current asset position of the Group was significantly impacted by the suspension of cryptocurrency (Soar coins) at balance date, resulting in a provision for impairment (and reduction in net current assets) of \$6,689,735.

Given the above, the ability of the group to continue as a going concern, including Byte Power Group Limited's ability to pay its debts as and when they fall due needs to be considered. The continuation of the group as a going concern is dependent upon its ability to achieve the following:

- The continued support of major creditors and related parties and loans from the major shareholders;
- Obtaining an overdraft or working capital facility to assist the group to pay its debts on a timely basis;
- Obtaining additional equity in the form of capital raising or longer term debt to enable the group to fund operating and investing activities cash flow requirements; and
- The generation of future profits by the underlying businesses.

It is on the basis of the group's ability to secure the above arrangements, facilities and the generation of future profits, that the Directors have prepared the financial report on a going concern basis. In the event that the above arrangements and facilities are not entered into, there is significant uncertainty whether the group will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

NOTE 2: Share Capital

	Half-Year	
	2017 A\$	2016 A\$
Issued and paid up ordinary share capital	53,114,922	53,114,922
Movement in ordinary share capital during the period:		
Opening balance - 1 July	2,235,069,989	2,232,569,989
Share issues: 29 September 2016		2,500,000
Closing balance - 31 December	2,235,069,989	2,235,069,989
Weighted average number of shares on issue during the period	2,235,069,989	2,233,840,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 3: Segment Reporting

A\$	Power		IT&T		Asian Business Division		Corporate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue										
Sales to customers outside the group	2,080	8,375	-	2,401,048	1,147,983	507,123	-	-	1,150,063	2,916,546
Inter segment revenues	-	-	-	-	-	-	253,971	256,352	253,971	256,352
	2,080	8,375	-	2,401,048	1,147,983	507,123	253,971	256,352	1,404,035	3,172,898
Eliminations									(253,971)	(256,352)
Total segment revenue									1,150,063	2,916,546
Results										
Segment result	(10,355)	(24,778)	(529,713)	531,792	(770,280)	(693,863)	(6,763,638)	1,641,765	(8,073,986)	1,454,916
Interest expense	-	(8,545)	(1,826)	(25)	(30,440)	(1,038)	(130,711)	(170,166)	(162,978)	(179,773)
Depreciation	(10,094)	(18)	(447)	(67)	-	-	(2,383)	(11,877)	(12,924)	(11,963)
Impairment of Cryptocurrency	-	-	-	-	-	-	(6,689,735)	-	(6,689,735)	-
Net profit / (loss) before tax	(10,355)	(24,778)	(529,713)	649,451	(1,553,753)	(693,863)	(6,763,637)	1,641,765	(8,857,459)	1,572,575
Tax	-	-	-	(117,659)	783,474	-	-	-	783,474	(117,659)
Net profit / (loss) after tax	(10,355)	(24,778)	(529,713)	531,792	(770,280)	(693,863)	(6,763,638)	1,641,765	(8,073,986)	1,454,916
Assets										
Segment assets	1,782	23,100	4,089,508	2,450,466	2,305,218	1,997,767	(109,688)	(142,732)	6,286,820	4,328,601
Inter segment elimination										
	-	-	-	-	-	-	-	-	-	-
Total group assets	1,782	23,100	4,089,508	2,450,466	2,305,218	1,997,767	(109,688)	(142,732)	6,286,820	4,328,601

For segment reporting purposes, the IT&T segment includes the income and results from the new Wimobilize Big Data Solutions division during the half-year ended 31 December 2017.

NOTE 4: Subsequent Events

On 1 January 2018, the Group was notified by Soar Labs Pte Ltd ("Soar Labs") that a balance of 179,183,168 Soar coins held by the Company and 34,602,426 Soar Coins held by a Director of the Company had been temporarily suspended based on a number of allegations made by Soar Labs. Subsequent to that date, and as a result of these events, the Group notified Soar Labs that it will not be proceeding with the Soar Labs' proposal for the development of its Cryptocurrency Exchange. The Group also commenced legal proceedings against Soar Labs in the High Court of the Republic of Singapore and on 9 February 2018 were granted Proprietary and Mareva injunctions freezing the assets of Soar Labs. This injunction is in force until the trial or further order. The Directors have conservatively elected to record a provision for impairment relating to intangible assets (cryptocurrency) as at 31 December 2017 of \$6,689,735.

On 10 January 2018, the Company announced that its subsidiary, Byte Power Pty Ltd ('BPPL') had entered into a development and services agreement with Noetic Synergy Sdn Bhd ('Noetic') to develop and manage its cryptocurrency exchange platform. Under the agreement, Noetic will deliver all BPPL's functional and technical specifications for its Cryptocurrency Exchange. Noetic expects BPPL will be able to launch the exchange by the end of April 2018.

As a result of the above matters, subsequent to balance date the Australian Stock Exchange ('ASX') placed the Company into suspension pending a satisfactory response to queries raised. This suspension is still in place at the date of this report and the matter has been referred to the Australian Securities and Investments Commission ('ASIC').

On 15 January 2018, the Company issued 830,000,000 fully paid ordinary shares to Directors of the Company in lieu of once-off discretionary bonuses as approved by shareholders in the 2017 Annual General Meeting on 15th December 2017.

Except for the above, there are no other matters or circumstances that have arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 5: Contingent Assets and Liabilities

As a result of matters outlined in Note 4 above regarding the suspension of cryptocurrency by Soar Labs (Soar coins) which were held by the Group, and subsequent legal proceedings commenced, the Directors are of the view that the Group may recover, in either cryptocurrency or other form, these assets. The Directors are not able to reliably determine at this point the likely outcome of this matter, or the probability or value of any amount of the cryptocurrency (Soar coins) or other consideration which may be recovered as a result of these proceedings.

During the year ended 30 June 2017, the Group successfully negotiated the settlement of short and long-term liabilities at a discounted rate provided that the Group complied with payment terms outlined in the agreement. Should the Group be unable to comply with the payment terms in the agreement, the Group may be liable for the original full liability or a renegotiated amount. The Directors are not able to reliably determine the extent of any additional liability at this point, should non-compliance occur.

NOTE 6: Receivables

Trade Debtors	Dec-17	Jun-17
Provision for Impairment	5,377,975	5,325,382
	(1,338,090)	(794,346)
	<u>4,039,885</u>	<u>4,531,036</u>

Provision for impairment - as consistent with the prior period the Group elected to apply a provision for 100% of balances exceeding 2 years overdue, 50% of balances aged between 1 and 2 years and 10% of balances overdue between 6 months and 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 7: Intangible Assets - Cryptocurrencies

	Dec-17	Jun-17
Intangible Assets - Cryptocurrency	7,602,282	21,409,561
Provision for Impairment	(6,689,735)	-
	<u>912,547</u>	<u>21,409,561</u>

As outlined in Note 4, a number of cryptocurrency coins (Soar coins) held by the Group were suspended by Soar Labs Pte Ltd ("Soar Labs"). The above provision for impairment records the volume of coins suspended at the closing rate of the coins as at 31 December 2017. As noted in Note 4 and Note 5, legal proceedings have commenced and the Group are attempting to recover the suspended coins or other equivalent compensation from Soar Labs.

The Directors have taken additional measures to secure remaining cryptocurrency balances held against a similar risk of misappropriation.

The significant movement in cryptocurrency (Soar coins) held and the value of those Soar coins between 30 June 2017 and balance date, aside from the above impairment adjustment, have been due to:

- Liquidation of coins to cash for working capital purposes;
- Use of the coins to settle creditors of the Group;
- Use of the coins to settle long-standing related party loan balances; and
- Significant decrease in Soar coin value as at balance date.

NOTE 8: Prepayments

The Group received orders and prepayments from customers for IT hardware during the period. The Group subsequently prepaid a supplier for this IT hardware. As at the time of this report the inventory has not been received from the supplier.

NOTE 9: Payables

	Dec-17	Jun-17
Trade creditors	3,214,247	3,290,608
Other creditors	2,150,580	765,840
	<u>5,364,827</u>	<u>4,056,448</u>

As outlined in Note 8 the Group received prepayments from customers for IT hardware to the value of \$1,321,607. As at the time of this report the Group had not received this inventory ordered from a supplier to fill these customers' orders. The significant increase in other creditors is predominantly due to prepayments made to the Group's supplier of the IT hardware.

NOTE 10: Related Party Payables

As outlined in Note 7 the Group issued Soar coins to the Directors during the period in lieu of outstanding salary and wages owing by the Group over many years. The result sees a reduction in related party payables from \$1.729M to \$1M.

NOTE 11: Reserves

	Dec-17	Jun-17
Foreign Currency Translation reserve	(69,697)	(75,349)
Cryptocurrency Revaluation reserve	1,380,548	7,091,026
General reserve	6,148,408	6,148,404
	<u>7,459,259</u>	<u>13,164,081</u>

Foreign Currency Translation reserve - The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

Cryptocurrency Revaluation reserve - The Cryptocurrency revaluation reserve records the valuation differences arising from the change in Cryptocurrency pricing as at the reporting date.

General reserve - The general reserve represents non-controlling interest of retained earnings at date of share issue.

NOTE 12: Deferred tax liability

The significant reduction in the deferred tax liability recorded is due to:

- Significant decrease in Soar coin value as at balance date, reflected by the decrease in the revaluation reserve;
- The provision applied against the Soar Coins held by the group at 31 December as outlined in Note 7

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Byte Power Group Limited, I state that:

(1) In the opinion of the Directors:

- a) The financial statements and notes of the consolidated entity:
 - i) Give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date, and
 - ii) Comply with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001;
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors.



Alvin Phua
Director

Brisbane, 28 February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BYTE POWER GROUP LIMITED

Report on the Half-Year Financial Report Conclusion

We have reviewed the accompanying half-year financial report of Byte Power Group Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the company and the consolidated entity, comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Byte Power Group Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Emphases of Matters

Without modifying our conclusion, we draw attention to the following matters:

As outlined in Note 1, the consolidated group has recorded a net current asset deficiency as at 31 December 2017 of \$618,538. This, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

As outlined in Note 4 and Note 7, a material quantity of cryptocurrency ('soar coins', recorded as intangible assets) held by the Group at balance date was subsequently suspended by Soar Labs Pte Ltd. A significant provision has been recorded at balance date to reflect the impact of the value of the coins suspended. As outlined in Note 5, the Group is attempting to recover the coins or other appropriate compensation.

As outlined in Note 4, the Company is currently suspended on the Australian Stock Exchange, pending the outcome of enquiries by the Australian Securities and Investments Commission.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of Byte Power Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF HACKETTS AUDIT



SHAUN LINDEMANN
PARTNER

28 FEBRUARY 2018
BRISBANE