

Appendix 4D

Half Year Report

1. Company Details

Name of entity: Axxis Technology Group Limited
ABN: 98 009 805 298
Reporting Period: For the half year ended 31 December 2018
Previous Period: For the half year ended 31 December 2017

2. Results for announcement to the market

Comparison to previous corresponding period	Increase/Decrease	Change %	\$'000
Revenue from ordinary activities	down	100%	-
Loss after tax from ordinary activities attributable to members	Increase	27%	(172,104)
Loss attributable to members	Increase	27%	(172,104)

	31 Dec 2018	31 Dec 2017
Basic earnings per share	(0.44)	(0.32)
Diluted earnings per share	(0.44)	(0.32)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Company after providing for income tax amounted to \$172,104 (31 December 2017 \$125,608)

3. Net Tangible Assets

	Reporting Period Cents	Reporting Period Cents
Net tangible asset per ordinary security	0.01	0.01

4. Control Gained Over Entities

Not Applicable.

5. Control Lost Over Entities

Not Applicable.

6. Dividends

Current Period

There we no dividends paid, recommended or declared during the current financial period.

Previous period

There we no dividends paid, recommended or declared during the previous financial period.

7. Dividend Reinvestment Plans

Not Applicable.

8. Details of Associate and Joint Venture Entities

Not Applicable.

9. Foreign Entities

Details of origin of accounting standards used in compiling the report:

Not Applicable.

10. Audit Qualification Review

Details of audit/review dispute or qualification (if any):

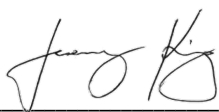
The financial statements were subject to review by the auditors and the review report, I attached as part of the Half-Year report.

11. Attachments

Details of attachments (if any):

The Half Year Report for the half year ended 31 December 2018 of Axxis Technology Group Limited is attached.

12. Signed

Signed 

Date: 22 February 2019

Jeremy King
Director

AXXIS TECHNOLOGY COMPANY LTD

ABN 98 009 805 298

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

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DIRECTORS' REPORT

The Directors of Axxis Technology Company Limited ("AYG" or "the Company") present their report, together with the financial statements, on the Company for the half-year ended 31 December 2018.

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2018 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

1. DIRECTORS

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

Director	Position	Duration of Appointment
Mr Justyn Stedwell	Non-Executive Director	Appointed 30 March 2016
Mr Jeremy King	Non-Executive Director	Appointed 11 January 2017
Mr Eddie King	Non-Executive Director	Appointed 11 January 2017

2. REVIEW OF OPERATIONS AND ACTIVITIES

During the financial half-year the Company continued with its search for a suitable company for acquisition opportunities, in which to merge its operating business and re-commence active trading in a profitable business sector.

On 15 February 2019, the Company announced that it signed a binding term sheet for the right to acquire 100% of ECS Botanics Pty Ltd.

Current operating costs consist of administration and consultant costs in relation to compliance and advisory activities in support of the Company's objective to acquire suitable business assets that would add significant value to the Axxis shareholders.

AXXIS TECHNOLOGY GROUP LIMITED

DIRECTORS' REPORT

3. FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2018 are:

	31-Dec-18	30-Jun-18
Cash and cash equivalents (\$)	45,570	205,045
Net assets (\$)	16,380	188,484

	31-Dec-18	31-Dec-17
Net loss after tax (\$)	(172,104)	(125,608)
Loss per share (cents)	(0.44)	(0.32)

4. EVENTS OCCURRING AFTER REPORTING DATE

On 15 February 2019, the Company announced that it signed a binding term sheet for the right to acquire 100% of ECS Botanics Pty Ltd.

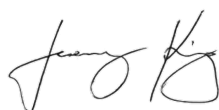
The Company also announced a rights issue of 8,652,810 shares at \$0.032 per new share to raise approximately \$276,890 before expenses. The Company intends that the funds raised from the rights issue will cover interim working capital and costs of the acquisition and recompliance.

There has been no other matter, or circumstance, that has arisen since the half-year ended 31 December 2018, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2018.

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



Jeremy King
Non-Executive Director
22 February 2019

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AXXIS TECHNOLOGY GROUP LTD

As lead auditor for the review of Axxis Technology Group Ltd for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 22 February 2019

AXXIS TECHNOLOGY GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec-18 \$	31-Dec-17 \$
Other Income	3	284	21,035
Occupancy expenses			-
Administration	4	(144,805)	(136,572)
Other expenses	5	(27,563)	(10,057)
Finance costs		(20)	(14)
Loss before income tax for the period		(172,104)	(125,608)
Income tax expense		-	-
Loss after income tax for the period		(172,104)	(125,608)
Total comprehensive loss for the period attributable to members of Axxis Technology Company Limited		(172,104)	(125,608)
Loss per share for the period attributable to the members of Axxis Technology Company Limited:			
Basic and diluted loss per share (cents)	10	(0.44)	(0.32)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

AXXIS TECHNOLOGY GROUP LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31-Dec-18 \$	30-Jun-18 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	45,570	205,045
Trade and other receivables		18,164	7,672
Total Current Assets		63,734	212,717
		63,734	212,717
TOTAL ASSETS		63,734	212,717
LIABILITIES			
Current Liabilities			
Trade and other payables	7	47,354	24,233
Total Current Liabilities		47,354	24,233
TOTAL LIABILITIES		47,354	24,233
NET ASSETS		16,380	188,484
EQUITY			
Issued capital	8	51,548,154	51,548,154
Accumulated losses		(51,531,774)	(51,359,670)
TOTAL EQUITY		16,380	188,484

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

AXXIS TECHNOLOGY GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
At 1 July 2018	51,548,154	(51,359,670)	188,484
Loss for the period	-	(172,104)	(172,104)
Total comprehensive income/(loss) for the period after tax	-	(172,104)	(172,104)
Balance at 31 December 2018	51,548,154	(51,531,774)	16,380
 At 1 July 2017	 51,548,154	 (51,140,958)	 407,196
Loss for the period	-	(125,608)	(125,608)
Total comprehensive income/(loss) for the period after tax	-	(125,608)	(125,608)
Balance at 31 December 2017	51,548,154	(51,266,566)	281,588

The Statement of Changes in Equity should be read
in conjunction with the notes to the financial statements.

AXXIS TECHNOLOGY GROUP LIMITED

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(159,759)	(153,647)
Interest received	284	21,035
Net cash flows used in operating activities	(159,475)	(132,612)
 Cash flows from investing activities		
Payment of Loan to WindTurbine Pty Ltd	-	(200,000)
Payment of Loan from WindTurbine Pty Ltd to AYG	-	200,000
Net cash flows provided by investing activities	-	-
 Net increase/(decrease) in cash and cash equivalents	(159,475)	(132,612)
Cash and cash equivalents at the beginning of the period	205,045	422,008
Cash and cash equivalents at the end of the period	45,570	289,396

The Statement of Cash Flows should be
read in conjunction with the notes to the financial statements.

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Axxis Technology Company Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the following half-year.

Significant accounting judgments and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

(a) Accounting Policies

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

(b) Adoption of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period for which the Company has adopted

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

There is no impact on the Company for the period ended 31 December 2018.

(c) Basis of preparation and changes to the Group's accounting policies

AASB 15 Revenue from contracts with Customers

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Company has considered AASB 15 in detail and determined that the impact on the Company's sales revenue from contracts under AASB 15 is insignificant for the year.

The Company's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled. If the consideration promised includes a variable component, the Company estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

Classification and measurement

Except for certain trade receivables the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment

From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience.

(d) Going Concern

For the period ended 31 December 2018 the entity recorded a loss of \$172,104 and had net cash outflows from operating activities of \$159,475.

The ability of the entity to continue as a going concern is dependent on securing additional funding through new or existing investors to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report. Subsequent to year end the entity expects to receive additional funds as detailed above.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- The directors have prepared cash flow projections that support the ability of the entity to continue as a going concern, subject to raising additional funds through equity as above; and
- The entity also has the ability to reduce its expenditure to conserve cash.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

NOTE 2: OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Directors.

The Company is currently operating in one business segment being an administrative entity in one geographic segment being Australia.

NOTE 3: OTHER INCOME

The following other income items are relevant in explaining the financial performance for the interim period:

	31-Dec-18 \$	31-Dec-17
(a) Other Income		
Interest received	284	535
Interest received in relation to the WindTurbine Pty Ltd Loan ⁽ⁱ⁾	-	20,500
	284	21,035

- (i) During the 2017 period, the company received full repayment of the working capital loan of the \$200,000 loan paid to WindTurbine Pty Ltd, which included interest at a rate of 10% per annum.

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 4: ADMINISTRATION EXPENSES

The following administration expense items are relevant in explaining the financial performance for the interim period:

	31-Dec-18 \$	31-Dec-17 \$
(a) Administration expenses		
Compliance Fees	100,115	79,481
Insurance	8,690	8,396
Director Fees	36,000	36,000
General expenses	-	12,695
	144,805	136,572

NOTE 5: OTHER EXPENSES

The following other expense items are relevant in explaining the financial performance for the interim period:

	31-Dec-18 \$	31-Dec-17 \$
(a) Other Expenses		
Legal Fees	13,943	-
Consulting & Accounting Fees	13,620	10,057
	27,563	10,057

NOTE 6: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	31-Dec-18 \$	30 Jun-18 \$
Cash at Bank	45,570	205,045
	45,570	205,045

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 7: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	31-Dec-18 \$	30 Jun-18 \$
Accrued Expenses	15,575	12,500
Other payables	31,779	11,733
	47,354	24,233

NOTE 8: EQUITY DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

There are no known commitments and contingent liabilities or contingent assets at reporting date.

NOTE 10: EARNINGS PER SHARE

	31-Dec-18 \$	31-Dec-17 \$
Loss after income tax attributable to owners of Axxis Technology Company Ltd	(172,104)	(125,608)
Weighted average number of ordinary shares used in calculated basic earnings per share	38,937,402	38,937,402
Basic earnings per share (cents)	(0.44)	(0.32)

AXXIS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 11: EVENTS AFTER THE END OF THE INTERIM PERIOD

On 15 February 2019, the Company announced that it signed a binding term sheet for the right to acquire 100% of ECS Botanics Pty Ltd.

The Company also announced a rights issue of 8,652,810 shares at \$0.032 per new share to raise approximately \$276,890 before expenses. The Company intends that the funds raised from the rights issue will cover interim working capital and costs of the acquisition and recompliance.

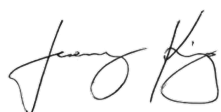
There has been no other matter, or circumstance, that has arisen since the half-year ended 31 December 2018, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

AXXIS TECHNOLOGY GROUP LIMITED

DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

In accordance with a resolution of the directors of Axxis Technology Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 16 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Jeremy King
Non-Executive Director
22 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Axxis Technology Group Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Axxis Technology Group Ltd (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(d) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J Prue'. Above the signature, the letters 'BDO' are handwritten in a simple, blocky font.

Jarrad Prue

Director

Perth, 22 February 2019