

**Byte Power Group Limited
(ACN 009 268 571)
and Controlled Entities**

COMMENTARY ON RESULTS

Your Directors submit the preliminary final report for Byte Power Group Limited (“the group”) and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The names of the Directors of the Company during the year and at the date of this report are:

Alvin Phua
Raphael Tham
Yano Lim
Michael Wee (appointed 18 December 2017)

Review of Operations

Summary

For the year ended 30 June 2018, the group reports a net loss before tax of \$10,202K compared with last year’s reported profit of \$697K. Revenues across all the business segments fell. Management was actively involved in the litigation suit with Soar Labs Pte Ltd and discussions with ASX and ASIC queries. Correspondingly, professional expenses in the form of legal costs increased significantly year on year from \$31k for the year ended 30 June 2017 to \$540K for the year ended 30 June 2018. The Group also incurred other expenses of \$4.579M5M as a result of the impairment incurred due to the disposal of soar coins pursuant to the settlement with Soar Labs Pte Ltd and foreign exchange gains and losses.

EBITDA loss for the year was \$5.094M which excludes the impairment and is compared to an EBITDA profit of \$1.11M the previous year.

Revenues from ordinary activities in the financial year ended 30 June 2018 were \$1.16M compared to \$4.06M in the financial year ended 30 June 2017. This is largely due to the IT&T segment which did not contribute any sales this financial year as compared to \$2.4M in the financial year ended 30 June 2017. There were no sales of the Wimobilize’s Big Data solution during the period.

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For the year ended 30 June 2018, sales revenue generated from the Asian Business Division contributed to over 99% of total revenue for the group (30 June 2017: 40.4%). These sales revenues (\$1.15M) represented a decline of 29.6% on the sales revenue for the Asian Business Division for the year ended 30 June 2017 (\$1.64M). This decline was due in part to the continued austerity drive in China, one of our key markets affecting our wine sales. The group is looking at strengthening its distribution network and expanding its focus in other markets in Asia.

On 1st January 2018, Byte Power Group Ltd (“BPG”) was notified by Soar Labs Pte Ltd (“Soar Labs”) that the current balance of 179,183,168 Soar Coins held by BPG and its subsidiary, Byte Power Pty Ltd (“BPPL”) and 34,602,426 Soar Coins held by Mr Alvin Phua, a Director of the Company, had been temporarily suspended based on a number of allegations which were posted by Soar Labs on its website. The Board of BPG subsequently started legal action against Soar Labs for the recovery of the Soar Coins in Singapore where Soar Labs was based.

On the 24th May 2018 Byte Power Group Ltd, its subsidiary Byte Power Pty Ltd, Mr Alvin Phua and Soar Labs reached an amicable settlement. As part of the settlement Soar Labs transferred the 49 shares it had previously acquired in BPPL for US\$5M, to BPG for no consideration. Soar Labs Pte Ltd are also required to pay a total of US\$1.85M in cash and cryptocurrency to BPPL, BPG and Mr Phua in three tranches over a twelve-month period. The settlement proceeds distribution was agreed between BPG, BPPL and Mr Phua and was based on the percentage of Soar Coins suspended. BPG, BPPL and Mr Phua have received the first tranche of settlement proceeds from Soar Labs Pte Ltd which included US\$97,000, 372 Ether and 3,000,000 Soar Coins. The second settlement payment in the sum of US\$579,800 is due on or before 24th November 2018 and the final settlement payment, consisting of US\$800,000 and 2,000,000 Soar Coins is due on or before 24th May 2019.

The Group incurred an impairment expense on settlement of \$4.73M.

The Group made significant progress on the development of its Cryptocurrency Exchange. Discussions with banking institutions are still ongoing in relation to the provision of pairing facilities. In August 2018, the Group opened registration for users of the Exchange.

Comments on the Group's operations and results

Detailed results are as follows:

Year ended 30 June 2017	2018 \$'000	2017 \$'000	% change
Revenue from ordinary activities	1,164	4,059	32%
EBITDA	(5,094)	1,113	
Impairment	(4,734)		
Depreciation/Amortisation	(16)	(20)	(33%)
EBIT	(9,844)	1,093	
Financial costs	(358)	(421)	(18%)
Operating profit/(loss) before income tax	(10,202)	672	222%
Income tax expense	-	-	
Net profit/(loss)	(10,202)	672	222%

Business Unit Results are set out below:

	Revenues		Results	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Segment:				
Power Management	10	19	(4)	(7)
IT&T	-	2,401	(2,346)	1,478
Asia Business Division	1,154	1,639	(1,336)	(700)
Other	-	-	(6,516)	(99)
	1,164	4,059		
Income tax expense	-	-	-	-
Profit for the year			(10,202)	672

Outlook

The Group is targeting the completion of the Cryptocurrency Exchange user interface developments and is expecting to launch its Cryptocurrency Exchange in Q4.

BPG will continue to explore new and existing business opportunities for the wine distribution business in Asian Pacific with its 8 Eagles range.

The Group continues to build its company profile and management team to support the opportunities in Asia to further develop the Asian Business Division and its Asian presence.

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



Alvin Phua
Chairman & CEO
Brisbane, 31 August 2018

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Appendix 4E

Preliminary Final Report

Results for announcement to the market
for the year ended 30 June 2018

1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES
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ABN or equivalent company reference

80 009 268 571

Full year ended ('current period')

30 June 2018

Full year ended ('previous period')

30 June 2017

2. Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

	Current Period \$A	Previous Period \$A	Movement \$A	%
2.1 Revenues from ordinary activities	1,163,733	4,059,137	(2,895,405)	(71)
2.2 Profit (loss) from ordinary activities after tax attributable to members	(10,202,104)	697,053	(10,899,157)	1,564
2.3 Net profit (loss) for the period attributable to members	(10,202,104)	697,053	(10,899,157)	1,564
2.4 Dividends (distributions)	Amount per security	Franked amount per security		
Interim dividend declared	Nil ¢	Nil ¢		
The Directors do not propose to pay any dividend for the 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	Please refer to attached commentary on results.			

3. NTA backing

	Current period - A cents	Previous corresponding period - A cents
3.1 Net tangible asset backing per ordinary security	(0.14)	(0.39)
3.2 Brief explanation of any figures necessary to enable the figures to be understood		

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4 Changes in group structure

4.1 Control gained over entities	
Name of entity (or group of entities)	Byte Power X Pty Ltd
Date control gained	15th February 2018
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	
Contribution of such entities to the reporting entity's profit / (loss) from ordinary activities during the period (where material).	Nil
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).	Nil

5. Dividends

5.1 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 year	Not applicable	Nil ¢	Nil ¢	Nil ¢
Previous year	Not applicable	Nil ¢	Nil ¢	Nil ¢

6. Dividend reinvestment plans


6.1 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 associates and joint venture entities

Name of Entity	Entity's percentage holding in each of these entities		Entity's investment in each of these entities	
	Current Period %	Previous Corresponding Period %	Current Period \$A	Previous Corresponding Period \$A
Not applicable	Not applicable		Not applicable	
Groups' 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			-	-
Net profit (loss)			-	-
Adjustments			-	-
Share of net profit (loss) of associates and joint venture entities.			-	-

The consolidated entity's financial report for the year ended 30 June 2018 is yet to be audited.

The audit is not yet at a stage where it is possible for the Directors to anticipate whether the independent audit report will be subject to a modified opinion, emphasis of matter or other matter paragraph.

Sign here:  Date: 31-Aug-18
 (Company Secretary)
 Michael Wee

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BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	30 JUNE 2018 A\$	30 JUNE 2017 A\$
Revenue			
Revenue from continuing activities	4	1,163,733	4,059,137
Cost of goods sold		(1,209,812)	(2,941,882)
Gross Profit		<u>(46,080)</u>	<u>1,117,256</u>
Other income / (expense)	4	929,920	1,778,153
Depreciation and amortisation expenses		(15,716)	(20,940)
Finance cost expenses		(357,725)	(422,344)
Salaries and employee benefits expenses		(412,338)	(538,926)
Directors' fees		(104,750)	(98,552)
Share based payments	14	(830,000)	-
Rent and outgoings		(70,749)	(68,711)
Travel, accommodation and entertainment		(250,852)	(130,739)
Consultants / Professional fees		(905,615)	(151,047)
Provision for impairment - trade receivables		(2,509,785)	(656,296)
Loss on settlement - cryptocurrency		(4,734,364)	-
Other expenses from ordinary activities	4	<u>(894,048)</u>	<u>(110,801)</u>
Profit / (Loss) before related income tax		(10,202,104)	697,053
Income tax expense/(benefit)		-	-
Net Profit / (Loss) for the year		<u>(10,202,104)</u>	<u>697,053</u>
Profit / (loss) from discontinued operations		-	-
Profit / (Loss) for the year attributable to members of the parent entity		<u>(10,202,104)</u>	<u>697,053</u>
Other comprehensive income			
Exchange differences arising on translation of foreign operations		17	(682)
Asset revaluation of Cryptocurrency		(7,622,137)	10,159,359
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income for the period, net of tax		<u>(7,622,120)</u>	<u>10,158,677</u>
		<u>(17,824,224)</u>	<u>10,855,731</u>
Total comprehensive income attributable to members of the parent entity		<u>(11,854,818)</u>	<u>7,390,475</u>
Total comprehensive income attributable to NCI		<u>(5,969,406)</u>	<u>3,465,256</u>
		<u>(17,824,224)</u>	<u>10,855,731</u>
From continuing and discontinued operations			
		cents per share	cents per share
Basic earnings per share	7	(0.447)	0.031
Diluted earnings per share	7	(0.447)	0.031
From continuing operations			
Basic earnings per share	7	(0.447)	0.031
Diluted earnings per share	7	(0.447)	0.031
From discontinued operations			
Basic earnings per share	7	-	-
Diluted earnings per share	7	-	-

The accompanying notes form part of these financial statements.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	30 JUNE 2018 A\$	30 JUNE 2017 A\$
CURRENT ASSETS			
Cash and cash equivalents	10	72,759	19,221
Receivables	11	3,855,149	4,531,036
Inventories		60,513	61,938
Intangible assets - Cryptocurrency	12	50,530	21,409,561
Other		3,620	40,834
TOTAL CURRENT ASSETS		4,042,571	26,062,590
NON-CURRENT ASSETS			
Property, plant and equipment		4,513	2,624
Intangible assets - Software development		157,099	-
Other		16,500	9,350
TOTAL NON-CURRENT ASSETS		178,112	11,974
TOTAL ASSETS		4,220,683	26,074,565
CURRENT LIABILITIES			
Payables	13	3,495,009	4,056,448
Related party payables		1,047,500	1,729,062
Interest bearing liabilities (related Parties)	16	281,096	241,034
Provisions		283,819	255,184
Borrowings		-	-
TOTAL CURRENT LIABILITIES		5,107,424	6,281,728
NON-CURRENT LIABILITIES			
Convertible loans		1,018,306	321,459
Related party payables	17	115,476	131,322
Interest bearing liabilities - related parties	17	2,188,760	2,156,103
Long term liabilities		17,500	67,500
Deferred tax liability		-	4,354,011
TOTAL NON-CURRENT LIABILITIES		3,340,042	7,030,395
TOTAL LIABILITIES		8,447,466	13,312,123
NET ASSETS		(4,226,783)	12,762,442
EQUITY			
Contributed equity	12	53,944,922	53,109,922
Reserves		(315,816)	13,169,084
Accumulated losses		(57,855,889)	(58,344,480)
EQUITY ATTRIBUTED TO OWNERS OF BYTE POWER GROUP LTD		(4,226,783)	7,934,526
NON-CONTROLLING INTERESTS		-	4,827,916
TOTAL EQUITY		(4,226,783)	12,762,442

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Contributed equity	Reserves	Accumulated losses	Non-Controlling Interest	Total
	A\$	A\$	A\$		A\$
Balance at 1 July 2016	53,109,922	(71,032)	(58,643,248)	-	(5,604,357)
Profit for the period	-	-	298,767	398,287	697,053
Total other comprehensive income	-	7,091,708	-	3,066,969	10,158,677
Total comprehensive income	-	7,091,708	298,767	3,465,256	10,855,731
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the period	-	-	-	-	-
Share issue costs	-	-	-	-	-
Recognition of non-controlling interest in Byte Power Pty Ltd	-	6,148,408	-	1,362,660	7,511,068
Contribution by members	-	6,148,408	-	1,362,660	7,511,068
Sub-total	53,109,922	13,169,084	(58,344,481)	4,827,916	12,762,442
Dividends paid or provided for	-	-	-	-	-
Balance at 30 June 2017	53,109,922	13,169,084	(58,344,481)	4,827,916	12,762,441
Balance at 1 July 2017	53,109,922.00	13,169,084.00	(58,344,481.00)	4,827,916.00	12,762,441.00
Loss for the period	-	-	(7,299,666.00)	(2,902,438.00)	(10,202,104.00)
Total other comprehensive income	-	(4,555,152.00)	-	(3,066,968.00)	(7,622,120.00)
Total comprehensive income	-	(4,555,152.00)	(7,299,666.00)	(5,969,406.00)	(17,824,224.00)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the period	5,000.00	-	-	-	5,000.00
Share based payments	830,000.00	-	-	-	830,000.00
Transfer of reserve	-	(2,781,340.00)	2,781,340.00	-	-
Derecognition of non-controlling interest in Byte Power Pty Ltd	-	(6,148,408.00)	5,006,918.00	1,141,490.00	-
Contribution by members	835,000.00	(8,929,748.00)	7,788,258.00	1,141,490.00	835,000.00
Sub-total	53,944,922.00	(315,816.00)	(57,855,889.00)	-	(4,226,783.00)
Dividends paid or provided for	-	-	-	-	-
Balance at 30 June 2018	53,944,922.00	(315,816.00)	(57,855,889.00)	-	(4,226,783.00)

BYTE POWER GROUP LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	30 JUNE 2018 A\$	30 JUNE 2017 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		229,535	1,053,282
Payments to suppliers and employees		(3,428,952)	(1,097,829)
Interest received		-	-
Interest and other costs of finance paid		(4,271)	(116,975)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(3,203,688)	(161,522)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(388)	-
Payment for intangible assets		(64,434)	-
Proceeds from disposal of cryptocurrency assets		2,393,814	-
Proceeds from partial disposal of subsidiary		-	127,733
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		2,328,992	127,733
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	-
Share issue costs		-	-
Proceeds from issue of convertible note		1,000,000	-
Proceeds from borrowings		31,761	59,081
Repayment of borrowings		(102,903)	-
Payment for lease liabilities		-	(17,177)
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		928,858	41,904
Net increase/(decrease) in cash held		54,162	8,115
Effects of functional currency exchange rate change		(623)	(682)
Cash at beginning of year		19,221	11,790
		<hr/>	<hr/>
Cash at end of year	10	72,759	19,221
		<hr/> <hr/>	<hr/> <hr/>

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

BYTE POWER GROUP LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: BASIS OF PREPARATION

The preliminary final report has been prepared in accordance with ASX listing rules, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The preliminary final report does not include all the notes of the type normally included in an annual report and should be read in conjunction with the annual report for Byte Power Group Limited for the financial year ended 30 June 2017, the December 2017 half-year report and any public announcements made by Byte Power Group Limited and its controlled entities during the year ended 30 June 2018 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in Byte Power Group Limited's annual report for the year ended 30 June 2017, except for the following: Where appropriate, comparative information is reclassified to enhance comparability.

Intangible Assets - Software Development

Costs incurred in developing products or systems and costs incurred in acquiring software or licences that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised as an intangible asset – software development. Similarly costs incurred on development projects (related to the design or testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and deliver future economic benefits and its costs can be measured reliably. Amortisation will commence on capitalised costs upon project completion and the point at which the asset is ready for use, and a useful life will be determined at this point. Research expenditure is expensed as incurred.

Intangible assets – Soar Coins

The Group holds Soar coins, a form of cryptocurrency token. Soar coins are a form of digital currency which can be acquired on public exchanges, with a fixed supply of coins available in the market. Although the coins held can be sold, transferred or exchanged individually, they lack physical substance and are not deemed to be government or state-backed tender, nor financial instruments in accordance with International Financial Reporting Standards. The coins are classified as intangible assets, recognised initially at cost but subsequent to cost, at revalued amount. The coins have been assessed to have an active market. The coins are classified as 'current' assets if it is believed that the coins are expected to be either substantially disposed of, or liquidated, within twelve months from balance date.

In accordance with IFRS, revaluation movements are recognised in other comprehensive income in a separate reserve in equity. Revaluation losses, to the extent not reversing prior revaluation gains, are recognised in profit and loss.

Refer to Note 2 for further discussion of the Group's assessment of judgement and risks associated with the valuation of Soar coins.

The preliminary final report was authorised for issue by the Directors on 31 August 2018.

Going Concern

The preliminary final 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.

The consolidated entity has made a loss from continuing operations before tax of \$10,202,104 (2017: \$671,854) for the year ended 30 June 2018. The consolidated entity was in a net current asset deficiency position of \$4,226,783 (2017: net current asset position \$19,689,860) as at 30 June 2018.

Given the consolidated entity's net liability position, the ability of the consolidated entity 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 consolidated entity as a going concern is dependent upon its ability to achieve the following:

- the continued support of major creditors and loans from the major shareholders;
- obtaining an overdraft or working capital facility to assist the consolidated entity to pay its debts on a timely basis;
- obtaining additional equity in the form of capital raising or longer term debt to enable the consolidated entity to fund operating and investing activities cash flow requirements;
- obtaining additional working capital in the form of cash receipts from the sale of other assets of the consolidated entity including the sale of BPX tokens to enable the consolidated entity 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 consolidated entity'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 as to whether the consolidated entity 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 preliminary final 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 consolidated entity not continue as a going concern.

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BYTE POWER GROUP LIMITED

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)****NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS***(a) Valuation of Soar coins*

The value of Soar coins is measured at fair value using the quoted price obtained from the Coinmarketcap exchange at balance date, translated from its denominated USD rate to an AUD rate. This is considered to represent a quoted price in an active market for identical assets. Management has selected this exchange as it is a major Soar coin exchange with appropriate size and liquidity to provide reliable evidence of fair value for the size and volume of transactions that are reasonably contemplated by the Group.

Soar coins have a fixed supply in the market. Accordingly, there are not currently significant volumes of trades of Soar coins which creates significant volatility in the underlying quoted price of Soar coins. This volatility in price can have a material impact on the total value of coins presented at any point in time.

(b) Classification of Soar coins

Soar coins held have been classified as a current intangible asset as it is expected that management will substantially dispose or liquidate the coins held during the twelve months from balance date. This assumption relies on the ability of the Group to obtain acceptance of the coins in securing extinguishment of creditors and to liquidate the coins to other cash and cash equivalents. There is inherent risk associated with both of these activities due to the acceptance of cryptocurrency by market participants, and the ability of the Group to liquidate coins for an acceptable price on an exchange where significant volumes are not currently traded.

NOTE 3: INTEREST IN CONTROLLED ENTITIES

During the year the following changes occurred to interests in controlled entities:

- Byte Power Pty Ltd – as outlined in this Appendix 4E, the company received back 49 shares during the year, and accordingly the ultimate parent entity has increased its equity holdings to 100% (2017: 51%).
- Byte Power X Pty Ltd – this entity was incorporated ON 15TH February 2018 in Australia. The ultimate parent entity holds 100% of the equity (2017: nil)

NOTE 4: REVENUES AND EXPENSES

	2018	2017
	\$A	\$A
Revenue streams:		
Sales	1,153,805	4,053,557
Service	9,927	5,580
	1,163,733	4,059,137
Interest	-	-
Other income	-	-
	-	-
Revenue from ordinary activities	1,163,733	4,059,137
Bad debt expense	2,509,785	656,296
Computer expenses	22,385	12,243
Fees, duties and charges	131,363	59,453
Telephone & fax	10,583	11,016
Other expenses	(1,780,068)	28,088
Other expenses from ordinary activities	894,048	767,097
Gain on sale of cryptocurrency	775,411	18,651
Other trading income	154,509	(222,099)
	929,920	(203,449)

NOTE 5: INCOME TAX

The consolidated entity incurred a taxable loss for the financial year and is in an income and capital tax loss carried forward position. No deferred tax assets have been brought to account.

NOTE 6: DIVIDENDS

The company does not have any dividend or distribution reinvestment plans in operation. The Directors do not propose to pay any dividends for the year.

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BYTE POWER GROUP LIMITED

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**
NOTE 7: EARNINGS PER SHARE

Weighted average number of ordinary shares outstanding during the year used in the calculation of:

- (a) Basic EPS - cents per share
(b) Diluted EPS - cents per share

2018		2017		
	2,649,444,989	2,233,819,989		
Continuing Operations	Total	Continuing Operations	Discontinued Operations	Total
(0.447)	(0.447)	0.031	-	0.031
(0.447)	(0.447)	0.031	-	0.031

NOTE 8: NET TANGIBLE ASSETS (LIABILITIES)

Net assets (liabilities)
Intangible assets
Net tangible assets (liabilities)
Number of shares on issue
NTA backing - cents per share

2018 \$A	2017 \$A
(4,226,783)	12,762,443
207,629	21,409,561
(4,434,412)	(8,647,118)
3,065,069,989	2,235,069,989
(0.14)	(0.39)

NOTE 9: SEGMENT INFORMATION

A\$	Power Management		IT&T		Asian Business Division		Corporate		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue										
Sales to customers outside the group	9,927	19,245	-	2,401,048	1,153,805	1,638,845	-	-	1,163,733	4,059,137
Other revenue	-	-	-	-	-	-	-	-	-	-
Total segment revenue from continuing operations	9,927	19,245	-	2,401,048	1,153,805	1,638,845	-	-	1,163,733	4,059,137
Eliminations									-	-
Total segment revenue operations									1,163,733	4,059,137
Segment result	(4,604)	(6,773)	(2,345,845)	1,477,851	(1,335,489)	(699,819)	(6,516,165)	(74,205)	(10,202,104)	697,053
Interest expense	-	8,551	3,858	6,730	74,900	56,337	278,967	350,726	357,725	422,344
Depreciation	10,094	37	447	168	-	-	5,175	20,735	15,716	20,940
Net profit / (loss) before tax	(4,604)	(6,773)	(2,345,845)	1,477,851	(1,335,489)	(699,819)	(6,516,165)	(74,205)	(10,202,104)	697,053
Tax	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) after tax	(4,604)	(6,773)	(2,345,845)	1,477,851	(1,335,489)	(699,819)	(6,516,165)	(74,205)	(10,202,104)	697,053
Assets										
Segment assets	-	4,134	304,860	12,513,304	3,516,764	4,746,431	476,599	8,855,394	4,298,223	26,119,263
Inter segment elimination										
Total group assets	-	4,134	304,860	12,513,304	3,516,764	4,746,431	476,599	8,855,394	4,298,223	26,119,263

NOTE 10: RECONCILIATION OF CASH

Reconciliation of cash at the end of the year (as shown in the consolidated

Cash on hand and at bank

Total cash at end of financial year

2018 \$A	2017 \$A
72,759	19,221
72,759	19,221

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BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)****NOTE 11: RECEIVABLES**

	2018 \$A	2017 \$A
Trade debtors	2,709,755	4,531,036
Prepayments	1,145,394	-
	3,855,149	4,531,036

NOTE 12: INTANGIBLE ASSETS - CRYPTOCURRENCY

The significant decrease in cryptocurrency holdings during the year was a result of the cumulative impact of the following factors a) the 'suspension' of Soar coins as outlined below, which were subsequently partially recovered in May 2018 via a settlement received or receivable in a combination of cash and Soar coins, b) fluctuations in the underlying value of the coins themselves, and c) liquidation of the coins to cash, or usage of the coins to settle creditors or outstanding directors payments. As announced to the market, on 4th January 2018, Byte Power Group Ltd ("BPG") was notified by Soar Labs Pte Ltd ("Soar Labs") that a balance of 179,183,168 Soar Coins held by BPG and its subsidiary, Byte Power Pty Ltd ("BPPL") had been temporarily suspended based on a number of allegations which were posted by Soar Labs on its website. As at 31 December 2017, a provision was made by the Group of \$6,689,735 to reflect the Group's loss of control of those coins. The Board of BPG subsequently started legal action against Soar Labs for the recovery of the Soar Coins in Singapore where Soar Labs was based. On 24th May 2018 a settlement was reached whereby Soar Labs transferred the 49 shares that were previously acquired by Soar Labs in BPPL to BPG, and were required to compensate the Group in the form of cash payable in the sum of USD591,748, 149 Ether and 2,003,481 Soar Coins. The net difference between the value of Soar coins lost, and the compensation received or receivable as outlined above, has been reflected as the loss on settlement in the profit and loss.

NOTE 13: PAYABLES

	2018 \$A	2017 \$A
Trade creditors	438,974	656,569
Other creditors and accruals	3,056,035	3,275,969
	3,495,009	3,932,538

NOTE 14: SHARE BASED PAYMENTS

During the year the Directors received a payment of a bonus (issued through shares, as a share based payment) of \$830,000 (2017: nil). A total of 830,000,000 shares were issued at an issue price of \$0.001 as disclosed in share capital, pursuant to the ratification of this issue at the Company's last annual general meeting.

NOTE 15: SHARE CAPITAL

	2018 \$A	2017 \$A
Issued and paid up capital	53,944,922	53,109,922

Movement in share capital during the year

	Number		\$A	
	2018	2017	2018	2017
Opening balance	2,235,069,989	2,232,569,989	53,109,922	53,109,922
Shares issued	830,000,000	-	835,000	-
	3,065,069,989	2,232,569,989	53,944,922	53,109,922

NOTE 16: RELATED PARTY PAYABLES - CURRENT

The current related party payables as at 30 June 2018 represents amounts payable to director related entities which are or may be due and payable within the next 12 months.

NOTE 17: RELATED PARTY PAYABLES - NON CURRENT

The non current related party payables represents amounts payable to director related entities, for which settlement has been deferred for more than 12 months.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the

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