

9th January 2018

Ms Rupa Kadapia
Advisor, Listings Compliance
ASX Compliance Pty Ltd
20 Bridge Street,
Sydney NSW 2000

Dear Rupa,

Response to ASX Aware Query

1. Does BPG consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Yes
2. If the answer to question 1 is "no", please advise the basis for that view. N/A
3. If the answer to question 1 is "yes", when did BPG first become aware of the information? In answering this question, please state the date and time that BPG first became aware of the information.

Please note that the chronology is provided in accordance with **Brisbane time**, Australia.

Byte Power Pty Ltd (BPPL) / BPG maintained a line of communication with Soar Labs in relation to the relationship between Soar Labs and BPPL and how it moved forward. In the context of those communications and negotiations, Seth Lim, CEO of Soar Labs, sent an email on the public holiday, Monday 1st January 2018, at 6:41pm to two of the four Board members of BPG, Yano Lim and Raphael Tham, and Jason Yeates, purporting to temporarily suspend "your Soar Tokens" (**Email**).

One of the directors (Yano Lim) forwarded the Email to Alvin Phua at 7:52pm on Monday night. Alvin Phua forwarded the same to all members of the Board of BPG at 9.02pm. For the avoidance of doubt, we note that the Email differed from the "Company X" publication which has been discovered by Alvin Phua on Soar Lab's Website only on 3 January 2018 (**Company X Website Announcement**) as provided below:

- the Email did not include any reference to the number of Soar Tokens purported to be 'suspended';

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- the Email was sent from Soar Labs / Seth Lim as a purported shareholder of BPPL; and
- the Email did not disclose the intention of the sender to publicise the purported suspension on the Soar Labs' website.

As such, the Board viewed and treated the contents of the Email as private and confidential. The Email was also perceived by the Board to be ambiguous. The Board began the process of due diligence to:

- establish whether the information concerns supposition or is insufficiently definite to warrant disclosure; and/ or
- confirm whether the information concerns incomplete proposal or negotiation.

On Tuesday morning, 2 January 2018, at 7:52am Jason Yeates sent the Board the signed subscription agreement and Term Sheet for review to determine what rights Soar Lab had to 'suspend' Soar Tokens from Byte Power Group wallets. The Board made the following enquiries as to whether the statements made by Seth Lim in the Email were accurate and sufficiently definite to warrant disclosure. Among other things, the following enquiries were completed prior to lodgement of the ASX Announcement on 3 January 2018:

- determining what happened to the Soar Tokens;
- whether any Soar Token were missing from the Soar wallets;
- how the purported transfer of Soar Tokens happened; and
- whether BPPL / BPG was able to access these Soar Tokens.

While the Board was conducting these investigations into the validity of the statements made by Soar Labs in the Email and how Soar Labs could suspend or remove Soar Tokens from privately held wallets, Yano Lim, one of BPPL's/BPG's directors, contacted Seth Lim of Soar Labs at 1:25am on 3 January 2018, to discuss this issue. Unfortunately, Seth Lim advised that he was unavailable to discuss this issue at that time.

Alvin Phua was the first to discover the Company X Website Announcement on the Soar Labs website early on Wednesday morning, 3 January 2018, at 4.05am and advised the Board accordingly within an hour.

Upon reviewing the Company X Website Announcement, the Board made enquiries as to why the number of Soar Tokens that was advised by Soar Labs as being suspended did not agree with the balances of Soar Tokens owned by BPG and BPPL. On or about 1:00pm on 3 January 2018, the Board established that:

- the amount of Soar Tokens stated as 'suspended' included SOAR Tokens from Alvin Phua's private Soar wallet;
- all the Soar Tokens were not 'suspended' as claimed by Seth Lim but were removed to another account /wallet to which neither BPG, BPPL nor Alvin Phua had any access.

Jason Yeates also received an email from one of the shareholders on 3 January 2018 which was forwarded to the Board at 9:10am on the same day identifying the Company X Website Announcement as being directed at BPG / BPPL. From then onwards, the Board started to work on its ASX Announcement which was prepared by about 1:36pm.

However, due to confirmation that Alvin Phua's, BPG's and BPPL's Soar Tokens were removed from their respective wallets, the Board then prioritised confirming further details regarding:

- the actual number of Soar Tokens that were removed by Soar Labs as that capability was unfamiliar to the Board; and
- that the removal of these Soar Tokens from BPG and BPPL wallets constituted a removal of property from the possession of BPG and BPPL not a mere suspension.

This activity included seeking independent legal advice with regards to formulating response to Soar Labs. As such, the ASX announcement was released at around 7:00pm on 3 January 2018 which resulted in it being published on 4 January 2018.

We note that as this was the holiday period not all Directors were immediately available at all times, however, the Board made an effort to resolve the issues as quickly as possible. The directors had to not only discuss but agree on actions to be taken to verify the statements made by Soar Labs were in fact true and to discuss appropriate steps in the environment where cryptocurrencies are a novel technological development and what can and cannot be done with the various digital currencies is still being explored. The steps taken by the Board, including verification and investigations explained above, took time which the Board considers to be reasonable in the circumstances.

4. If the answer to question 1 is “yes” and BPG first became aware of the information before the relevant date, did BPG make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe BPG was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps BPG took to ensure that the information was released promptly and without delay.

While the Board has become aware of the information before the relevant date, the information was not released to the market at an earlier time, as explained above, due to the initial information contained in the Email received by the Board being regarded as an incomplete proposal or negotiation as well as information that comprises matters of supposition or being insufficiently definite to warrant disclosure as per ASX Rule 3.1.A.1. As discussed above, the Board had to deal with the novel issue of cryptocurrency coins being removed from the relevant wallets without authorisation while the Board was misled by the statement of Soar Labs that the Soar Tokens were merely suspended. In addition, the Board had to operate at the time of public holidays and most members being on leave. The fact that the Company has been suspended should also be taken into consideration. The Board was taking steps described above to ensure that the information was released promptly and without delay but also that the information is sufficiently definite and verified to warrant disclosure.

5. Please confirm that BPG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
Yes
6. Please confirm that BPG’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BPG with delegated authority from the board to respond to ASX on disclosure matters.
Yes.

Michael Wee
Company Secretary
Byte Power Group Limited



5 January 2018
Mr Michael Wee
Company Secretary
Byte Power Group Limited

By email: michael@michaelwee.com.au

Dear Mr Wee,

Byte Power Group Limited (“BPG”): aware query

ASX Limited (“ASX”) refers to the following:

- A. ASX refers to the term sheet entered into between Byte Power Pty Ltd (‘BBPL’) and Soar Labs Pte Ltd (‘Soar Labs’) dated 11 June 2017 (‘Term Sheet’).
- B. BPG’s announcement entitled ‘*Suspension of Soar Coins by Soar Labs Pte Ltd*’ lodged on the ASX Market Announcements Platform and released at 9:11am on 4 January 2018 (the ‘Announcement’), disclosing a balance of 179,183,168 Soar Coins held by BPG and 36,602,426 Soar Coins held by a director of BPG have been temporarily suspended based on a number of allegations that have been posted by Soar Labs on its website.
- C. The Soar Labs website, which states BPG is in breach of the Term Sheet that was signed by both parties and/or any other agreements.
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “*When does an entity become aware of information*”.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*

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- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

H. ASX listing rule 18.6, which states:

"On admission to the official list, an entity must comply with the listing rules. This applies even if quotation of the entity's securities is deferred, suspended or subject to a trading halt."

Having regard to the above, ASX asks BPG to respond separately to each of the following questions and requests for information:

1. Does BPG consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did BPG first become aware of the information? In answering this question, please state the date and time that BPG first became aware of the information.
4. If the answer to question 1 is "yes" and BPG first became aware of the information before the relevant date, did BPG make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe BPG was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps BPG took to ensure that the information was released promptly and without delay.
5. Please confirm that BPG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that BPG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BPG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading **(ie before 9.30 a.m. AEDT on Tuesday, 9 January 2018)**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BPG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at rupa.kapadia@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BPG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that BPG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Rupa Kapadia
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