

Appendix 4D

Half-year release

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 2011

Half-year ended ('previous period')

31 December 2010

2. Results for announcement to the market

					Current period \$A
2.1	Revenues from ordinary activities	Up	226.4	%	to 679,169
2.2	Profit (loss) from ordinary activities after tax attributable to members	Improvement of	(8.5)	%	to (776,346)
2.3	Net profit (loss) for the period attributable to members	Improvement of	(8.5)	%	to (776,346)
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	(0.35)	(0.35)

Brief explanation of any figures necessary to enable the figures to be understood

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	-	-
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 consolidated entity's financial report for the half-year ended 31 December 2011 has been subject to review by the consolidated entity's auditor. The auditor's review report relating to the financial report for the half-year ended 31 December 2011 includes an emphasis of matter in respect of the preparation of the financial report on a going concern basis.

Sign here: 
.....
(Company Secretary)

Date: 29-Feb-12
.....

Print Name: Ethel Lau
.....

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Byte Power Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2011, made in accordance with a resolution of the directors.

Directors

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

Alvin Phua
Raphael Tham
Michael Walsh

Results

The consolidated entity has reported a loss for the half year ended 31 December 2011 of \$766,346 (December 2010: loss of \$715,375).

Review of Operations

Summary

The consolidated entity's revenues from ordinary activities for the period improved to \$679,169 compared to \$208,070 achieved in the same period last year. The consolidated entity's loss has increased marginally to \$776,346 for the half year ended December 2011 compared to \$715,375 for the half year ended December 2010.

During the six months, the Group has successfully raised \$928,563 through private placements and conversion of loan to equity. The funds have been used for working capital, repayment of debts as well as identifying business opportunities.

In June 2011, Byte Power Group Limited ("BPG") signed an agreement with Bio Photonic Healthcare Sdn Bhd ("Bio Photonic") to become their Exclusive Distributor for their health tonics, for the Asia Pacific Region.

Subsequently BPG was contacted by a third party based in Australia, asserting rights in some or all of the same areas within BPG's assigned Territory. BPG has sought clarification from Bio Photonic and issued a Notice of Breach.

Bio Photonic has failed to remedy breaches of the exclusive distribution agreement identified by Byte Power and the Board is now considering its options which include the termination of the agreement and to seek potential damages.

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DIRECTORS' REPORT
(continued)

The Board presently does not believe that the existence of these circumstances will affect the Company's financial position moving forward.

On 8 February 2012, Byte Power established an Asian Business Division which will focus on pursuing both investment and business trade opportunities in Asia, with an initial focus in China, Hong Kong, Singapore and Malaysia.

With Asia emerging as an increasingly important business market for Australian companies, the Board of Byte Power Group Limited believes strongly with its history of doing business in Asia, that it is well positioned to take advantage of business and trade opportunities as and when they arise through this new division.

Comments on the Group's operations and results

Detailed results are as follows:

	2011	2010	% change
	\$	\$	
Revenue from ordinary activities	<u>679,169</u>	<u>208,070</u>	226.4
EBITDA	(527,045)	(477,480)	(10.4)
Depreciation and amortisation	(29,411)	(41,901)	29.8
EBIT	<u>(556,454)</u>	<u>(519,381)</u>	(7.1)
Borrowing expenses	(219,892)	(195,994)	(12.2)
Operating result before income tax	<u>(776,346)</u>	<u>(715,375)</u>	(8.5)
Income tax expense	-	-	-
Net profit/(loss)	<u>(776,346)</u>	<u>(715,375)</u>	(8.5)

Details of the Business Unit Results are set out below:

	Revenue		Result	
	2011	2010	2011	2010
	\$	\$	\$	\$
Segment:				
Power management	52,183	58,587	90	9,310
IT&T	605,795	133,380	(14,893)	(3,535)
e-kiosks	191	12,559	(50,629)	(62,773)
Corporate	21,000	3,544	(710,914)	(658,377)
	<u>679,169</u>	<u>208,070</u>	<u>(776,346)</u>	<u>(715,375)</u>

BYTE POWER GROUP LIMITED
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DIRECTORS' REPORT
(continued)

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the company's auditors, Lawler 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 2011. 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, 29 February 2012

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BYTE POWER GROUP LIMITED**

In relation to the review of Byte Power Group Limited and its controlled entities for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- b) no contraventions of any applicable code of professional conduct.

Lawler Hacketts

Lawler Hacketts Audit

S J Lindemann

**S J Lindemann
Partner**

Brisbane, 29 February 2012

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Half-Year	
	2011	2010
	\$	\$
Revenue		
Revenue from continuing activities	658,184	207,744
Other Income	20,985	326
	<u>679,169</u>	<u>208,070</u>
Total Revenue		
Changes in inventories of finished goods and work in progress	1,330	(752)
Raw materials and consumables used	(633,349)	(139,456)
Depreciation and amortisation expenses	(29,411)	(41,901)
Borrowing cost expenses	(219,892)	(195,994)
Salaries and employee benefits expenses	(281,495)	(264,488)
Directors' fees	(45,200)	(46,325)
Rent and outgoings	(48,249)	(73,895)
Travel, accommodation and entertainment	(74,476)	(48,540)
Consultants / Professional fees	(40,064)	(34,986)
Other expenses from ordinary activities	(84,709)	(77,108)
	<u>(776,346)</u>	<u>(715,375)</u>
Profit/(loss) before related income tax		
Income tax expense/(benefit)	-	-
	<u>(776,346)</u>	<u>(715,375)</u>
Net profit/(loss)		
Other comprehensive income		
Exchange differences arising on translation of foreign operations	8,839	(70,786)
Income tax relating to components of other comprehensive income	-	-
	<u>8,839</u>	<u>(70,786)</u>
Total other comprehensive income for the period, net of tax		
	<u>(767,507)</u>	<u>(786,161)</u>
Total comprehensive income attributable to members of the parent entity		
	cents per share	cents per share
Basic earnings per share	(0.05)	(0.06)
Diluted earnings per share	(0.05)	(0.06)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	31 December 2011	30 June 2011
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	53,073	49,665
Receivables	635,589	32,360
Inventories	123,327	124,657
Other	988	2,469
TOTAL CURRENT ASSETS	<u>812,977</u>	<u>209,151</u>
NON-CURRENT ASSETS		
Property, plant and equipment	360,099	363,685
Other financial assets	11,831	11,809
TOTAL NON-CURRENT ASSETS	<u>371,930</u>	<u>375,494</u>
TOTAL ASSETS	<u>1,184,907</u>	<u>584,645</u>
CURRENT LIABILITIES		
Payables	4,292,335	3,783,516
Convertible loans / Interest bearing liabilities	477,766	502,445
Provisions	235,265	256,378
TOTAL CURRENT LIABILITIES	<u>5,005,366</u>	<u>4,542,339</u>
NON-CURRENT LIABILITIES		
Interest bearing liabilities	1,919,014	1,919,014
Long term liabilities	225,876	241,198
TOTAL NON-CURRENT LIABILITIES	<u>2,144,890</u>	<u>2,160,212</u>
TOTAL LIABILITIES	<u>7,150,256</u>	<u>6,702,551</u>
NET ASSETS	<u>(5,965,349)</u>	<u>(6,117,906)</u>
EQUITY		
Contributed equity	51,570,922	50,650,858
Reserves	81,273	72,434
Accumulated losses	(57,617,544)	(56,841,198)
TOTAL EQUITY	<u>(5,965,349)</u>	<u>(6,117,906)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2010	49,953,028	39,242	(54,914,776)	(4,922,506)
Loss for the period	-	-	(715,375)	(715,375)
Total other comprehensive income	-	(70,786)	-	(70,786)
Total comprehensive income	-	(70,786)	(715,375)	(786,161)
Shares issued during the period	203,400	-	-	203,400
Share issue costs	-	-	-	-
Contribution by members	203,400	-	-	203,400
Sub-total	50,156,428	(31,544)	(55,630,151)	(5,505,267)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2010	50,156,428	(31,544)	(55,630,151)	(5,505,267)
Balance at 1 July 2011	50,650,858	72,434	(56,841,198)	(6,117,907)
Loss for the period	-	-	(776,346)	(776,346)
Total other comprehensive income	-	8,839	-	8,839
Total comprehensive income	-	8,839	(776,346)	(767,507)
Shares issued during the period	947,564	-	-	947,564
Share issue costs	(27,500)	-	-	(27,500)
Contribution by members	920,064	-	-	920,064
Sub-total	51,570,922	81,273	(57,617,544)	(5,965,349)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2011	51,570,922	81,273	(57,617,544)	(5,965,349)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Half-Year	
	2011 A\$	2010 A\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	75,925	245,016
Payments to suppliers and employees	(879,271)	(319,919)
Interest received	15	-
Interest and other costs of finance paid	(68,938)	(43,807)
Net cash provided by/(used in) operating activities	(872,269)	(118,710)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(25,825)	-
Payment for other financial assets	(22)	(298)
Net cash provided by/(used in) investing activities	(25,847)	(298)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issues of securities / converting loans	901,064	203,400
Repayment of borrowings	-	-
Repayment of lease liabilities	(8,378)	(19,334)
Net cash provided by/(used in) financing activities	892,686	184,066
Net increase/(decrease) in cash held	(5,431)	65,058
Effects of function currency exchange rate change	8,839	(31,721)
Cash at beginning of half year	49,665	63,944
Cash at end of half year	53,073	97,281

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: Statement of significant accounting policies

Statement of Compliance

These general purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Byte Power Group Ltd and its controlled entities (referred to as the consolidated group or 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 financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the Directors on 29 February 2012.

Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2011 annual financial report for the year ended 30 June 2011.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

For the half-year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group. A discussion of these new and revised requirements that are relevant to the Group is provided below:

- AASB 124: Related Party Disclosures (December 2009)
AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:
 - The definition of a 'related party' is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
 - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
 - entities significantly influenced by one person and entities significantly influenced by a close member of the family of the person are no longer related parties of each other;
 - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
 - the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
 - A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Group.

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.

The consolidated entity has incurred a loss from continuing operations after tax of \$776,346 (2010: loss of \$715,375) for the half-year ended 31 December 2011. The consolidated entity also has a net current liability position of \$4,192,389 (June 2011: net current liability position of \$4,333,188) as at 31 December 2011. There are also significant related party non-current liabilities.

Given the consolidated entity's net current 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; 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 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 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 consolidated entity not continue as a going concern.

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 2011 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 the 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, 29 February 2012

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Byte Power Group Limited and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2011, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Byte Power Group Limited (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 (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such 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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Byte Power Group Limited and its controlled entities' financial position as at 31 December 2011 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 Byte Power Group Limited and its controlled entities, 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 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.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES (Continued)

Conclusion

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 and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial statements, which indicate that the consolidated entity incurred a net loss of \$776,346 during the half year ended 31 December 2011 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$4,192,389.

These conditions, 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.



Lawler Hacketts Audit



S J Lindemann
Partner

Brisbane, 29 February 2012