

28 February 2014

## STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

### Byte Power Group Half Yearly Accounts

Byte Power Group Limited is pleased to report a profit for the half year ended 31 December 2013 of \$36,936 (December 2012: profit of \$18,116) contra to an expected loss of \$40,000 announced to the market on 7 Feb 2014.

The Group's revenues from ordinary activities for the period was \$1,929,410 compared to \$3,834,278 during the same period last year. The Group has experienced an improvement in profit for the half year ended 31 December 2013 of \$18,820 to \$36,936 compared to the half year ended 31 December 2012 which was \$18,116.

During the six months, the group has maintained its strategy of further developing the Asian Business Division. Although Group revenue has reduced by 49.6% compared to the same period last year, this is mainly attributable to a 84% reduction of revenue in the IT&T business segment and IT&T related foreign exchange fluctuations caused by the drop in AUD against USD from IT&T imports. However, the Asian Business Division continued to exhibit strong growth with revenues exceeding that of last period by 117%. The EBITDA also improved from \$266,322 to \$303,796 as a result of the higher margins from the Asian Business Division.

The company continues to focus on growing its wine distribution businesses across new and developing markets.

Ethel Lau  
Company Secretary  
Byte Power Group Limited

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# Appendix 4D

## Byte Power Group Ltd

### Results for announcement to the market

#### 1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES

ABN or equivalent company reference

80 009 268 571

Half-year ended ('current period')

31 December 2013

Half-year ended ('previous period')

31 December 2012

#### 2. Results for announcement to the market

	Current Period	Previous Period	Movement	
	\$A	\$A	\$A	%
2.1 Revenues from ordinary activities	1,929,410	3,834,278	(1,904,868)	(49.7)
2.2 Profit (loss) from ordinary activities after tax attributable to members	36,936	18,116	18,820	103.9
2.3 Net profit (loss) for the period attributable to members	36,936	18,116	18,820	103.9
<b>2.4 Dividends (distributions)</b>	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) ¢	(0.40) ¢

#### 4.1 Control gained over entities

Name of entity (or group of entities)

Wine Power Pte Ltd

Date control gained

30 July 2013

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

(\$1,728)

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.

#### 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
<b>Interim dividend:</b>				
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	

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

**8. Foreign entities**

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

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

The group's financial report for the half-year ended 31 December 2013 has been subject to review by the group's auditor. The auditor's review report relating to the financial report for the half-year ended 31 December 2013 includes an emphasis of matter in respect of the preparation of the financial report on a going concern basis.

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

Date: 28-Feb-14

Print Name: Ethel Lau

**BYTE POWER GROUP LIMITED**  
**ABN [80 009 268 571](#)**

**DIRECTORS' REPORT**

The directors present their report on the Group consisting of Byte Power Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2013, made in accordance with a resolution of the directors

**Directors**

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

Alvin Phua  
Raphael Tham  
Michael Walsh (Resigned 5 July 2013)  
Howard Shi (Appointed 5 July 2013)  
Marc Higgins (Appointed 9 December 2013)

**Results**

The Group has reported a profit for the half year ended 31 December 2013 of \$36,936 (December 2012: profit of \$18,116).

**Review of Operations**

**Summary**

The Group's revenues from ordinary activities for the period was \$1,929,410 compared to \$3,834,278 during the same period last year. The Group has experienced an improvement in profit for the half year ended 31 December 2013 of 104% compared to the half year ended 31 December 2012.

During the six month period, the group has maintained its strategy of further developing the Asian Business Division. Although Group revenue has reduced by 49.6% compared to the same period last year, this is mainly attributable to a 81% reduction of revenue in the IT&T business segment and IT&T related foreign exchange fluctuations caused by the drop in AUD against USD from IT&T imports. However, the Asian Business Division continued to exhibit strong growth with revenues exceeding that of last period by 117%. The EBITDA also improved from \$266,322 to \$303,796 as a result of the higher margins from the Asian Business Division.

In July 2013, Wine Power Pte Ltd ("Wine Power Singapore") was established in Singapore in order to strengthen the company's wine sales and distribution platform across markets in South-East Asia. Wine Power Singapore has gained access to a range of well recognised and highly sought after wines, including prestigious labels such as Penfolds, Wolf Blass, Wynns Coonawarra Estate, Rosemount Estate, Lindeman's and Saltram to name a few.

**BYTE POWER GROUP LIMITED**

ABN [80 009 268 571](#)

**DIRECTORS' REPORT**

**(continued)**

The newly established distribution platform in Singapore complements Byte Power's existing wine subsidiary, Wine Power Pty Ltd ("Wine Power"), which already distributes the company's own '8 Eagles' range of wines from the Barossa, South Australia into the Asian market. The company is currently supplying wines to large corporations throughout Asia, and these new premium lines will provide the company with further growth opportunities in new markets and across a greater range of price points.

The company continues to focus on growing its wine distribution businesses across new and developing markets.

**Outlook**

The Group maintains a positive outlook for the full 2013/14 financial year, especially in the wine distribution business under the Asian Business Division. In addition to increasing the penetration and distribution of the wine business, the group will continue to identify and develop opportunities within the Asian market, especially in the high end food and consumables sector that can leverage on the existing channels that we have established.

In the coming months the company will broaden the scope of price points that our wines cater for to include the value wine segment, a market that we currently do not engage with.

The directors are committed to continue to focus resources on expanding the Asian Business Division.

**BYTE POWER GROUP LIMITED**  
ABN [80 009 268 571](#)

**DIRECTORS' REPORT**  
(continued)

**Comments on the Group's operations and results**

**Detailed results are as follows:**

	2013	2012	2013
	\$	\$	% change
Revenue from ordinary activities	<u>1,929,410</u>	<u>3,834,278</u>	(49.6)
EBITDA	303,796	266,322	14.1
Depreciation and amortisation	(797)	(2,249)	(64.6)
EBIT	<u>302,999</u>	<u>264,072</u>	14.7
Borrowing expenses	(266,063)	(245,957)	8.2
Operating result before income tax	<u>36,936</u>	<u>18,116</u>	103.9
Income tax expense	-	-	
Net profit	<u><u>36,936</u></u>	<u><u>18,116</u></u>	103.9

**Cashflow analysis**

The company has current assets of \$1,799,934 (30 June 2013, \$1,358,517). During the period it recorded net cash used in operating activities of \$241,562 (30 June 2013, net cash provided of \$326,791). The directors have considered the company and consolidated entity's, operations and cash requirements for the next 12 months, as well as the positions with respect to the management of the payment of trade creditors, and are not aware of any reason, event or transaction that would result in the company not being able to pay its debts as and when they fall due. We are of the opinion that there are reasonable grounds to believe that the company has sufficient cash resources or access to additional cash resources to continue as a going concern.

**BYTE POWER GROUP LIMITED**  
ABN [80 009 268 571](#)

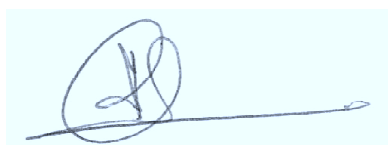
**DIRECTORS' REPORT**  
(continued)

**Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires the company's auditors, 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 2013. 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.

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

A handwritten signature in blue ink, appearing to be 'Alvin Phua', is written over a light blue rectangular background.

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Alvin Phua  
Chairman & CEO

Brisbane, 28 February 2014

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

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



**Lawler Hacketts Audit**



**Liam Murphy  
Partner**

Brisbane, 28 February 2014

Lawler Hacketts Audit  
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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 2013

	Half-Year	
	2013	2012
	\$	\$
<b>Revenue</b>		
Revenue from continuing activities	1,929,410	3,834,278
Cost of goods sold	(1,213,559)	(2,948,438)
<b>Gross Profit</b>	<b>715,851</b>	<b>885,840</b>
Other income / (expense)	70,434	55,883
Depreciation and amortisation expenses	(797)	(2,249)
Borrowing cost expenses	(266,063)	(245,957)
Salaries and employee benefits expenses	(250,848)	(414,782)
Directors' fees	(46,964)	(45,200)
Rent and outgoings	(37,137)	(48,044)
Travel, accommodation and entertainment	(62,754)	(28,004)
Consultants / Professional fees	(28,848)	(47,179)
Other expenses from ordinary activities	(55,938)	(92,192)
<b>Profit/(loss) before related income tax</b>	<b>36,936</b>	<b>18,116</b>
Income tax expense/(benefit)	-	-
<b>Net profit/(loss) for the period attributable to members of the parent entity</b>	<b>36,936</b>	<b>18,116</b>
<b>Other comprehensive income</b>		
<i>Items that will be reclassified subsequently to profit and loss when specific conditions are met:</i>		
Exchange differences arising on translation of foreign operations	(67,086)	(14)
Income tax relating to components of other comprehensive income	-	-
<b>Total other comprehensive income for the period, net of tax</b>	<b>(67,086)</b>	<b>(14)</b>
<b>Total comprehensive income attributable to members of the parent entity</b>	<b>(30,150)</b>	<b>18,102</b>
	cents per share	cents per share

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013

Note	31 December 2013 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	239,510	181,259
Receivables	1,395,237	1,001,926
Inventories	165,187	175,333
<b>TOTAL CURRENT ASSETS</b>	<b>1,799,934</b>	<b>1,358,517</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7,642	8,440
Other financial assets	58,728	11,835
<b>TOTAL NON-CURRENT ASSETS</b>	<b>66,370</b>	<b>20,275</b>
<b>TOTAL ASSETS</b>	<b>1,866,304</b>	<b>1,378,792</b>
<b>CURRENT LIABILITIES</b>		
Payables	2,011,596	5,226,598
Provisions	285,342	283,182
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,296,938</b>	<b>5,509,780</b>
<b>NON-CURRENT LIABILITIES</b>		
Convertible loans / Interest bearing liabilities	525,504	513,449
Related Party Payables	2,230,469	-
Interest bearing liabilities - related parties	3,040,094	1,919,014
Long term liabilities	256,955	229,057
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,053,022</b>	<b>2,661,520</b>
<b>TOTAL LIABILITIES</b>	<b>8,349,960</b>	<b>8,171,300</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>(6,483,656)</b>	<b>(6,792,507)</b>
<b>EQUITY</b>		
Contributed equity	51,949,922	51,610,922
Reserves	(31,109)	35,976
Accumulated losses	(58,402,469)	(58,439,405)
<b>TOTAL EQUITY</b>	<b>(6,483,656)</b>	<b>(6,792,507)</b>

*The accompanying notes form part of these financial statements*

**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 2013**

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2012	51,570,922	36,066	(58,463,430)	(6,856,442)
Profit for the period	-	-	18,116	18,116
Total other comprehensive income	-	(14)	-	(14)
Total comprehensive income	-	(14)	18,116	18,102
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Contribution by members	-	-	-	-
Sub-total	51,570,922	36,052	(58,445,314)	(6,838,340)
Dividends paid or provided for	-	-	-	-
<b>Balance at 31 December 2012</b>	<b>51,570,922</b>	<b>36,052</b>	<b>(58,445,314)</b>	<b>(6,838,340)</b>
Balance at 1 July 2013	51,610,922	35,976	(58,439,404)	(6,792,506)
Profit for the period	-	-	36,936	36,936
Total other comprehensive income	-	(67,086)	-	(67,086)
Total comprehensive income	-	(67,086)	36,936	(30,150)
Shares issued during the period	339,000	-	-	339,000
Share issue costs	-	-	-	-
Contribution by members	339,000	-	-	339,000
Sub-total	51,949,922	(31,109)	(58,402,468)	(6,483,656)
Dividends paid or provided for	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>51,949,922</b>	<b>(31,109)</b>	<b>(58,402,468)</b>	<b>(6,483,656)</b>

*The accompanying notes form part of these financial statements*

**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 2013**

	Half-Year	
	2013	2012
	A\$	A\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	1,767,167	3,097,013
Payments to suppliers and employees	(1,908,700)	(2,551,898)
Interest received	18	1
Interest and other costs of finance paid	(100,047)	(218,326)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) operating activities</b>	<b>(241,562)</b>	<b>326,791</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	-	-
Payment for other financial assets	-	(437)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	<b>-</b>	<b>(437)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of share capital	339,000	-
Repayment of borrowings	27,898	(243,367)
Repayment of lease liabilities	-	-
	<hr/>	<hr/>
<b>Net cash provided by/(used in) financing activities</b>	<b>366,898</b>	<b>(243,367)</b>
Net increase/(decrease) in cash held	125,336	82,987
Effects of functional currency exchange rate	(67,085)	(14)
Cash at beginning of half year	181,259	85,354
	<hr/>	<hr/>
<b>Cash at end of half year</b>	<b>239,510</b>	<b>168,327</b>

*The accompanying notes form part of these financial statements*

**NOTE 1: Summary of significant accounting policies**

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

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

The financial statements were authorised for issue on 28 February 2014 by the directors of the Company.

**Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. The Group is for profit entity for financial reporting purposes under Australian Accounting Standards.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

**Accounting Policies**

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

**Critical Accounting Estimates and Judgments**

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2013 annual report.

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

A number of new and revised accounting standard requirements become mandatory for the first time during the half-year reporting period to 31 December 2013.

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

**Going concern**

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

As at 31 December 2013, the Group has recorded a net current asset deficiency of \$497,004 (30 June 2013: deficiency \$4,664,712), and a net asset deficiency of \$6,483,656 (30 June 2013: \$6,792,507). There are also significant related party non-current liabilities.

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

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

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

**NOTE 2: Share Capital**

Issued and paid up ordinary share capital

Movement in ordinary share capital during the period:

Opening balance - 1 July 2013

Share issues:

30 October 2013

Closing balance - 31 December 2013

Weighted average number of shares on issue during the period

		Half-Year	
		2013 A\$	2012 A\$
		51,949,922	51,570,922
		Number	A\$
2013	2012	2013	2012
1,732,903,322	1,719,569,989	51,610,922	51,570,922
113,000,000		339,000	
<b>1,845,903,322</b>	<b>1,719,569,989</b>	<b>51,949,922</b>	<b>51,570,922</b>
<b>1,771,187,475</b>		<b>1,719,569,989</b>	

NOTE 3: Segment Reporting

A\$	Power		IT&T		Asian Business Division		Corporate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Revenue</b>										
Sales to customers outside the group	38,953	95,894	597,433	3,144,112	1,293,024	594,271	-	-	1,929,410	3,834,278
Inter-segment revenues	-	-	-	-	-	-	170,581	105,699	170,581	105,699
	38,953	95,894	597,433	3,144,112	1,293,024	594,271	170,581	105,699	2,099,991	3,939,976
<b>Eliminations</b>									(170,581)	(105,699)
<b>Total segment revenue</b>									1,929,410	3,834,277
<b>Results</b>										
Segment result	4,870	46,247	(129,219)	304,486	591,897	342,310	(430,612)	(674,927)	36,936	18,116
Interest expense	(20)	(739)	(56,278)	(9,899)	(43)	(6,823)	(209,722)	(228,497)	(266,063)	(245,957)
Depreciation	(42)	(848)	(292)	(331)	-	(438)	(463)	(632)	(797)	(2,249)
Net profit / (loss) before tax	4,870	46,247	(129,219)	304,486	591,897	342,310	(430,612)	(674,928)	36,936	18,115
Tax	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) after tax	4,870	46,247	(129,219)	304,486	591,897	342,310	(430,612)	(674,928)	36,936	18,115
<b>Assets</b>										
Segment assets	75,812	143,001	1,943	2,675	2,011,045	1,402,744	647,692	291,784	2,736,492	1,840,202
Inter segment elimination	-	-	-	-	(623,929)	(618,242)	(246,259)	(131,699)	(870,188)	(749,941)
<b>Total group assets</b>	75,812	143,001	1,943	2,675	1,387,116	784,501	401,433	160,085	1,866,304	1,090,261

NOTE 4: Subsequent Events

No matters or circumstances has arisen since 31 December 2013 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 5: Contingent liabilities

There have been no significant changes to the contingent liabilities presented at 30 June 2013.

NOTE 6: Interest in Subsidiaries

On 30 July 2013, a new 100% owned subsidiary Wine Power Pte Ltd was incorporated in Singapore. Byte Power Group Limited contributed SGD\$1 for the company's share capital.

Operating results for Wine Power Pte Ltd for the current period were not considered material to the group with the company nil revenue for the period and a loss of \$1,728 for the 6 months ended 31 December 2013.

NOTE 7: Related party payables - non current

The related party payables represents the amount payable to director's related entities that were reclassified from current payables at 30 June 2013 to non current liabilities at 31 December 2013 as new payment arrangements were entered into by the directors' related entities during the period.

**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:

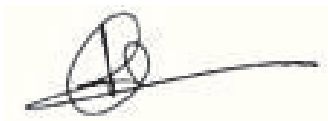
(1) In the opinion of the directors:

(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 2013 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.



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**Alvin Phua**  
Director

Brisbane, 28 February 2014



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

### Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Byte Power Group Limited (the company) and controlled entities (the consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated 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 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 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 the consolidated entity's financial position as at 31 December 2013 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 (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 2013 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 has a net current asset deficiency of \$497,004 (30 June 2013: \$4,664,711) and a net asset deficiency of \$6,483,656 (30 June 2013: \$(6,792,507)).

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**



**Liam Murphy**  
**Partner**

Brisbane, 28 February 2014