

28 February 2017

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE
Byte Power Group Half Yearly Results

Byte Power Group Limited is pleased to report a profit for the half year ended 31 December 2016 of \$1,454,916 (December 2015: profit of \$46,118).

The Group's revenues from continuing activities for the half year ended 31 December 2016 were \$2,916,546. This represents a growth of 11.5% when compared to the same period last year (December 2015: \$2,615,025).

For the half year ended 31 December 2016, the IT&T segment reported revenues of \$2,401,048, which contributed 82% of total revenue for the Group (December 2015: 0%), a result due to new business from the partnership with Wimobilize Singapore Pte Ltd.

For the half year ended 31 December 2016, Wine Power's sales revenues decreased by 80% (December 2016: \$507,123; 31 December 2015: \$2,584,870) due to slowing demand for premium wines in that period. Wine Power's sales for 8 Eagles, range of wines increased significantly year on year by 500% (31 December 2016: \$432,853; 31 December 2015: \$86,294) due to the Company's focused brand building activities.

The Company maintains a positive outlook as the Group continues to focus on opportunities through its partnership with Wimoblize Singapore Pte Ltd and through the wine distribution businesses in Asia, particularly with its 8 Eagles range.



Yano Lim
Company Secretary
Byte Power Group Limited

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Appendix 4D

Byte Power Group Ltd and Controlled Entities

Results for announcement to the market

1. Company details

Name of entity

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

Half-year ended ('current period')

Half-year ended ('previous period')

80 009 268 571	31 December 2016	31 December 2015
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2. Results for announcement to the market

	Current Period	Previous Period	Movement	
	\$A	\$A	\$A	%
2.1 Revenues from continuing activities	2,916,546	2,615,025	301,521	11.5
2.2 Profit (loss) from continuing activities after tax attributable to members	1,454,916	46,118	1,408,798	3,054.8
2.3 Net profit (loss) for the period attributable to members	1,454,916	46,118	1,408,798	3,054.8
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	(0.18) ¢	(0.22) ¢

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 group's financial report for the half-year ended 31 December 2016 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 2016 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-17

Print Name:

Yano Lim

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 2016, 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
Howard Shi (Resigned 19 October 2016)
Yano Lim

Results

The Group has reported a profit for the half year ended 31 December 2016 of \$1,454,916 (December 2015: profit of \$46,118).

Review of Operations

Summary

The Group's revenues from ordinary activities for the period were \$2,916,546 compared to \$2,615,025 during the same period last year, representing an increase of 11.5%.

The Group achieved a profit for the half year ended 31 December 2016 of \$1,454,916, compared to a profit of \$46,118 for the same period last year.

The Byte Power Group's IT&T segment contributed 82% of total revenue for the Group (\$2,401,048), a result due to new business from the partnership with Wimobilize Singapore Pte Ltd.

During the months of August and September 2016, the Group had announced partnerships with Wimobilize Singapore Pte Ltd allowing for the exclusive distribution rights to sell and implement Wimobilize Big Data solutions exclusively in Singapore, Malaysia, Hong Kong, Macau, China, Taiwan, Australia and New Zealand. The Group's IT&T segment achieved its first sale of the Wimobilize Big data solution into China in December.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

Wine Power's sales revenues for the period were \$507,123 compared to \$2,584,870 for the same period last year. The decline in wine sales was due to the slowing demand for premium wines in that period. Wine Power's sales for its 8 Eagles range of wines, increased significantly year on year by 500% (31 December 2016: \$432,853; 31 December 2015: \$86,294) due to the Company's focused brand building activities.

The Company's Power Management business did not experience any growth for the half year ended 31 December 2016. However, the Group continues to explore new opportunities for this division.

Due to the aging of certain trade receivables, a provision for impairment of \$815K was provided for in the period.

On 22 December 2016, BPG signed a deed of settlement with Terry Grant van der Velde and Jason Shane Cronan (collectively the "Trustees" on behalf of Ethel Lau). Pursuant to the Deed of Settlement, the Company will pay to the Trustee a total of \$200,000 in periodic payments from December 2016 to May 2018 as full and final settlement of existing amounts due to Ms Lau. The Company does not anticipate that the payments under the Deed of Settlement will have a material impact on the Company's financial position.

Outlook

The Group continues to develop its IT&T segment through its partnership with Wimobilize Singapore Pte Ltd in Singapore, Malaysia, Australia, New Zealand, Hong Kong, Macau, China and Taiwan.

New and existing business opportunities for Wine Power will be explored through the wine distribution businesses in Asia, particularly with its 8 Eagles range, in the Singapore, Hong Kong, China, Myanmar, Malaysia, Vietnam, Japan and Korea markets.

The Group will continue its focus on the honey distribution business with target markets in both Australia and Asia.

The Board is optimistic that the rest of the year will yield positive results from all business segments of the business.

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:

	2016	2015	2016
	\$	\$	% change
Revenue from ordinary activities	2,916,546	2,615,025	11.5
EBITDA	1,764,311	341,186	417.1
Depreciation and amortisation	(11,963)	(15,027)	(20.4)
EBIT	1,752,348	326,159	437.3
Borrowing expenses	(179,773)	(280,041)	(35.8)
Operating result before income tax	1,572,575	46,118	3,309.9
Income tax expense	(117,659)	-	
Net profit	1,454,916	46,118	3,054.8

Cashflow analysis

The company has current assets of \$4,213,121 (30 June 2016, \$2,693,116). During the period it recorded net cash used in operating activities of \$9,751 (31 December 2015: net cash provided by operating activities \$67,809).

Current liabilities of the Group as at 31 December 2016 was \$5,946,602 (June 2016: \$5,813,601).

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. The company continues to have the support of major creditors, related parties and major shareholders. 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, PKF 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 2016. 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, 28 February 2017

**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 2016 there have been no contraventions of:

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

PKF Hacketts

PKF Hacketts Audit



**Shaun Lindemann
Partner**

Brisbane, 28 February 2017

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Half-Year	
	2016	2015
	\$	\$
Revenue		
Revenue from continuing activities	2,916,546	2,615,025
Cost of goods sold	(1,829,353)	(1,659,021)
Gross Profit	1,087,193	956,004
Other income / (expense)	1,958,595	10,879
Depreciation and amortisation expenses	(11,963)	(15,027)
Borrowing cost expenses	(179,773)	(280,041)
Salaries and employee benefits expenses	(305,201)	(313,124)
Directors' fees	(53,052)	(49,302)
Rent and outgoings	(34,286)	(32,984)
Travel, accommodation and entertainment	(79,094)	(63,894)
Consultants / Professional fees	(66,037)	(84,033)
Impairment provision expense	(675,372)	-
Other expenses from ordinary activities	(68,435)	(82,360)
Profit/(loss) before related income tax	1,572,575	46,118
Income tax expense/(benefit)	117,659	-
Net profit/(loss) for the period attributable to members of the parent entity	1,454,916	46,118
Other comprehensive income		
<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	47,860	(606)
Income tax relating to components of other comprehensive income	-	-
Total other comprehensive income for the period, net of tax	47,860	(606)
Total comprehensive income attributable to members of the parent entity	1,502,776	45,512
	cents per share	cents per share
Basic earnings per share	0.065 ¢	0.002 ¢
Diluted earnings per share	0.065 ¢	0.002 ¢

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		46,493	11,790
Receivables	6	4,083,968	2,587,369
Inventories		61,825	84,633
Other		20,835	9,324
TOTAL CURRENT ASSETS		4,213,121	2,693,116
NON-CURRENT ASSETS			
Property, plant and equipment		106,130	118,093
Other financial assets		9,350	9,350
TOTAL NON-CURRENT ASSETS		115,480	127,443
TOTAL ASSETS		4,328,601	2,820,559
CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities		257,717	-
Payables	7	3,255,183	3,656,054
Related Party Payables		1,931,359	1,777,112
Provisions		265,010	250,259
Provisin for income tax		117,659	
Borrowings		119,674	130,176
TOTAL CURRENT LIABILITIES		5,946,602	5,813,601
NON-CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities		350,368	591,780
Related Party Payables		105,072	107,458
Interest bearing liabilities - related parties		1,955,640	1,844,577
Long term liabilities		67,500	67,500
Borrowings		-	-
TOTAL NON-CURRENT LIABILITIES		2,478,580	2,611,315
TOTAL LIABILITIES		8,425,182	8,424,916
NET ASSETS / (LIABILITIES)		(4,096,581)	(5,604,357)
EQUITY			
Contributed equity	2	53,114,922	53,109,922
Reserves		(23,172)	(71,032)
Accumulated losses		(57,188,331)	(58,643,247)
TOTAL EQUITY		(4,096,581)	(5,604,357)

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2015	53,109,922	(71,424)	(58,091,459)	(5,052,960)
Profit for the period	-	-	46,118	46,118
Total other comprehensive income	-	(606)	-	(606)
Total comprehensive income	-	(606)	46,118	45,512
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Contribution by members	-	-	-	-
Sub-total	53,109,922	(72,029)	(58,045,341)	(5,007,448)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2015	53,109,922	(72,029)	(58,045,341)	(5,007,448)
Balance at 1 July 2016	53,109,922	(71,032)	(58,643,247)	(5,604,357)
Profit for the period	-	-	1,454,916	1,454,916
Total other comprehensive income	-	47,860	-	47,860
Total comprehensive income	-	47,860	1,454,916	1,502,776
Shares issued during the period	5,000	-	-	5,000
Share issue costs	-	-	-	-
Contribution by members	5,000	-	-	5,000
Sub-total	53,114,922	(23,172)	(57,188,331)	(4,096,581)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2016	53,114,922	(23,172)	(57,188,331)	(4,096,581)

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-Year	
		2016 A\$	2015 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,716,397	3,528,286
Payments to suppliers and employees		(3,589,785)	(3,388,816)
Interest received		-	-
Interest and other costs of finance paid		(136,363)	(71,661)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(9,751)	67,809
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	-
Payment for other financial assets		-	-
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of share capital		5,000	-
Repayment of lease liabilities		(8,406)	(8,147)
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		(3,406)	(8,147)
Net increase/(decrease) in cash held		(13,157)	59,662
Effects of functional currency exchange rate		47,860	(606)
Cash at beginning of half year		11,790	3,680
		<hr/>	<hr/>
Cash at end of half year	6	46,493	62,736

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2017 by the directors of the Company.

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2016 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 a 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 2016, 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 2016 annual report except as follows:

During the current half-year to 31 December 2016, the group has prospectively updated its basis of providing against aging trade receivables. The group has elected to provide against trade debtors on the following basis:

Aging	Provision
6 months - 1 year overdue	10%
1+ year overdue	100%

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 2016.

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 2016, the Group has recorded a net current liability position of \$1,358,107 (30 June 2016: net current liability of \$3,120,485) and a net asset deficiency of \$3,978,923 (30 June 2016: \$5,604,357). The company has also recorded net outflows from operating activities of \$9,750 (December 2015 inflow of \$67,809). There are also significant related party liabilities.

Given the above, 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 related parties 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

Share issues:
 29 September 2016

Closing balance - 31 December

Weighted average number of shares on issue during the period

		Half-Year	
		2016 A\$	2015 A\$
Issued and paid up ordinary share capital		53,114,922	53,109,922
		Number	
		2016	2015
		A\$	
		2016	2015
Opening balance - 1 July	2,232,569,989	2,232,569,989	53,109,922
Share issues: 29 September 2016	2,500,000		5,000
Closing balance - 31 December	2,235,069,989	2,232,569,989	53,114,922
Weighted average number of shares on issue during the period	2,233,840,480	2,232,569,989	

NOTE 3: Segment Reporting

A\$	Power		IT&T		Asian Business Division		Corporate		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue										
Sales to customers outside the group	8,375	30,155	2,401,048	-	507,123	2,584,870	-	-	2,916,546	2,615,025
Inter segment revenues	-	-	-	-	-	-	256,352	266,799	256,352	266,799
	8,375	41,487	2,401,048	-	507,123	2,584,870	256,352	266,799	3,172,898	2,881,824
Eliminations									(256,352)	(266,799)
Total segment revenue									2,916,546	2,615,025
Results										
Segment result	(24,778)	(10,650)	531,792	(25,563)	(693,863)	603,755	1,641,765	(521,423)	1,454,916	46,119
Interest expense	(8,545)	(99)	(25)	(18)	(1,038)	(29,797)	(170,166)	(250,127)	(179,773)	(280,041)
Depreciation	(18)	(42)	(67)	(163)	-	-	(11,877)	(14,822)	(11,963)	(15,027)
Net profit / (loss) before tax	(24,778)	(10,650)	649,451	(25,563)	(693,863)	603,755	1,641,765	(521,424)	1,572,575	46,118
Tax	-	-	(117,659)	-	-	-	-	-	(117,659)	-
Net profit / (loss) after tax	(24,778)	(10,650)	531,792	(25,563)	(693,863)	603,755	1,641,765	(521,424)	1,454,916	46,118
Assets										
Segment assets	23,100	29,402	2,450,466	18,572	1,997,767	4,064,876	(142,732)	155,666	4,328,601	4,268,516
Inter segment elimination	-	-	-	-	-	(623,929)	-	(354,612)	-	(978,541)
Total group assets	23,100	29,402	2,450,466	18,572	1,997,767	3,440,947	(142,732)	(198,946)	4,328,601	3,289,975

For segment reporting purposes, the IT&T segment includes the income and results from the new Wimobilize Big Data Solutions division during the half-year ended 31 December 2016.

NOTE 4: Subsequent Events

On 17 February 2017, Anna Cheng resigned as Company Accountant and Company Secretary. On 17 February Jason Yeates was appointed as Company Accountant.

Except for the above, there are no other matters or circumstances that have arisen since 31 December 2016 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

During the current half-year period, the group successfully negotiated a reduced settlement in relation to short and long-term liabilities. Under the agreement entered into, the group is able to settle the full liability at a discounted rate, provided compliance with payment terms outlined in the agreement, over an 18 month period to May 2018. Should the group be unable to comply with the payment terms in the agreement, the group may be liable for the original full liability or a renegotiated amount. The Directors are not able to reliably determine the extent of any additional liability at this point, should non-compliance occur.

NOTE 6: Receivables

	Dec-16	Jun-16
Trade Debtors	4,899,298	2,727,369
Provision for Impairment	(815,330)	(140,000)
	<u>4,083,968</u>	<u>2,587,369</u>

Provision for impairment - change in judgement

There has been a change in judgement for provision of impairment in the current year. The Group has elected to apply a provision for 100% of balances exceeding 1 year overdue and 10% of balances overdue between 6 months and 1 year.

NOTE 7: Payables

	Dec-16	Jun-16
Trade creditors	2,066,307	210,824
Other creditors	1,188,876	3,445,230
	<u>3,255,183</u>	<u>3,656,054</u>

Significant increases in trade creditors was predominately due to a purchase from Wimobilize Singapore Pty Ltd to an amount of AUD \$1.675m. The significant decrease in other creditors is predominately due to the matter outlined in Note 5.

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 2016 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, 28 February 2017

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 ('the Company') which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity, 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. The consolidated entity comprises the company and the entities it controlled during that half-year or from time to time during the half-year.

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 gives a true and fair view and 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 consolidated entity's financial position as at 31 December 2016 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, 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 is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard 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 indicates that the consolidated entity has recorded a net asset deficiency of \$1,358,107 (June 2016: \$3,120,485). This, 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.

PKF Hacketts

PKF Hacketts Audit



Shaun Lindemann
Partner

Brisbane, 28 February 2017