

5 August 2014

Ms Shannon Hong  
Adviser, Listings Compliance  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney  
NSW 2000

**BY EMAIL: Shannon.Hong@asx.com.au**

Dear Madam,

**RE: APPENDIX 4C QUERY FOR THE MONTH ENDED 30 JUNE 2014**

We refer to the letter dated 31 July 2014 from Ms Shannon Hong. Set out below is our response to each of the questions listed in the above-mentioned letter:

1. As mentioned in the Appendix 4C for the month of June 2014 under Commentary, Byte Power Group Limited continued to make sizable purchases of wine products. In the month of June 2014, the Company has spent half of the working capital for the purchase of wine products to cater for the expected increased demand of wines in Southeast Asia in the celebration of the Mid-autumn festival, the second largest Chinese festival.
2. This is in line with the Company's business strategy reported over the last 12 months, which has exhibited good returns and growth. Negative operating cashflow is expected in the subsequent months as we put in place an expansion plan to develop and strengthen the company's wine sales and distribution platform across markets in South-East Asia. The benefits of the expansion plan will be evident in the months to come once the Company is able to secure increased sales within the Company's current and new client network.
3. The Company intends to support the expansion plan by securing working capital facility on appropriate commercial terms to supplement the working capital requirements to support the growth of the Asian Business Division. The Company has already initiated such discussions and will update accordingly.

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[www.bytepowergroup.com](http://www.bytepowergroup.com)

Brisbane, Melbourne  
Singapore, Hong Kong  
Chongqing (China)



4. The Company confirms that it is in compliance with the ASX Listing Rules and in particular LR 3.1.
  
5. In the Company's opinion, it is in compliance with ASX LR 12.2 and its financial condition is adequate to warrant continued quotation of its securities and its continued listing.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ethel Lau', written in a cursive style.

Ethel Lau  
Company Secretary  
BYTE POWER GROUP LIMITED



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31 July 2014

Ethel Lau  
Company Secretary  
Byte Power Group Limited  
Unit 13, 76 Doggett Street  
Newstead QLD 4006

By email

Dear Ethel,

**Byte Power Group Limited (the "Company"): ASX Appendix 4C Query**

I refer to the Company's quarterly report in the form of Appendix 4C for the period ended 30 June 2014 lodged with ASX Market Announcements Platform and released on Thursday, 31 July 2014 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$762,000.
2. Negative net operating cash flows for the quarter of \$220,000.
3. Cash at end of quarter of \$116,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to those reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, Listing Rule 3.1?
5. Please comment on the Company's compliance with Listing Rule 12.2, with reference to the matters discussed in the note to the rule.

**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 05:00 PM A.E.S.T. on Tuesday, 5 August 2014. If we do not have your

response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

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, the Company'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 shannon.hong@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 Rule 3.1**

Listing Rule 3.1 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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

Yours sincerely,

*[sent electronically without signature]*

Shannon Hong  
**Senior Adviser, Listings Compliance**