

**Byte Power Group Limited
(ACN 009 268 571)
and Controlled Entities**

COMMENTARY ON RESULTS

Your Directors submit the preliminary final report for Byte Power Group Limited (“the company”) and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

The names of the Directors of the Company during the year and at the date of this report are:

Alvin Phua
Raphael Tham
Howard Shi (Appointed on 5 July 2013)

Review of Operations

Summary

Revenues from ordinary activities in the financial year ended 30 June 2014 were \$4.320 million compared to \$6.442 million in the financial year ended 30 June 2013. The drop in revenue was largely due to the decrease of sales in the IT&T segments as the Company focuses on the Asian Business Division, which saw an increase in revenue of 129% over the same period.

The net profit for the year increased to \$40K when compared to last year’s reported profit of \$24K with increase contribution from the Asian Business Division. The EBITDA gain for the year was \$0.590 million compared to an EBITDA gain of \$0.498 million the previous year.

In addition to the Company’s existing wine subsidiary, Wine Power Pty Ltd (“Wine Power Australia”), the Group further strengthened its wine sales and distribution platforms by establishing Wine Power Pte Ltd (“Wine Power Singapore”) in August 2013. This subsidiary has gained access to a wide 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. In addition, Wine Power also carries its own range of premium 8 Eagles wines.

The availability of the new back vintage premium lines provided access to new markets and greater range of price points. This enabled the Company to develop new and strengthen existing wine sales and distribution across its markets especially within South-East Asia.

For the year ended 30 June 2014, the Asian Business Division saw a 129% growth in revenue and a 165% increase in profits when compared to the last financial year ended 30 June 2013.

The IT trading business for the year ended 30 June 2014 saw a drop in revenues compared to the previous period. This is due to seasonal influences, and the Company continues to develop new and existing business opportunities in the IT&T sector.

Comments on the Group's operations and results

Detailed results are as follows:

Year ended 30 June 2014	2014 \$'000	2013 \$'000	% change
Revenue from ordinary activities	4,320	6,442	-33%
EBITDA	590	498	18%
Depreciation/Amortisation	-2	-8	-75%
EBIT	588	490	20%
Financial costs	-548	-466	18%
Operating profit/(loss) before income tax	40	24	67%
Income tax expense	-	-	
Net profit/(loss)	40	24	67%

Business Unit Results are set out below:

	Revenues		Results	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Segment:				
Power Management	79	172	11	47
IT&T	974	4,665	-115	494
Asia Business Division	3,203	1,399	1,156	437
Other	64	206	-1,012	(954)
	4,320	6,442	40	24
Income tax expense			-	-
Profit for the year			40	24

Outlook

Moving ahead, the Group will continue to focus on growing its wine distribution businesses by introducing new brands and developing new markets. The Group will also broaden the scope of price points to include the value wine segment, a market that we currently do not engage with.

According to Euromonitor International, wine sales in Asia amounted to some US\$70 billion or 6.1 billion litres in 2013, up 60% and 51% respectively compared to five years ago. For 2013-2018, wine sales are forecast to grow 8.3% per annum in value terms and 5.8% per annum in volume terms. The Group is cautiously optimistic that it will be able to continue to leverage on its extensive network and experience in Asia over the years to grow the business.

In the meantime, the Group will continue to build on the IT&T business.

The Board anticipates continued growth for the Company as new and existing opportunities continue to be developed. Based on the positive outcomes over the last 2 years, the Board is also confident that the performance for this financial year will continue to improve as it builds upon the hard work and successes of the last 12 months.

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



Alvin Phua
Chairman & CEO
Brisbane, 29 August 2014

Appendix 4E

Preliminary Final Report

Results for announcement to the market
for the year ended 30 June 2014

1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES

ABN or equivalent company reference

80 009 268 571

Full year ended ('current period')

30 June 2014

Full year ended ('previous period')

30 June 2013

2. Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

	Current Period	Previous Period	Movement	
	\$A	\$A	\$A	%
2.1 Revenues from ordinary activities	4,320,047	6,442,289	(2,122,242)	(33)
2.2 Profit (loss) from ordinary activities after tax attributable to members	40,143	24,024	16,118	67
2.3 Net profit (loss) for the period attributable to members	40,143	24,024	16,118	67
2.4 Dividends (distributions)	Amount per security	Franked amount per security		
Interim dividend declared	Nil ¢	Nil ¢		
The Directors do not propose to pay any dividend for the 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				

3. NTA backing

	Current period - A cents	Previous corresponding period - A cents
3.1 Net tangible asset backing per ordinary security	(0.24)	(0.39)
3.2 Brief explanation of any figures necessary to enable the figures to be understood		

4 Changes in group structure

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.	

provided for

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

5.1 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 year	Not applicable	Nil ¢	Nil ¢	Nil ¢
Previous year	Not applicable	Nil ¢	Nil ¢	Nil ¢

6. Dividend reinvestment plans

6.1 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 associates and joint venture entities

Name of Entity	Entity's percentage holding in each of these entities		Entity's investment in each of these entities	
	Current Period %	Previous Corresponding Period %	Current Period \$A	Previous Corresponding Period \$A
Not applicable	Not applicable		Not applicable	
Groups' 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			-	-
Net profit (loss)			-	-
Adjustments			-	-
Share of net profit (loss) of associates and joint venture entities.			-	-

The consolidated entity's financial report for the year ended 30 June 2014 is yet to be audited.

The Directors anticipate that the independent auditor's report on the consolidated entity's financial report for the year ended 30 June 2014 will contain an emphasis of matter relating to the preparation of the financial report on a going concern basis.

Sign here: 

 (Company Secretary)

Date: 29-Aug-14

Ethel Lau

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	30 JUNE 2014	30 JUNE 2013
Note	A\$	A\$
Revenue		
Revenue from continuing activities	4,217,724	6,239,726
Cost of goods sold	<u>(2,626,666)</u>	<u>(4,647,156)</u>
Gross Profit	<u>1,591,058</u>	<u>1,592,571</u>
Other income / (expense)	102,323	202,562
Depreciation and amortisation expenses	(1,822)	(5,558)
Provision for impairment	-	(2,795)
Finance cost expenses	(547,954)	(465,885)
Salaries and employee benefits expenses	(562,490)	(784,035)
Directors' fees	(103,385)	(90,400)
Rent and outgoings	(76,007)	(94,085)
Travel, accommodation and entertainment	(136,462)	(140,876)
Consultants / Professional fees	(101,325)	(94,039)
Other expenses from ordinary activities	<u>(123,794)</u>	<u>(93,437)</u>
Profit / (Loss) before related income tax	40,143	24,024
Income tax expense/(benefit)	<u>-</u>	<u>-</u>
Net Profit / (Loss) for the year	<u>40,143</u>	<u>24,024</u>
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(24,848)	(90)
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>
Total other comprehensive income for the period, net of tax	<u>(24,848)</u>	<u>(90)</u>
Total comprehensive income attributable to members of the parent	<u>15,295</u>	<u>23,934</u>
	cents per share	cents per share
Basic earnings per share	5 0.002	0.001
Diluted earnings per share	5 0.002	0.001

The accompanying notes form part of these financial statements.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	30 JUNE 2014 A\$	30 JUNE 2013 A\$
CURRENT ASSETS			
Cash and cash equivalents	8	66,921	181,259
Receivables		1,986,995	1,001,926
Inventories		408,379	175,333
Other		9,324	-
TOTAL CURRENT ASSETS		2,471,619	1,358,518
NON-CURRENT ASSETS			
Property, plant and equipment		7,868	8,440
Other		56,631	11,835
TOTAL NON-CURRENT ASSETS		64,499	20,275
TOTAL ASSETS		2,536,118	1,378,793
CURRENT LIABILITIES			
Payables	9 & 11	1,530,380	5,226,598
Convertible notes / loans		-	513,449
Provisions		300,887	283,182
TOTAL CURRENT LIABILITIES		1,831,267	6,023,229
NON-CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities	11	525,693	-
Related Party Payables	11	2,321,085	-
Interest bearing liabilities - related parties	11	3,053,972	1,919,014
Long term liabilities		82,312	229,057
TOTAL NON-CURRENT LIABILITIES		5,983,062	2,148,071
TOTAL LIABILITIES		7,814,330	8,171,300
NET ASSETS		(5,278,211)	(6,792,507)
EQUITY			
Contributed equity	10	53,109,922	51,610,922
Reserves		11,129	35,976
Accumulated losses		(58,399,262)	(58,439,405)
TOTAL EQUITY		(5,278,211)	(6,792,507)

The accompanying notes form part of these financial statements.

BYTE POWER GROUP LIMITED

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Contributed equity	Reserve	Accumulated losses	Total
	A\$	A\$	A\$	A\$
Balance at 1 July 2012	51,570,922	36,066	(58,463,430)	(6,856,442)
Profit for the period	-	-	24,024	24,024
Total other comprehensive income	-	(90)	-	(90)
Total comprehensive income	-	(90)	24,024	23,934
Transactions with equity holders in their capacity as equity holders:				
Shares issued during the period	40,000	-	-	40,000
Share issue costs	-	-	-	-
Contribution by members	40,000	-	-	40,000
Sub-total	51,610,922	35,976	(58,439,406)	(6,792,508)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2013	51,610,922	35,976	(58,439,406)	(6,792,508)
Balance at 1 July 2013	51,610,922	35,976	(58,439,406)	(6,792,507)
Profit for the period	-	-	40,143	40,143
Total other comprehensive income	-	(24,848)	-	(24,848)
Total comprehensive income	-	(24,848)	40,143	15,296
Transactions with equity holders in their capacity as equity holders:				
Shares issued during the period	1,499,000	-	-	1,499,000
Share issue costs	-	-	-	-
Contribution by members	1,499,000	-	-	1,499,000
Sub-total	53,109,922	11,129	(58,399,263)	(5,278,211)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2014	53,109,922	11,129	(58,399,263)	(5,278,211)

The accompanying notes form part of these financial statements.

BYTE POWER GROUP LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 JUNE 2014 A\$	30 JUNE 2013 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,668,457	6,076,708
Payments to suppliers and employees		(4,815,460)	(5,390,499)
Interest received		19	12
Interest and other costs of finance paid		(440,256)	(397,829)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(1,587,240)	288,392
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,250)	-
Proceeds from sale of property plant & equipment		-	10,970
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		(1,250)	10,970
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of share capital		1,499,000	40,000
Share issue costs		-	-
Proceeds from / (Repayment of) borrowings		-	(243,367)
Payment for lease liabilities		-	-
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		1,499,000	(203,367)
Net increase/(decrease) in cash held		(89,490)	95,995
Effects of functional currency exchange rate change		(24,848)	(90)
Cash at beginning of year		181,259	85,354
		<hr/>	<hr/>
Cash at end of year	8	66,921	181,259

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

BYTE POWER GROUP LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION

The preliminary final report has been prepared in accordance with ASX listing rules, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The preliminary final report does not include all the notes of the type normally included in an annual report and should be read in conjunction with the annual report for Byte Power Group Limited for the financial year ended 30 June 2013, the December 2013 half-year report and any public announcements made by Byte Power Group Limited and its controlled entities during the year ended 30 June 2014 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in Byte Power Group Limited's annual report for the year ended 30 June 2013. Where appropriate, comparative information is reclassified to enhance comparability.

The preliminary final report was authorised for issue by the Directors on 29 August 2014.

Going Concern

The preliminary final 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 made a profit from continuing operations after tax of \$40,143 (2013: Profit of \$24,024) for the year ended 30 June 2014. The consolidated entity was also in a net current asset position of \$640,352 (2013: net current liability \$4,664,711) as at 30 June 2014. There are however significant non-current liabilities.

Given the consolidated entity's net 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 as to 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 preliminary final 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.

NOTE 2: REVENUES AND EXPENSES

Revenue streams:

Sales
Service
Interest
Other income
Gain on deconsolidation
- Byte Power Technologies Pty Ltd

Revenue from ordinary activities

Finance costs
Amortisation
Depreciation
Impairment
Profit / (loss) on disposal of non-current assets

	2014 SA	2013 SA
Sales	4,165,253	6,117,788
Service	52,472	121,939
Interest	19	12
Other income	102,304	38,792
Gain on deconsolidation - Byte Power Technologies Pty Ltd	-	163,758
Revenue from ordinary activities	4,320,047	6,442,289
Finance costs	547,954	465,885
Amortisation	248	310
Depreciation	1,573	5,248
Impairment	-	2,795
Profit / (loss) on disposal of non-current assets	-	10,460

BYTE POWER GROUP LIMITED

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)**
NOTE 3: INCOME TAX

The consolidated entity incurred a taxable loss for the financial year and is also in an income and capital tax loss carried forward position. No deferred tax assets have been brought to account.

NOTE 4: DIVIDENDS

The company does not have any dividend or distribution reinvestment plans in operation. The Directors do not propose to pay any dividends for the year.

NOTE 5: EARNINGS PER SHARE

Weighted average number of ordinary shares outstanding during the year used in the calculation of:

- (a) Basic EPS - cents per share
(b) Diluted EPS - cents per share

	2014	2013
	1,873,996,473	1,724,903,322
(a) Basic EPS - cents per share	0.002	0.001
(b) Diluted EPS - cents per share	0.002	0.001

NOTE 6: NET TANGIBLE ASSETS (LIABILITIES)

- Net assets (liabilities)
Intangible assets
Net tangible assets (liabilities)
Number of shares on issue
NTA backing - cents per share

	2014 SA	2013 SA
Net assets (liabilities)	(5,278,211)	(6,792,507)
Intangible assets	-	-
Net tangible assets (liabilities)	(5,278,211)	(6,792,507)
Number of shares on issue	2,232,569,989	1,732,903,322
NTA backing - cents per share	(0.24)	(0.39)

NOTE 7: SEGMENT INFORMATION

AS	Lower Management Management		IT&T		Asia Business Division		Corporate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue										
Sales to customers outside the group	76,354	158,221	1,042,709	4,674,064	3,098,662	1,407,441	-	-	4,217,724	6,239,726
Other revenue	2,684	14,022	(68,309)	(8,790)	104,566	(8,996)	63,382	206,327	102,323	202,562
Total segment revenue	79,037	172,242	974,400	4,665,274	3,203,228	1,398,445	63,382	206,327	4,320,047	6,442,288
Results										
Segment result	11,270	47,390	(114,868)	494,451	1,156,048	436,860	(1,012,308)	(954,678)	40,143	24,024
Interest expense	53	2,830	75,959	22,997	18,028	6,836	453,914	433,222	547,954	465,885
Depreciation	72	5,455	501	657	-	438	1,249	1,803	1,822	8,353
Net profit / (loss) before tax	11,270	47,390	(114,868)	494,451	1,156,048	436,860	(1,012,308)	(954,678)	40,143	24,024
Tax	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) after tax	11,270	47,390	(114,868)	494,451	1,156,048	436,860	(1,012,308)	(954,678)	40,143	24,024
Assets										
Segment assets	77,572	67,807	3,202	39,395	2,946,888	1,695,452	446,224	275,846	3,473,885	2,078,499
Inter segment elimination					(623,929)	(623,929)	(313,838)	(75,778)	(937,767)	(699,707)
Total group assets	77,572	67,807	3,202	39,395	2,322,959	1,071,523	132,385	200,068	2,536,118	1,378,793

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)****NOTE 8: RECONCILIATION OF CASH**

Reconciliation of cash at the end of the year (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows :

Cash on hand and at bank

Total cash at end of financial year

2014 SA	2013 SA
66,921	181,259
66,921	181,259

NOTE 9: PAYABLES

Trade creditors

Other creditors and accruals

Total

2014 SA	2013 SA
642,097	1,254,571
888,283	3,972,027
1,530,380	5,226,598

NOTE 10: SHARE CAPITAL

Issued and paid up capital

Movement in share capital during the year

Opening balance

4 February 2013

30 October 2013

4 April 2014

22 May 2014

2014 SA	2013 SA
53,109,922	51,610,922

	Number		SA	
	2014	2013	2014	2013
Opening balance	1,732,903,322	1,719,569,989	51,610,922	51,570,922
4 February 2013		13,333,333		40,000
30 October 2013	113,000,000		339,000	
4 April 2014	186,666,667		560,000	
22 May 2014	200,000,000		600,000	
	2,232,569,989	1,732,903,322	53,109,922	51,610,922

NOTE 11: 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 30 June 2014 as new payment arrangements were entered into by the directors' related entities during the period.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs for the consolidated entity in future financial years.