

3 June 2015

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 APRIL 2015

We refer to the letter dated 1 June 2015 from Ms Shannon Hong. Set out below is our response to each of the questions listed in the above-mentioned letter:

1. The Company expects its operating cash flow to fluctuate in the months ahead and is working towards achieving a more steady and regular cash flow. However, it does not expect to have negative operating cash flows for the period ending 31 May 2015. As mentioned in the Appendix 4C for the month of April 2015 under Commentary, the negative operating cash flow was due to slower than anticipated debtor receipts as well as funds required for the purchase of wines.
2. The Company continues to explore the possibility of securing an overdraft or working capital facility on appropriate commercial terms to supplement the working capital requirements to support the operations of the Company. It is expected that continued shareholder support will address any negative cash flow in the short term. In addition, the Company expects that customer receipts from recent sales in May 2015 are expected to address any negative operating cash flow in the short to medium term.
3. The Company expects to be able to continue its operations and to meet its business objectives which entails developing and strengthening the Asian Business Division in terms

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of ensuring consistent sales. Based on the current inventory held by the Company and the sales pipeline, the Company believes it has adequate resources to continue its operations.

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 be 'Anna Cheng', written in a cursive style.

Anna Cheng
Company Secretary
BYTE POWER GROUP LIMITED



1 June 2015

Ms Ethel Lau
COO & Company Secretary
Byte Power Group Limited
13/76 Doggett Street
Newstead QLD 4006

By email: elau@bytepowergroup.com

Dear Ms Lau,

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

I refer to the Entity's quarterly report in the form of Appendix 4C for the period ended 30 April 2015 lodged with ASX Market Announcements Platform and released on 29 May 2015 (the "Appendix 4C").

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$193,000; and
- cash at the end of the quarter of \$52,000.

It is possible to conclude on the basis of the information provided in the Appendix 4C that if the Entity were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

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 9.30 am AEST on Wednesday, 3 June 2015**. If we do not have your

response by then, ASX will have no choice but to consider suspending trading in the Entity'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 Entity'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 Entity 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 Entity'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 Entity'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