

**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 2011.

Directors

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

Alvin Phua
Raphael Tham
Michael Walsh

Review of Operations

Summary

Revenues from ordinary activities in the financial year ended June 2011 were \$0.357 million compared to \$0.901 million in the financial year ended June 2010.

The net loss for the year was \$1.665 million compared to \$1.943 million over the same period. The EBITDA loss for the year was \$0.968 million compared with \$1.266 million. Sales revenue has dropped this year compared to last financial year and despite the reduction, our bottomline improved due to managing overheads of the Group.

In Chongqing China, the government’s policy to remove all outdoor advertising panels and unsightly old kiosks around the city has been undertaken. This change has directly affected both the issuance of new site licences and advertising revenue. E-kiosk business activities have temporarily stalled pending release of the new government policy on allocation of kiosk sites and on outdoor advertising.

The Company has teamed up with Chongqing Sanxia Books and Periodicals Media Co. Limited in readiness to provide marketing and advertising services once the new outdoor advertising policy is released. The real benefit of this partnership will be realised upon release of the new government policy.

This temporary delay in the roll-out of the e-kiosk project has provided Byte Power Group Limited management an opportunity to pursue strategic opportunities and potential acquisitions in both Australia and China.

Currently, Byte Power Group Limited has directed its efforts into capital raising and has completed a placement of 133,890,649 shares at an issue price of A\$0.003 on 26 August 2011. This amounts to A\$401,672 in net proceeds to the Company.

The consolidated entity has continued to cut back on expenditure and reduced its losses by 14% compared to the previous corresponding period.

Comments on the Group's operations and results

Detailed results are as follows:

Year ended 30 June 2011	2011 \$'000	2010 \$'000	% change
Revenue from ordinary activities	357	901	(60%)
EBITDA	(968)	(1,266)	24%
Depreciation/Amortisation	<u>(146)</u>	<u>(144)</u>	(1%)
EBIT	(1,114)	(1,410)	21%
Financial costs	<u>(551)</u>	<u>(533)</u>	(4%)
Operating profit/(loss) before income tax	(1,665)	(1,943)	14%
Income tax expense	<u>-</u>	<u>-</u>	
Net profit/(loss)	<u>(1,665)</u>	<u>(1,943)</u>	14%

Business Unit Results are set out below:

	Revenues		Results	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Business Unit:				
Byte Power Group Limited	7	0	(1,440)	(1,528)
Byte Power Pty Ltd	1	482	(79)	(69)
Byte Power Technologies Pty Ltd	159	117	6	39
Power Tech Systems Pty Ltd	133	274	(12)	43
Other	<u>57</u>	<u>28</u>	<u>(140)</u>	<u>(428)</u>
	357	901	(1,665)	(1,943)
Tax expense			-	-
Net loss after tax			<u>(1,665)</u>	<u>(1,943)</u>

Outlook

The change in Chongqing's government policy has hindered the Company's progress of the project. The current scenario has seen the Group scale down its operations, reduce costs and review its kiosk strategy moving ahead. The e-kiosk beachhead in China continues to present exciting opportunities for the Group. The Board is currently exploring some of these opportunities to create shareholder value and will update the shareholders on the outcomes going forward.

Selected synergistic acquisition and profitable business opportunities will be actively pursued by the Group as they become available.

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



Alvin Phua
Chairman & CEO
Brisbane, 31 August 2011

Appendix 4E

Preliminary Final Report

1. Company details

Name of entity

BYTE POWER GROUP LIMITED

ABN or equivalent company reference

80 009 268 571

Full year ended ('current period')

30 June 2011

Full year ended ('previous period')

30 June 2010

2. Results for announcement to the market

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

					Current period \$A
2.1	Revenues from ordinary activities	down	(60) %	to	357,351
2.2	Profit (loss) from ordinary activities after tax attributable to members	Improvement	14 %	to	(1,665,057)
2.3	Net profit (loss) for the year attributable to members	Improvement	14 %	to	(1,665,057)
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	(0.42)	(0.42)
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)	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

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				
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.			-	-

8. Foreign entities

For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International etc.)
The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the Corporations Act 2001.

The consolidated entity's financial report for the year ended 30 June 2011 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 2011 to contain a qualification relating to the preparation of the financial report on a going concern basis.

Sign here:  Date: 31-Aug-11

(Company Secretary)

Ethel Lau

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	30 JUNE 2011	30 JUNE 2010
	A\$	A\$
Continuing operations		
Revenues	357,351	900,789
Changes in inventories of finished goods and work in progress	(32,809)	16,212
Raw materials and consumables used	(159,516)	(550,634)
Depreciation and amortisation expenses	(145,878)	(144,461)
Borrowing cost expenses	(550,725)	(532,848)
Salaries and employee benefits expenses	(573,461)	(601,040)
Directors' fees	(90,704)	(153,188)
Rent and outgoings	(122,940)	(152,221)
Travel, accommodation and entertainment	(123,644)	(188,038)
Consultants / Professional fees	(70,308)	(252,826)
Other expenses from ordinary activities	(152,421)	(284,427)
Profit/(loss) before related income tax	(1,665,057)	(1,942,682)
Income tax expense/(benefit)	-	-
Net profit/(loss)	(1,665,057)	(1,942,682)
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(36,193)	39,242
Income tax relating to components of other comprehensive income	-	-
Total other comprehensive income for the period, net of tax	(36,193)	39,242
Total comprehensive income attributable to members of the parent	(1,701,250)	(1,903,440)
	cents per share	cents per share
Basic earnings per share	(0.13)	(0.23)
Diluted earnings per share	(0.13)	(0.23)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30 JUNE 2011 A\$	30 JUNE 2010 A\$
CURRENT ASSETS			
Cash and cash equivalents	8	52,719	63,944
Receivables		33,399	104,050
Inventories		124,657	157,466
Other		2,469	-
TOTAL CURRENT ASSETS		213,243	325,460
NON-CURRENT ASSETS			
Property, plant and equipment		580,320	751,615
Other		11,829	15,634
TOTAL NON-CURRENT ASSETS		592,149	767,249
TOTAL ASSETS		805,392	1,092,709
CURRENT LIABILITIES			
Payables	9	3,843,350	3,228,470
Interest bearing liabilities		8,378	43,272
Convertible notes / loans		494,067	466,000
Provisions		212,843	163,695
TOTAL CURRENT LIABILITIES		4,558,638	3,901,437
NON-CURRENT LIABILITIES			
Interest bearing liabilities		1,919,014	1,919,014
Convertible notes / loans		253,667	194,764
TOTAL NON-CURRENT LIABILITIES		2,172,681	2,113,778
TOTAL LIABILITIES		6,731,318	6,015,215
NET ASSETS		(5,925,926)	(4,922,506)
EQUITY			
Contributed equity	10	50,650,858	49,953,028
Reserves		3,049	39,242
Accumulated losses	2/3	(56,579,833)	(54,914,776)
TOTAL EQUITY		(5,925,926)	(4,922,506)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2009	46,289,125	-	(52,972,094)	(6,682,969)
Loss for the period	-	-	(1,942,682)	(1,942,682)
Total other comprehensive income	-	39,242	-	39,242
Total comprehensive income	-	39,242	(1,942,682)	(1,903,440)
Shares issued during the period	3,677,903	-	-	3,677,903
Share issue costs	(14,000)	-	-	(14,000)
Contribution by members	3,663,903	-	-	3,663,903
Sub-total	49,953,028	39,242	(54,914,776)	(4,922,506)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2010	49,953,028	39,242	(54,914,776)	(4,922,506)
Balance at 1 July 2010	49,953,028	39,242	(54,914,776)	(4,922,506)
Loss for the period	-	-	(1,665,057)	(1,665,057)
Total other comprehensive income	-	(36,193)	-	(36,193)
Total comprehensive income	-	(36,193)	(1,665,057)	(1,701,250)
Shares issued during the period	703,410	-	-	703,410
Share issue costs	(5,580)	-	-	(5,580)
Contribution by members	697,830	-	-	697,830
Sub-total	50,650,858	3,049	(56,579,833)	(5,925,926)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2011	50,650,858	3,049	(56,579,833)	(5,925,926)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	30 JUNE 2011 A\$	30 JUNE 2010 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		494,163	1,150,216
Payments to suppliers and employees		(1,003,060)	(2,241,184)
Interest received		2	250
Interest and other costs of finance paid		(213,393)	(85,528)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(722,288)	(1,176,246)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		25,417	(6,342)
Proceeds from sale of property plant & equipment		-	-
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		25,417	(6,342)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of securities (shares, option etc.)		703,400	1,042,518
Share issue costs		(5,570)	(14,000)
Proceeds from / (Repayment of) borrowings		24,009	175,805
Payment for lease liabilities		-	(12,938)
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		721,839	1,191,385
Net increase/(decrease) in cash held		24,968	8,797
Effects of function currency exchange rate change		(36,193)	39,242
Cash at beginning of year		63,944	15,905
		<hr/>	<hr/>
Cash at end of year	8	52,719	63,944

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

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 2010, the December 2010 half-year report and any public announcements made by Byte Power Group Limited and its controlled entities during the year ended 30 June 2011 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 2010. Where appropriate, comparative information is reclassified to enhance comparability.

The preliminary final report was authorised for issue by the Directors on 31 August 2011.

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 incurred a loss from continuing operations after tax of \$1,665,057 (2010: \$1,942,682) for the year ended 30 June 2011. The consolidated entity was also in a net current liability position of \$4,345,395 (2010: \$3,575,977) as at 30 June 2011. There are also significant non-current liabilities.

Given the consolidated entity's net current 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.

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)****NOTE 2: REVENUES AND EXPENSES**

	2011	2010
	\$A	\$A
Revenue streams:		
Sales	141,507	713,334
Service	113,014	173,829
Interest	2	250
Other relevant revenue	102,828	13,376
Revenue from ordinary activities	357,351	900,789
Expenses from:		
Power management	116,356	212,457
IT&T activities	191,187	612,388
ekiosks	193,426	456,405
Corporate activities	970,713	1,032,001
Expenses from ordinary activities	1,471,682	2,313,251
Finance costs	550,725	530,220
Profit / (loss) before income tax	(1,665,057)	(1,942,682)
Profit / (loss) before income tax includes the following specific net gains and expenses:		
(Profit) or loss on disposal of non-current assets	-	13,363
Amortisation	557	1,266
Depreciation	145,321	143,195

NOTE 3: INCOME TAX

The consolidated entity incurred a taxable loss for the financial year and is also in a income and capital tax loss carried forward position. As such, there has been no deferred tax assets recognised.

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.

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)**

NOTE 5: EARNINGS PER SHARE

	2011	2010
Weighted average number of ordinary shares outstanding during the year used in the calculation of:	1,247,997,266	854,602,416
(a) Basic EPS - cents per share	(0.13)	(0.23)
(b) Diluted EPS - cents per share	(0.13)	(0.23)

NOTE 6: NET TANGIBLE ASSETS

	2011 \$A	2010 \$A
Net assets	(5,925,926)	(4,922,508)
Intangible assets	-	-
Net tangible assets	(5,925,926)	(4,922,508)
Number of shares on issue	1,403,715,440	1,169,248,774
NTA backing - cents per share	(0.42)	(0.42)

NOTE 7: SEGMENT INFORMATION

	IT&T		Power Management	
	2011	2010	2011	2010
	\$A	\$A	\$A	\$A
Revenue	160,872	596,959	133,222	274,289
Result	(75,959)	(28,680)	(11,852)	43,143

	ekiosks		Corporate	
	2011	2010	2011	2010
	\$A	\$A	\$A	\$A
Revenue	56,546	26,586	6,710	264
Result	(136,880)	(429,819)	(1,440,366)	(1,527,327)

	Total	
	2011	2010
	\$A	\$A
Revenue	357,351	898,098
Result	(1,665,057)	(1,942,682)

BYTE POWER GROUP LIMITED

ABN 80 009 268 571

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (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
Bank overdraft
Deposits at call

Total cash at end of financial year

2011 \$A	2010 \$A
52,719	63,944
-	-
-	-
52,719	63,944

NOTE 9: PAYABLES

Trade creditors
Other creditors and accruals

2011 \$A	2010 \$A
818,323	796,444
3,025,027	2,432,027
3,843,350	3,228,471

NOTE 10: SHARE CAPITAL

Issued and paid up capital

2011 \$A	2010 \$A
50,650,858	49,953,028

Movement in share capital during the year

Opening balance
Shares issued
Share issue costs

Number		\$A	
2011	2010	2011	2010
1,169,248,774	433,668,111	49,953,028	46,289,125
234,466,666	735,580,663	703,400	3,677,903
-	-	(5,570)	(14,000)
1,403,715,440	1,169,248,774	50,650,858	49,953,028

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 26 August 2011, the Company has completed a placement of 133,890,694 shares at an issue price of \$0.003. This amounts to A\$401,672 in net proceeds to the Company.