

Appendix 4D

Half-year release

1. Company details

Name of entity

BYTE POWER GROUP LIMITED

ABN or equivalent company reference

80 009 268 571

Half-year ended ('current period')

31 December 2010

Half-year ended ('previous period')

31 December 2009

2. Results for announcement to the market

					Current period \$A
2.1	Revenues from ordinary activities	Down	(60.6)	%	to 208,070
2.2	Profit (loss) from ordinary activities after tax attributable to members	Improvement of	21.5	%	to (715,375)
2.3	Net profit (loss) for the period attributable to members	Improvement of	21.5	%	to (715,375)
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				

3. NTA backing

	Current period - A cents	Previous corresponding period - A cents
Net tangible asset backing per ordinary security	(0.45)	(0.35)

Brief explanation of any figures necessary to enable the figures to be understood

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.				

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	-	-
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.)
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 consolidated entity's financial report for the half-year ended 31 December 2010 has been subject to review by the consolidated entity's auditor. The auditor's review report relating to the financial report for the half-year ended 31 December 2010 includes a qualification in respect of the preparation of the financial report on a going concern basis.

Sign here:  Date: 28-Feb-11
(Company Secretary)

Print Name: Ethel Lau

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Byte Power Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2010, made in accordance with a resolution of the directors.

Directors

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

Alvin Phua
Raphael Tham
Michael Walsh

Results

The consolidated entity has reported a loss for the half year ended 31 December 2010 of \$715,375 (December 2009: loss of \$911,386).

Review of Operations

Summary

The consolidated entity's revenues from ordinary activities for the period were \$208,070 compared to \$528,411 achieved in the same period last year. The consolidated entity's loss reduced to \$715,375 for the half year ended December 2010 compared to \$911,386 for the half year ended December 2009.

In Chongqing China, the removal of all outdoor advertising panels and unsightly old kiosks around the city has been completed. This change has directly affected both the issuance of new site licence and advertising revenue. New government policy on allocation of kiosk sites and approval of outdoor advertising is yet to be released.

In July 2010, Byte Power (Chongqing) Info Tech Ltd ("BPCQ") also teamed up with Chongqing Sanxia Books and Periodicals Media Co. Limited, an entity majority owned by Chongqing Post, the Chongqing arm of the State Post Bureau of the People's Republic of China (or more commonly known as "China Post"), to provide marketing and advertising services for overseas companies.

On 28th September 2010, the two companies further agreed to co-operate on the deployment of ATMs and Information Terminals for potential local and foreign financial institutions. Through this new co-operation, BPCQ will be able to take its e-kiosks partnership with Sanxia to a new level. The new agreement will allow Sanxia's current 300 outlets, as well as any newly installed outlets, to provide various online services, such as bill payments, hotel bookings, domestic and international airline bookings to the population of Chongqing, currently 32 million people.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

With this new partnership in place, the consolidated entity has been focusing on doing all the ground work.

In the last few months Byte Power Group Limited has directed its efforts into capital raising and has completed a placement of 100,000,000 shares at an issue price of A\$0.003 on 28th February 2011. This amounts to A\$279,430 net proceeds to the Company.

The consolidated entity has continued to cut back on expenditure and reduced its losses by 21.5% compared to the previous corresponding period.

The management of Byte Power Group Limited will continue to actively seek strategic opportunities and potential acquisitions both in Australia and in China.

Comments on the Group's operations and results

Detailed results are as follows:

	2010	2009	% change
	\$	\$	
Revenue from ordinary activities	<u>208,070</u>	<u>528,411</u>	(60.6)
EBITDA	(477,480)	(555,469)	14.0
Depreciation and amortisation	(41,901)	(37,244)	(12.5)
EBIT	<u>(519,381)</u>	<u>(592,713)</u>	12.4
Borrowing expenses	(195,994)	(318,673)	38.5
Operating result before income tax	<u>(715,375)</u>	<u>(911,386)</u>	21.5
Income tax expense	-	-	-
Net profit/(loss)	<u>(715,375)</u>	<u>(911,386)</u>	21.5

Details of the Business Unit Results are set out below:

	Revenue		Result	
	2010	2009	2010	2009
	\$	\$	\$	\$
Segment:				
Power management	58,587	206,428	9,310	66,266
IT&T	133,380	296,274	(3,535)	(41,046)
e-kiosks	12,559	25,452	(62,773)	(68,283)
Corporate	3,544	257	(658,377)	(868,322)
	<u>208,070</u>	<u>528,411</u>	<u>(715,375)</u>	<u>(911,385)</u>

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, Lawler 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 2010. 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 2011

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BYTE POWER GROUP LIMITED**

In relation to the review of Byte Power Group Limited and its controlled entities for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- b) no contraventions of any applicable code of professional conduct.

Lawler Hacketts

Lawler Hacketts Audit

S J Lindemann

**S J Lindemann
Partner**

Brisbane, 28 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-Year	
	2010	2009
	\$	\$
Revenues	<u>208,070</u>	<u>528,411</u>
Changes in inventories of finished goods and work in progress	(752)	(9,627)
Raw materials and consumables used	(139,456)	(321,063)
Depreciation and amortisation expenses	(41,901)	(37,244)
Borrowing cost expenses	(195,994)	(318,673)
Salaries and employee benefits expenses	(264,488)	(319,719)
Directors' fees	(46,325)	(58,050)
Rent and outgoings	(73,895)	(81,317)
Travel, accommodation and entertainment	(48,540)	(91,657)
Consultants / Professional fees	(34,986)	(75,394)
Other expenses from ordinary activities	<u>(77,108)</u>	<u>(127,053)</u>
Profit/(loss) before related income tax	(715,375)	(911,386)
Income tax expense/(benefit)	<u>-</u>	<u>-</u>
Net profit/(loss)	<u>(715,375)</u>	<u>(911,386)</u>
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(70,786)	63,765
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>
Total other comprehensive income for the period, net of tax	<u>(70,786)</u>	<u>63,765</u>
Total comprehensive income attributable to members of the parent entity	<u>(786,161)</u>	<u>(847,621)</u>
	cents per share	cents per share
Basic earnings per share	(0.06)	(0.16)
Diluted earnings per share	(0.06)	(0.16)

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 31 DECEMBER 2010

	31 December 2010	30 June 2010
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	97,281	63,944
Receivables	67,104	104,050
Inventories	158,218	157,466
TOTAL CURRENT ASSETS	322,603	325,460
NON-CURRENT ASSETS		
Property, plant and equipment	670,649	751,615
Other financial assets	15,932	15,634
TOTAL NON-CURRENT ASSETS	686,581	767,249
TOTAL ASSETS	1,009,184	1,092,709
CURRENT LIABILITIES		
Payables	3,928,060	3,228,470
Interest bearing liabilities	489,938	509,272
Provisions	177,439	163,695
TOTAL CURRENT LIABILITIES	4,595,437	3,901,437
NON-CURRENT LIABILITIES		
Interest bearing liabilities	1,919,014	1,919,014
Long term liabilities	-	194,764
TOTAL NON-CURRENT LIABILITIES	1,919,014	2,113,778
TOTAL LIABILITIES	6,514,451	6,015,215
NET ASSETS	(5,505,267)	(4,922,506)
EQUITY		
Contributed equity	50,156,428	49,953,028
Reserves	(31,544)	39,242
Accumulated losses	(55,630,151)	(54,914,776)
TOTAL EQUITY	(5,505,267)	(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 HALF-YEAR ENDED 31 DECEMBER 2010

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2009	46,289,125	-	(52,972,093)	(6,682,968)
Loss for the period	-	-	(911,386)	(911,386)
Total other comprehensive income	-	63,765	-	63,765
Total comprehensive income	-	63,765	(911,386)	(847,621)
Shares issued during the period	3,566,652	-	-	3,566,652
Share issue costs	(7,500)	-	-	(7,500)
Contribution by members	3,559,152	-	-	3,559,152
Sub-total	49,848,277	63,765	(53,883,479)	(3,971,436)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2009	49,848,277	63,765	(53,883,479)	(3,971,436)
Balance at 1 July 2010	49,953,028	39,242	(54,914,776)	(4,922,506)
Loss for the period	-	-	(715,375)	(715,375)
Total other comprehensive income	-	(70,786)	-	(70,786)
Total comprehensive income	-	(70,786)	(715,375)	(786,161)
Shares issued during the period	203,400	-	-	203,400
Share issue costs	-	-	-	-
Contribution by members	203,400	-	-	203,400
Sub-total	50,156,428	(31,544)	(55,630,151)	(5,505,267)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2010	50,156,428	(31,544)	(55,630,151)	(5,505,267)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-Year	
	2010	2009
	A\$	A\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	245,016	343,074
Payments to suppliers and employees	(319,919)	(1,162,011)
Interest received	-	256
Interest and other costs of finance paid	(43,807)	(102,670)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	(118,710)	(921,351)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	-	(74,754)
Payment for other financial assets	(298)	-
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	(298)	(74,754)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issues of securities / converting loans	203,400	955,018
Repayment of borrowings	-	(7,926)
Repayment of lease liabilities	(19,334)	(12,936)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	184,066	934,156
Net increase/(decrease) in cash held	65,058	(61,949)
Effects of function currency exchange rate change	(31,721)	63,765
Cash at beginning of half year	63,944	15,905
	<hr/>	<hr/>
Cash at end of half year	97,281	17,721

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 1: Statement of significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting". The half-year financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the financial year ended 30 June 2010, together with any public announcements made by Byte Power Group Limited and its controlled entities during the half-year ended 31 December 2010, in accordance with the continuous disclosure requirement of the Listing Rules of the Australian Securities Exchange.

The half-year financial report was authorised for issue by the Directors on 28 February 2011.

Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2010 annual financial report for the year ended 30 June 2010.

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.

The consolidated entity has incurred a loss from continuing operations after tax of \$715,375 (2009: loss of \$911,386) for the half-year ended 31 December 2010. The consolidated entity also has a net current liability position of \$4,272,834 (June 2010: net current liability position of \$3,575,977) as at the half-year ended December 2010. There are also significant related party 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 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 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 consolidated entity not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: Share Capital

	Half-Year	
	2010 A\$	2009 A\$
Issued and paid up ordinary share capital	50,156,428	49,848,277

Movement in ordinary share capital during the period:

	Number		A\$	
	2010	2009	2010	2009
Opening balance	1,169,248,774	433,668,111	49,953,028	46,289,125
Share issues:				
5 October 2009		21,000,000		105,000
15 October 2009		1,184,000		5,920
2 December 2009		691,146,663		3,455,732
29 October 2010	67,799,999		203,400	
Share issue costs				(7,500)
Closing balance	1,237,048,773	1,146,998,774	50,156,428	49,848,277

Weighted average number of shares on issue during

1,192,831,382	553,023,661
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NOTE 3: Segment Reporting

	Power Management		IT&T		ekiosk		Corporate		Total
	2010	2009	2010	2009	2010	2009	2010	2009	2010
Revenue	58,587	206,428	133,380	296,274	12,559	25,452	3,544	257	208,070
Result	9,310	66,266	(3,535)	(41,046)	(62,773)	(68,283)	(658,377)	(868,322)	(715,375)
Income tax expense									-
Net loss for the half-year									(715,375)

NOTE 4: Subsequent Events

Subsequent to year end the company has completed placements totalling 100,000,000 shares at an issue price of \$0.003 to raise \$279,430 after commissions.

No other matter or circumstance have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 5: Contingent items

There are no other contingent liabilities or contingent assets at the date of this half-year financial report.

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 2010 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 2011

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BYTE POWER GROUP LIMITED**

We have reviewed the accompanying half-year financial report of Byte Power Group Limited ("the company") and its controlled entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the Directors' declaration.

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 controls as the Directors determine is necessary to enable the preparation of the half-year financial report that 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 a 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 the consolidated entity's financial position as at 31 December 2010 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 the company, 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 other 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
(continued)**

Review 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 and its controlled entities 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 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the matters described in Note 1 to the financial statements where the Directors state that in their opinion the company has the ability to pay its debts as and when they fall due. This statement confirms that the going concern basis has been used in the preparation of the financial report and that the Directors believe that the application of the going concern assumption remains appropriate.

There is significant uncertainty as to the consolidated entity's ability to secure arrangements, facilities and the generation of future profits to enable the consolidated entity to continue as a going concern and, therefore, whether it will be able to pay its debts as they become due and payable and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.



Lawler Hacketts Audit



**S J Lindemann
Partner**

Brisbane, 2 February 2011