

21 February 2013

## **STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE**

### **Half Yearly Report and Accounts**

The Directors of Byte Power Group Limited are pleased to release the half yearly results which show a significant turnaround in revenue and earnings compared to the same period last year. The revenue has improved 473% to a total of A\$3,890,161. The EBITDA has improved strongly from a deficiency of \$527,044 to a surplus of \$266,322.

All business units of the Group namely IT&T, Power Management and the Asian Business Division have all achieved significant increases in revenue as well as improvements in the results, which enabled the Group to achieve profitability.

The Group has focused on its growth through the introduction of a new Asian Business Division and expanding the IT&T business. The Asian Business Division has been able to generate significant revenues through introducing wines into Hong Kong and the Greater China markets. Market penetration has been successful through leveraging existing relationships and expanding our Group's network. The Group is also looking to further expand into new markets including Singapore, Malaysia, Japan and South Korea.

Ethel Lau  
Company Secretary  
Byte Power Group Limited

13 / 76 Doggett Street  
Newstead QLD 4006

PH:(07) 3620 1688

FX: (07) 3620 1689

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

Brisbane, Melbourne  
Singapore, Hong Kong  
Chongqing (China)



# Appendix 4D

## Half-year release

### 1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES

ABN or equivalent company reference

80 009 268 571

Half-year ended ('current period')

31 December 2012

Half-year ended ('previous period')

31 December 2011

### 2. Results for announcement to the market

					Current period \$A
2.1	Revenues from ordinary activities	<b>Up</b>	472.8	%	to 3,890,161
2.2	Profit (loss) from ordinary activities after tax attributable to members	<b>Improvement of</b>	102.3	%	to 18,116
2.3	Net profit (loss) for the period attributable to members	<b>Improvement of</b>	102.3	%	to 18,116
2.4	<b>Dividends (distributions)</b>		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. The commentary on the results for the period is contained in the "Review of Operations" included within the Directors' Report.				

### 3. NTA backing

	Current period - A cents	Previous corresponding period - A cents
Net tangible asset backing per ordinary security	(0.40) ¢	(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
<b>Interim dividend:</b>				
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.	Not applicable		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	-	-
<b>Profit (loss) from ordinary activities after tax</b>	-	-
Extraordinary items net of tax	-	-
<b>Net profit (loss)</b>	-	-
Adjustments	-	-
<b>entities.</b>	-	-

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 group's financial report for the half-year ended 31 December 2012 has been subject to review by the group's auditor. The auditor's review report relating to the financial report for the half-year ended 31 December 2012 includes an emphasis of matter in respect of the preparation of the financial report on a going concern basis.

Sign here:  Date: 21-Feb-13  
(Company Secretary)

Print Name: Ethel Lau

**BYTE POWER GROUP LIMITED**  
**ABN 80 009 268 571**

**DIRECTORS' REPORT**

Your directors present their report on the Group consisting of Byte Power Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2012, 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 Group has reported a profit for the half year ended 31 December 2012 of \$18,116 (December 2011: loss of \$776,346).

**Review of Operations**

**Summary**

The Group's revenues from ordinary activities for the period improved to \$3,890,161 compared to \$679,169 achieved in the same period last year. The Group has turned around from a loss of \$776,346 for the half year ended 31 December 2011 to a profit of \$18,116 for the half year ended 31 December 2012.

During the six months, the group has successfully launched the Asian Business Division and revitalized its IT business. The revenue has improved 473% to a total of A\$3,890,161. The EBITDA has improved strongly from a deficiency of \$527,044 to a surplus of \$266,322.

All business units of the Group namely IT&T, Power Management and the Asian Business Division have achieved significant increases in revenue as well as improvements in the results, which enabled the Group to achieve profitability.

**BYTE POWER GROUP LIMITED**  
**ABN 80 009 268 571**

**DIRECTORS' REPORT**  
**(continued)**

The early success of the Asian Business Division is the result of the Group's vast network which has been strengthened throughout the years. With Asia emerging as an increasingly important business market for Australian companies, the Board of Byte Power Group Limited believes strongly that the Group is now well positioned to take advantage of business and trade opportunities as and when they arise. As of 31 December 2012, the level of inventory held has increased notably when compared to 30 June 2012, which is a direct link to the operations of the Asian Business Division and future growth that is expected of this division.

The Group's cash position has also improved, reporting a positive cumulative operating cashflow for the period July to December 2012 as compared to negative cashflows in the preceding periods. The significant improvement is due to the Group's consistent returns in its IT business activity over recent months which can be seen in the increase of receivables and payables as at 31 December 2012 when compared to 30 June 2012. The steady growth in the Asian Business Division also contributes to this improvement which is reflected in this half year results.

Another attainment is that the Group has also been able to reduce interest bearing liabilities during this first half by clearing a short term loan which was held as at 30 June 2012.

Separately, the Deputy Commissioner of Taxation of the ATO applied to the Federal Magistrates Court at Brisbane that Power Tech Systems Pty Ltd, a wholly-owned subsidiary of Byte Power Group Limited be wound up. This has since been resolved with the ATO and the application has been dismissed upon the settlement of the ATO debt.

On 25 January 2013, the Federal Magistrates Court at Brisbane ordered, on the application of the Deputy Commissioner of Taxation of the ATO, that Byte Power Technologies Pty Ltd, a wholly-owned subsidiary of Byte Power Group Limited be wound up. Liquidators have been appointed to the Company on 25 January 2013. The Directors are of the view that the liquidation of this entity will not significantly impact the consolidated financial performance or position of the group, as Byte Power Technologies Pty Ltd had not been an operating entity within the group for a number of years.

**Outlook**

The Group's IT business will continue to develop and identify existing opportunities within Australia and Asia as well as potential acquisitions as part of its growth strategy.

With the success of the wine distribution business under the Asian Business Division, the group will continue to explore new opportunities as well as to increase the penetration and distribution of the wine business. This includes increasing its network within Hong Kong and

China as well as reaching out to new Asian markets in Singapore, Malaysia, Japan and South Korea.

The Group believes it has a firm footing with its IT business and Asian Business Division and is positive in its outlook for the full 2012/13 financial year.

## Comments on the Group's operations and results

Detailed results are as follows:

	2012 \$	2011 \$	% change
Revenue from ordinary activities	<u>3,890,161</u>	<u>679,169</u>	472.8
EBITDA	266,322	(527,044)	150.5
Depreciation and amortisation	(2,249)	(29,411)	92.4
EBIT	<u>264,072</u>	<u>(556,455)</u>	147.5
Borrowing expenses	(245,957)	(219,892)	(11.9)
Operating result before income tax	18,116	(776,346)	102.3
Income tax expense	-	-	
Net profit/(loss)	<u>18,116</u>	<u>(776,346)</u>	102.3

**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 2012. 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 blue ink, appearing to be 'Alvin Phua', is written over a light blue rectangular background. The signature is stylized and includes a long horizontal line extending to the right.

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Alvin Phua  
Chairman & CEO

Brisbane, 21 February 2013



**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 2012, 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, 21 February 2013

**BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN 80 009 268 571**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Half-Year	
	2012	2011
	\$	\$
<b>Revenue</b>		
Revenue from continuing activities	3,834,278	658,184
Other Income	55,883	20,985
	<u>3,890,161</u>	<u>679,169</u>
<b>Total Revenue</b>		
Changes in inventories of finished goods and work in progress	(239,782)	1,330
Raw materials and consumables used	(2,708,656)	(633,349)
Depreciation and amortisation expenses	(2,249)	(29,411)
Borrowing cost expenses	(245,957)	(219,892)
Salaries and employee benefits expenses	(414,782)	(281,495)
Directors' fees	(45,200)	(45,200)
Rent and outgoings	(48,044)	(48,249)
Travel, accommodation and entertainment	(28,004)	(74,476)
Consultants / Professional fees	(47,179)	(40,064)
Other expenses from ordinary activities	(92,192)	(84,709)
	<u>18,116</u>	<u>(776,346)</u>
<b>Profit/(loss) before related income tax</b>		
Income tax expense/(benefit)	-	-
	<u>18,116</u>	<u>(776,346)</u>
<b>Net profit/(loss) for the period attributable to members of the parent entity</b>		
<b>Other comprehensive income</b>		
Exchange differences arising on translation of foreign operations	(14)	8,839
Income tax relating to components of other comprehensive income	-	-
	<u>(14)</u>	<u>8,839</u>
<b>Total other comprehensive income for the period, net of tax</b>		
	<u>18,102</u>	<u>(767,507)</u>
<b>Total comprehensive income attributable to members of the parent entity</b>		
	<u>18,102</u>	<u>(767,507)</u>
	cents per share	cents per share
Basic earnings per share	0.001 ¢	(0.051) ¢
Diluted earnings per share	0.001 ¢	(0.051) ¢

*The accompanying notes form part of these financial statements*

**BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN 80 009 268 571**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

	<b>31 December 2012</b>	<b>30 June 2012</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	168,327	85,354
Receivables	602,793	258,147
Inventories	291,815	52,033
<b>TOTAL CURRENT ASSETS</b>	<b>1,062,935</b>	<b>395,534</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,491	17,303
Other financial assets	11,835	11,835
<b>TOTAL NON-CURRENT ASSETS</b>	<b>27,326</b>	<b>29,138</b>
<b>TOTAL ASSETS</b>	<b>1,090,261</b>	<b>424,672</b>
<b>CURRENT LIABILITIES</b>		
Payables	5,001,060	4,140,043
Convertible loans / Interest bearing liabilities	502,267	739,574
Provisions	277,203	253,426
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,780,530</b>	<b>5,133,043</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing liabilities	1,919,014	1,919,014
Long term liabilities	229,057	229,057
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,148,071</b>	<b>2,148,071</b>
<b>TOTAL LIABILITIES</b>	<b>7,928,601</b>	<b>7,281,114</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>(6,838,340)</b>	<b>(6,856,442)</b>
<b>EQUITY</b>		
Contributed equity	51,570,922	51,570,922
Reserves	36,052	36,066
Accumulated losses	(58,445,314)	(58,463,430)
<b>TOTAL EQUITY</b>	<b>(6,838,340)</b>	<b>(6,856,442)</b>

*The accompanying notes form part of these financial statements*

**BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN 80 009 268 571**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2011	50,650,858	72,434	(56,841,198)	(6,117,906)
Loss for the period	-	-	(776,346)	(776,346)
Total other comprehensive income	-	8,839	-	8,839
Total comprehensive income	-	8,839	(776,346)	(767,507)
Shares issued during the period	947,564	-	-	947,564
Share issue costs	(27,500)	-	-	(27,500)
Contribution by members	920,064	-	-	920,064
Sub-total	51,570,922	81,273	(57,617,544)	(5,965,349)
Dividends paid or provided for	-	-	-	-
<b>Balance at 31 December 2011</b>	<b>51,570,922</b>	<b>81,273</b>	<b>(57,617,544)</b>	<b>(5,965,349)</b>
Balance at 1 July 2012	51,570,922	36,066	(58,463,430)	(6,856,442)
Profit for the period	-	-	18,116	18,116
Total other comprehensive income	-	(14)	-	(14)
Total comprehensive income	-	(14)	18,116	18,102
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Contribution by members	-	-	-	-
Sub-total	51,570,922	36,052	(58,445,314)	(6,838,340)
Dividends paid or provided for	-	-	-	-
<b>Balance at 31 December 2012</b>	<b>51,570,922</b>	<b>36,052</b>	<b>(58,445,314)</b>	<b>(6,838,340)</b>

*The accompanying notes form part of these financial statements*

**BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES**  
**ABN 80 009 268 571**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Half-Year	
	2012	2011
	A\$	A\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	3,097,013	75,925
Payments to suppliers and employees	(2,551,898)	(879,271)
Interest received	1	15
Interest and other costs of finance paid	(218,326)	(68,938)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) operating activities</b>	<b>326,791</b>	<b>(872,269)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	-	(25,825)
Payment for other financial assets	(437)	(22)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	<b>(437)</b>	<b>(25,847)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of securities / converting loans	-	901,064
Repayment of borrowings	(243,367)	-
Repayment of lease liabilities	-	(8,378)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) financing activities</b>	<b>(243,367)</b>	<b>892,686</b>
Net increase/(decrease) in cash held	82,987	(5,431)
Effects of functional currency exchange rate	(14)	8,839
Cash at beginning of half year	85,354	49,665
	<hr/>	<hr/>
<b>Cash at end of half year</b>	<b>168,327</b>	<b>53,073</b>

*The accompanying notes form part of these financial statements*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 1: Summary of significant accounting policies**

These consolidated interim financial statements and notes represent those of Byte Power Group Limited ("the Company") and controlled entities ("the Group").

Byte Power Group Limited is a public company incorporated and domiciled in Australia.

The financial statements were authorised for issue on 21 February 2013 by the directors of the Company.

**Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. The Group is for profit entity for financial reporting purposes under Australian Accounting Standards.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

**Accounting Policies**

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

**Critical Accounting Estimates and Judgments**

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2012 annual report.

**New and Revised Accounting Requirements applicable to the current half-year reporting period**

A number of new and revised accounting standard requirements become mandatory for the first time during the half-year reporting period to 31 December 2012.

The Group has adopted all of the new and revised standards and interpretations that are relevant to their operations and effective for the current half-year. Adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-year.

**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.

As at 31 December 2012, the Group has recorded a net current asset deficiency of \$4,717,595 (30 June 2012: deficiency \$4,737,509), and a net asset deficiency of \$6,838,340 (30 June 2012: \$6,856,442). There are also significant related party non-current liabilities.

Given the group's net current liability position, the ability of the group 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 group 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 group to pay its debts on a timely basis;
- Obtaining additional equity in the form of capital raising or longer term debt to enable the group 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 group'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 group 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 group not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 2: Share Capital

	Half-Year	
	2012 A\$	2011 A\$
Issued and paid up ordinary share capital	51,570,922	51,570,922

Movement in ordinary share capital during the period:

	Number		A\$	
	2012	2011	2012	2011
Opening balance	1,719,569,989	1,403,715,440	51,570,922	50,650,858
Share issues:				
26 August 2011	-	133,890,649	-	401,672
30 November 2011	-	175,630,567	-	526,892
15 December 2011	-	6,333,333	-	19,000
Share issue costs				(27,500)
Closing balance	1,719,569,989	1,719,569,989	51,570,922	51,570,922

Weighted average number of shares on issue during the period

1,719,569,989	1,523,359,085
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NOTE 3: Segment Reporting

A\$	Power		IT&T		ekiosk		Asian Business Division		Corporate		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>Revenue</b>												
Sales to customers outside the group	95,894	52,183	3,144,112	605,795	-	191	594,271	-	-	15	3,834,278	658,184
Other revenues	-	-	21,829	-	-	-	(10,210)	20,985	44,265	-	55,883	20,985
Inter segment revenues	-	-	-	-	-	-	-	-	105,699	-	105,699	-
	95,894	52,183	3,165,941	605,795	-	191	584,061	20,985	149,964	15	3,995,860	679,169
<b>Eliminations</b>											(105,699)	-
<b>Total segment revenue</b>											3,890,161	679,169
<b>Results</b>												
Segment result	46,247	2,727	304,486	(17,531)	-	(71,304)	342,310	20,675	(674,927)	(710,913)	18,116	(776,346)
<b>Assets</b>												
Segment assets	143,001	733,030	2,675	32,648	63,105	401,644	1,402,744	615,988	228,679	42,131	1,840,202	1,825,441
Inter segment elimination	-	-	-	-	-	-	(618,242)	(614,534)	(131,699)	(26,000)	(749,941)	(640,534)
<b>Total group assets</b>	143,001	733,030	2,675	32,648	63,105	401,644	784,501	1,454	96,980	16,131	1,090,261	1,184,907

NOTE 4: Subsequent Events

On 8 January 2013, Power Tech Systems Pty Ltd, a wholly-owned subsidiary of Byte Power Group Limited, made settlement of an amount payable of \$37,323 to the Australian Taxation Office (ATO). Upon this payment, a wind-up application previously issued by the ATO has been dissolved.

On 25 January 2013, the Federal Magistrates Court at Brisbane ordered, on the application of the Deputy Commissioner of Taxation of the ATO, that Byte Power Technologies Pty Ltd, a wholly-owned subsidiary of Byte Power Group Limited be wound up. Liquidators have been appointed to the Company on 25 January 2013. The Directors are of the view that the liquidation of this entity will not significantly impact the consolidated financial performance or position of the Group, as Byte Power Technologies Pty Ltd had not been an operating entity within the Group for a number of years.

On 8 February 2013, the Company completed a placement of 13,333,333 ordinary shares at an issue price of \$0.003 per share totalling \$40,000 before costs.

No other matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs 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:

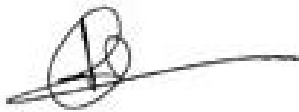
(1) In the opinion of the directors:

(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 2012 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, 21 February 2013



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES**

### **Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Byte Power Group Limited (the company) and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2012, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary 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 (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such control 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 an Interim 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 2012 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 Byte Power Group Limited and its controlled entities, 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 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 AND CONTROLLED ENTITIES (Continued)**

*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 controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 1 in the financial statements, which indicate that the consolidated entity has a net current asset deficiency of \$4,717,595 (30 June 2012: \$4,737,509) and a net asset deficiency of \$6,838,340 (30 June 2012: \$6,856,442).

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



**Lawler Hacketts Audit**



**S J Lindemann**  
**Partner**

Brisbane, 21 February 2013