

4 April 2014

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 28 February 2014**

We refer to the letter dated 1 April 2014 from Ms Shannon Hong. Set out below is our response to each of the questions listed in the above-mentioned letter:

1. As announced to the market earlier today, Byte Power Group Limited has today completed a placement of 186,666,667 ordinary shares at an issue price of A\$0.003 per share. This amounts to A\$560,000.00 proceeds to the Company.

The funds raised will be used for working capital to further develop the Asian Business Division. The Company continues to focus on growing its wine distribution business across new and developing markets.

2. Negative operating cashflow is expected in the subsequent months due to the costs associated with the expansion plan we intend to put in place to develop and strengthen the company's wine sales and distribution platform across markets in South-East Asia. The benefits of the expansion plan will be evident in the months to come once the Company is able to secure consistent sales within the Company's current and new client network.

In the coming months the Company will also broaden the scope of price points that our wines cater for to include the value wine segment, a market that we currently do not engage with.

13 / 76 Doggett Street  
Newstead QLD 4006

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FX: (07) 3620 1689

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

Brisbane, Melbourne  
Singapore, Hong Kong  
Chongqing (China)



3. 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 continued growth of the Asian Business Division. Ongoing capital raising activities as well as continued shareholder support will address any negative cashflow in the short term.
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 read 'Ethel Lau', with a stylized flourish at the end.

Ethel Lau  
Company Secretary  
BYTE POWER GROUP LIMITED



ASX Compliance Pty Limited  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

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1 April 2014

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

By Email

Dear Ethel,

**Byte Powers Limited (the "Company")**

I refer to the Company's Monthly Report in the form of Appendix 4C for the period ended 28 February 2014, released to ASX Limited ("ASX") on 31 March 2014 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$101,000.
2. Net negative operating cash flows for the quarter of \$96,000.
3. Cash at end of quarter of \$45,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the month indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email to **Shannon.Hong@asx.com.au**. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00 pm A.E.D.T. on Friday, 4 April 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

*[Sent electronically without signature]*

Shannon Hong  
**Adviser, Listings Compliance**