

29 February 2016

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Byte Power Group Half Yearly Accounts

Byte Power Group Limited is pleased to report a profit for the half year ended 31 December 2015 of \$46,118 (December 2014: profit of \$104,035).

The Group's revenues from continuing activities for the half year ended 31 December 2015 was \$2,615,025. This was a growth of 14.6% to when compared to the same period last year (1H 2014/15: \$2,280,879).

On 8 February 2016, BPG released a First Half Earnings Guidance advising the market of an estimated improvement in the Group's revenues by approximately 23.8% for the first half of the 2015/16 financial year. After the Group's half yearly review, the Group reports a 14.6% increase in revenues from ordinary activities instead, due to an adjustment to revenue.

For the half year ended 31 December 2015, sales revenues generated from the Asian Business Division contributed to almost 99% of total revenue for the Group (1H 2014/15: 61%). This was expected as the Company continues to focus on strengthening its presence within Asia through the development of this segment.

The Company maintains a positive outlook as the Group continues to focus on developing and further expanding the Asian Business Division across all business segments.

Anna Cheng
Company Secretary
Byte Power Group Limited

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Appendix 4D

Byte Power Group Ltd and Controlled Entities

Results for announcement to the market

1. Company details

Name of entity

BYTE POWER GROUP LIMITED AND CONTROLLED ENTITIES

ABN or equivalent company reference

Half-year ended ('current period')

Half-year ended ('previous period')

80 009 268 571	31 December 2015	31 December 2014
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2. Results for announcement to the market

	Current Period	Previous Period	Movement	
	\$A	\$A	\$A	%
2.1 Revenues from continuing activities	2,615,025	2,280,879	334,146	14.6
2.2 Profit (loss) from continuing activities after tax attributable to members	46,118	104,035	(57,917)	(55.7)
2.3 Net profit (loss) for the period attributable to members	46,118	104,035	(57,917)	(55.7)
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. 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	(0.22) ¢	(0.23) ¢

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.
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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	-	-
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	-	-

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 2015 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 2015 includes an emphasis of matter in respect of the preparation of the financial report on a going concern basis.

Sign here:  Date: 29-Feb-16
 (Company Secretary)

Print Name: Anna Cheng

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT

The 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 2015, made in accordance with a resolution of the directors.

Directors

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

Alvin Phua
Raphael Tham
Howard Shi
Yano Lim (appointed 9 November 2015)

Results

The Group has reported a profit for the half year ended 31 December 2015 of \$46,118 (December 2014: profit of \$104,035).

Review of Operations

Summary

The Group's revenues from ordinary activities for the period was \$2,615,025 compared to \$2,280,879 during the same period last year, representing an increase of 14.6%.

Although the Group has experienced a decrease in overheads compared to the same period last year, the overall decrease in profit margin has resulted in a lower net profit of \$46,118 compared to the previous period (31 December 2014: \$104,035).

Over the years, the Group has maintained its strategy to continually develop and grow the Asian Business Division. To date, it has seen a steady increase in growth and is now the main contributor to the Group's total revenue.

The Group maintains its wine strategy by strengthening its existing distribution channels by expanding our 8 Eagles range to tap into a wider market, creating opportunities for Wine Power to introduce its wine into new markets. The Group continues to also broaden its range of renowned Australian wines on offer.

The Company's IT&T and Power Management businesses did not experienced any growth for the half year ended 31 December 2015. However, the Group continues to explore new opportunities for these two divisions.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

About Wine Power

Wine Power Pty Ltd ("Wine Power") and Wine Power Pte Limited ("Wine Power Singapore") market its range of 8 Eagles wines from the Barossa, South Australia as well as a number of prestigious labels such as Two Hands, Penfolds, Wolf Blass, Wynns Coonawarra Estate, Rosemount Estate, Lindeman's and Cloudy Bay to name a few.

Through existing corporate networks of the Group and wine tasting events organised in the past, management of the Group has acquired in-depth knowledge such as tastes and preferences of consumers in the target market as well as acceptable price range and packaging preferences in Asia.

With this acquired knowledge, Wine Power has developed the 8 Eagles range of wines to cater for the target markets' palates and continues to develop into Singapore, Hong Kong, China, Myanmar, Malaysia, Vietnam, Japan and Korea.

Outlook

The continual growth of the Asian Business Division will remain as the main focus for the Group, centering on distribution and partnerships with operations in Australia and Asia.

The Board remains optimistic that the Group will continue to gather momentum for the rest of the year.

BYTE POWER GROUP LIMITED
ABN 80 009 268 571

DIRECTORS' REPORT
(continued)

Comments on the Group's operations and results

Detailed results are as follows:

	2015	2014	2015
	\$	\$	% change
Revenue from ordinary activities	<u>2,615,025</u>	<u>2,280,879</u>	14.6%
EBITDA	341,186	364,627	(6.4%)
Depreciation and amortisation	(15,027)	(1,017)	1,377.6%
EBIT	<u>326,159</u>	<u>363,610</u>	(10.3%)
Borrowing expenses	(280,041)	(259,575)	7.9%
Operating result before income tax	<u>46,118</u>	<u>104,035</u>	(55.7%)
Income tax expense	-	-	
Net profit	<u><u>46,118</u></u>	<u><u>104,035</u></u>	(55.7%)

Cashflow analysis

The company has current assets of \$3,100,768 (30 June 2015, \$3,682,788). During the period it recorded net cash provided by operating activities of \$67,808 (31 December 2015: net cash used in operating activities \$56,382).

Current liabilities of the Group as at 31 December 2015 was \$2,840,667 (June 2015: \$3,332,941), representing a reduction of \$492,274 in current liabilities within the 6 months.

The directors have considered the company and consolidated entity's operations and cash requirements for the next 12 months, as well as the positions with respect to the management of the payment of trade creditors, and are not aware of any reason, event or transaction that would result in the company not being able to pay its debts as and when they fall due. The company continues to have the support of major creditors, related parties and major shareholders. We are of the opinion that there are reasonable grounds to believe that the company has sufficient cash resources or access to additional cash resources to continue as a going concern.

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, PKF 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 2015. 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, 29 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BYTE POWER GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

PKF HACKETTS AUDIT



**Shaun Lindemann
Partner**

Brisbane, 29 February 2016

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-Year	
	2015	2014
	\$	\$
Revenue		
Revenue from continuing activities	2,615,025	2,280,879
Cost of goods sold	(1,659,021)	(1,234,526)
Gross Profit	<u>956,004</u>	<u>1,046,353</u>
Other income / (expense)	10,879	73,870
Depreciation and amortisation expenses	(15,027)	(1,017)
Borrowing cost expenses	(280,041)	(259,575)
Salaries and employee benefits expenses	(313,124)	(423,492)
Directors' fees	(49,302)	(45,350)
Rent and outgoings	(32,984)	(36,947)
Travel, accommodation and entertainment	(63,894)	(125,606)
Consultants / Professional fees	(84,033)	(60,999)
Other expenses from ordinary activities	(82,360)	(63,202)
Profit/(loss) before related income tax	46,118	104,035
Income tax expense/(benefit)	-	-
Net profit/(loss) for the period attributable to members of the parent entity	<u>46,118</u>	<u>104,035</u>
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit and loss when specific conditions are met:</i>		
Exchange differences arising on translation of foreign operations	(606)	(72,864)
Income tax relating to components of other comprehensive income	-	-
Total other comprehensive income for the period, net of tax	<u>(606)</u>	<u>(72,864)</u>
Total comprehensive income attributable to members of the parent entity	<u>45,512</u>	<u>31,171</u>
Basic earnings per share	cents per share 0.004 ¢	cents per share 0.005 ¢
Diluted earnings per share	0.004 ¢	0.005 ¢

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents	6	62,736	3,680
Receivables		2,817,490	3,399,118
Inventories	7	201,218	270,666
Other		19,324	9,324
TOTAL CURRENT ASSETS		3,100,768	3,682,788
NON-CURRENT ASSETS			
Property, plant and equipment		132,498	147,524
Other financial assets		56,709	56,709
TOTAL NON-CURRENT ASSETS		189,207	204,233
TOTAL ASSETS		3,289,975	3,887,021
CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities		321,559	-
Payables		1,225,828	2,004,553
Related Party Payables		1,041,240	1,052,738
Provisions		231,643	256,269
Borrowings		20,397	19,381
TOTAL CURRENT LIABILITIES		2,840,667	3,332,941
NON-CURRENT LIABILITIES			
Convertible loans / Interest bearing liabilities		248,621	559,538
Related Party Payables		1,521,316	1,549,259
Interest bearing liabilities - related parties		3,481,855	3,284,117
Long term liabilities		85,670	85,670
Borrowings		119,294	128,457
TOTAL NON-CURRENT LIABILITIES		5,456,756	5,607,041
TOTAL LIABILITIES		8,297,423	8,939,982
NET ASSETS / (LIABILITIES)		(5,007,448)	(5,052,961)
EQUITY			
Contributed equity		53,109,922	53,109,922
Reserves		(72,029)	(71,424)
Accumulated losses		(58,045,341)	(58,091,459)
TOTAL EQUITY		(5,007,448)	(5,052,961)

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Contributed equity A\$	Reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2014	53,109,922	11,129	(58,399,262)	(5,278,211)
Profit for the period	-	-	104,035	104,035
Total other comprehensive income	-	(72,864)	-	(72,864)
Total comprehensive income	-	(72,864)	104,035	31,171
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Contribution by members	-	-	-	-
Sub-total	53,109,922	(61,735)	(58,295,227)	(5,247,040)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2014	53,109,922	(61,735)	(58,295,227)	(5,247,040)
Balance at 1 July 2015	53,109,922	(71,424)	(58,091,459)	(5,052,960)
Profit for the period	-	-	46,118	46,118
Total other comprehensive income	-	(606)	-	(606)
Total comprehensive income	-	(606)	46,118	45,512
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Contribution by members	-	-	-	-
Sub-total	53,109,922	(72,029)	(58,045,341)	(5,007,448)
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2015	53,109,922	(72,029)	(58,045,341)	(5,007,448)

The accompanying notes form part of these financial statements

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Half-Year	
		2015 A\$	2014 A\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,528,286	2,623,987
Payments to suppliers and employees		(3,388,816)	(2,496,057)
Interest received		-	14
Interest and other costs of finance paid		(71,661)	(184,327)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		67,809	(56,382)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	649
Payment for other financial assets		-	-
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		-	649
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	26,244
Repayment of borrowings		-	-
Repayment of lease liabilities		(8,147)	-
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		(8,147)	26,244
Net increase/(decrease) in cash held		59,662	(29,489)
Effects of functional currency exchange rate		(606)	(72,864)
Cash at beginning of half year		3,680	66,921
		<hr/>	<hr/>
Cash at end of half year	6	62,736	(35,431)

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 29 February 2016 by the directors of the Company.

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2015 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 2015, 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 2015 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 2015.

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 2015, the Group has recorded a net current asset position of \$260,100 (30 June 2015: net current assets of \$349,847) and a net asset deficiency of \$5,007,448 (30 June 2015: \$5,052,961). The company has also recorded net inflows from operating activities of \$67,809 (December 2014 outflow of \$56,382). The Group at 31 December 2015 also has no overdrawn cash accounts (30 June 2015: \$39,623). There are also significant related party current and non-current liabilities.

Given the above, 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 related parties 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.

NOTE 2: Share Capital

Issued and paid up ordinary share capital

Movement in ordinary share capital during the period:

Opening balance - 1 July

Share issues:
n/a

Closing balance - 31 December

Weighted average number of shares on issue during the period

Half-Year	
2015 A\$	2014 A\$
53,109,922	53,109,922

	Number		A\$	
	2015	2014	2015	2014
Opening balance - 1 July	2,232,569,989	2,232,569,989	53,109,922	53,109,922
Share issues: n/a				
Closing balance - 31 December	2,232,569,989	2,232,569,989	53,109,922	53,109,922
Weighted average number of shares on issue during the period	2,232,569,989	2,232,569,989		

NOTE 3: Segment Reporting

A\$	Power		IT&T		Asian Business Division		Corporate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue										
Sales to customers outside the group	30,155	41,487	-	838,468	2,584,870	1,400,925	-	-	2,615,025	2,280,879
Inter segment revenues	-	-	-	-	-	-	266,799	324,168	266,799	324,168
	30,155	41,487	-	838,468	2,584,870	1,400,925	266,799	324,168	2,881,824	2,605,047
Eliminations									(266,799)	(324,168)
Total segment revenue									2,615,025	2,280,879
Results										
Segment result	(10,650)	(41,939)	(25,563)	75,413	603,755	618,305	(521,423)	(547,742)	46,119	104,036
Interest expense	(99)	(806)	(18)	(28,331)	(29,797)	(922)	(250,127)	(229,516)	(280,041)	(259,575)
Depreciation	(42)	(29)	(163)	(166)	-	-	(14,822)	(822)	(15,027)	(1,017)
Net profit / (loss) before tax	(10,650)	(41,939)	(25,563)	75,413	603,755	618,305	(521,424)	(547,742)	46,118	104,036
Tax	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) after tax	(10,650)	(41,939)	(25,563)	75,413	603,755	618,305	(521,424)	(547,742)	46,118	104,036
Assets										
Segment assets	29,402	15,352	18,572	1,638	4,064,876	3,352,068	155,666	622,087	4,268,516	3,991,145
Inter segment elimination	-	-	-	-	(623,929)	(623,929)	(354,612)	(527,196)	(978,541)	(1,151,125)
Total group assets	29,402	15,352	18,572	1,638	3,440,947	2,728,138	(198,946)	94,891	3,289,975	2,840,019

NOTE 4: Subsequent Events

No matters or circumstances have arisen since 31 December 2015 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 liabilities

There have been no significant changes to the contingent liabilities presented at 30 June 2015.

NOTE 6: Cash at bank

Cash and cash equivalents
Bank overdraft, unsecured

Dec-15	Jun-15
62,736	3,680
-	(39,623)
<u>62,736</u>	<u>(35,943)</u>

Cash at bank

NOTE 7: Inventory

Finished goods - Power Management
Less Provision for slow moving stock

Dec-15	Jun-15
41,163	49,737
(31,215)	(38,613)
<u>9,948</u>	<u>11,124</u>

Finished goods - Wine Stocks

191,270	259,542
<u>201,218</u>	<u>270,666</u>

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 2015 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, 29 February 2016

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

Report on the Half-Year Financial Report

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 2015, 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 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 and the *Corporations Act 2001* and for such internal 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 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 half-year 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 2015 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 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*.

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 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 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard 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 indicates that the consolidated entity has recorded a net asset deficiency of \$5,007,448 (June 2015: \$5,052,961). This, 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.

PKF Hacketts

PKF HACKETTS AUDIT



Shaun Lindemann
Partner

Brisbane, 29 February 2016