

27 JULY 2010

STATEMENT TO THE AUSTRALIAN STOCK EXCHANGE

Byte Power Chongqing Signs Exclusive Agreement with Sanxia

Byte Power Group Limited (ASX: BPG) is pleased to announce further expansion of its Chinese e-kiosk business.

Further to its previous announcement expanding the number of its kiosks in the Municipal city of Chongqing ("Chongqing") to 90, Byte Power (Chongqing) Info Tech Limited ("Byte Power Chongqing") enters into an exclusive agreement with Chongqing Sanxia Books and Periodicals Media Co. Limited ("Sanxia"), 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 in the city of Chongqing.

Sanxia publishes and sells newspapers and magazines as well as associated advertising. Currently the Company also own 300 newspaper kiosks throughout the 10 major districts of Chongqing. Through this new agreement, Byte Power Chongqing will be able to provide interested international companies a platform to advertise their products and services in Chongqing, not only in our existing kiosks, but also access to all of Sanxia's current 300 outlets as well as any further new outlets for advertising for the next three years. This partnership will significantly expand the quantum of the business from the current 90 outlets to 390 outlets immediately.

Further to the marketing and advertising opportunities, Byte Power continues discussions regarding the development of an e-solution for Sanxia's current and future outlets. Negotiations on the details of this co-operation are underway.

Commenting on this significant milestone, Mr Alvin Phua, Byte Power Chairman & CEO, stated "This exclusive agreement and partnership with the largest kiosks operator in Chongqing, illustrates Byte Power Chongqing's growing importance in the e-kiosk space." Mr Phua then continued "Widening our access to 390 outlets will allow us to target much larger overseas companies where we can now deliver a broader platform and begin to achieve economies of scale."

Mr Luo, the General Manager of Sanxia is pleased to comment that "This is a very important strategic partnership between Byte Power Chongqing and Sanxia. We believe through our joint efforts and the strength of each of our companies, we will be able to create ample business opportunities in time to come."

Chongqing is the youngest out of the four Direct-controlled municipalities in the People's Republic of China and plays a very important role in the recent China's effort to develop its western regions. The municipal government of Chongqing has great

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plans for the city including building a modern international city with a lot of opportunities in economic development.

Byte Power will continue to look for strategic partners and expand its focus in China and specifically Chongqing with a population of 32 Million people being the city with the largest population in the world. This new agreement with Sanxia is a very significant step for the company in its continuing strategic plan for the region.

ABOUT CHONGQING SANXIA BOOKS AND PERIODICALS MEDIA CO. LIMITED

Chongqing Sanxia Books and Periodicals Media Co. Limited was established in 2003 under the guidance of the Chongqing Government. The controlling shareholder is Chongqing Post (the Chongqing arm of China Post) holding 70% of the Company with Chongqing Daily Newspaper Group holding 15% and Chongqing Xinhua Bookstore Group holding the balance 15%. Currently the Company manages more than 9,000 different newspapers, periodicals and magazines which represents more than 70% of the retail newspaper and magazine market in Chongqing City.

ABOUT BYTE POWER GROUP LIMITED

Byte Power Group Limited (ASX: BPG) is a diversified technology solutions group with a particular emphasis on securing Asian business opportunities. The Group is a specialist provider of IT&T solutions to leading organisations in small to medium enterprises, corporate and government sectors throughout Australia, Hong Kong and China. The company provides a broad range of turnkey solutions designed to support whole-of-enterprise requirements. Solutions include secure mobile phone based payment solutions, EPR solutions, infrastructure hardware including UPS and power management, network monitoring and management solutions, IT consultancy and network design, implementation and management services.

In China, Byte Power Chongqing is currently implementing a city-wide e-Kiosk solution for Chongqing city. This Byte Power solution provides the general population convenient access to a range of online and offline services as well as enhancing the city's outlook.

Ethel Lau
Company Secretary
Byte Power Group Limited