

Wednesday, 10 February 2010

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Byte Power Group Limited continues to expand e-kiosk business in China

Byte Power Group Limited (ASX: BPG) is pleased to announce the signing of a Heads of Agreement to acquire an additional 60 kiosks located in Chongqing City, China. Upon completion, the acquisition will immediately triple the number of kiosks under Byte Power's control.

The acquired 60 kiosks are all located within the inner city area of Chongqing City and will supplement the existing 30 e-kiosks operated by the Group subsidiary Byte Power (Chongqing) Info Tech Ltd.

In consideration for the acquisition, Byte Power (Chongqing) Info Tech Ltd will issue shares to the existing owner, Ms Peng Ling Yuan, resulting in Ms Peng holding 30% of the enlarged issued capital of Byte Power (Chongqing) Info Tech Ltd.

Ms Peng Ling Yuan has more than 10 years' experience in ownership and operation of kiosk business in Chongqing and will be appointed the General Manager of the Group's e-kiosk business in China from completion.

Commenting on the acquisition Mr Alvin Phua, Chairman and CEO of Byte Power Group Limited, stated "This acquisition is a strategic milestone for BPG in its development of its e-Kiosk business in China as it triples the number of kiosks in operation." Mr Phua continued "The appointment of Ms Peng to manage the business with her background and expertise will immediately provide strong growth opportunities for the business with a dedicated focus on the ground in Chongqing, China."

BPG anticipates completion of this transaction on or before 8 March 2010 subject to satisfactory due diligence of Ms Peng's assets and licence, and the execution of formal sale and purchase agreement documentation.

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e-KIOSK LOCATIONS IN CHONGQING

- DISTRICTS WITH EXISTING e-KIOSKS
- DISTRICTS WITH 60 NEW KIOSKS

