

7 January 2010

Mr Greg Seeto  
Adviser, Issuers (Brisbane)  
Australian Stock Exchange Limited  
Level 6  
Riverside Centre  
123 Eagle Street  
Brisbane QLD 4000

**BY EMAIL:** [greg.seeto@asx.com.au](mailto:greg.seeto@asx.com.au)

Dear Sir,

**RE: APPENDIX 4C QUERY FOR THE MONTH ENDED 30 November 2009**

We refer to the letter dated 4 January 2010 from Mr Greg Seeto. Set out below is our response to each of the questions listed in the above-mentioned letter:

1. With reference to the Appendix 4C for the period ended 30 November 2009, the company's negative operating cash position was exceptionally high due to payment of an amount of \$127K used to pay for the production of newly manufactured kiosks in Chongqing, China for our e-kiosk project. The additional kiosks will enable us to continue the roll out as new sites become available. As such, the high cash outflow for the month of November is not reflective of the Company's usual monthly operating cash flows nor the Company's cash position moving ahead.

Cash expenditure for subsequent months is expected to be lower than the cash expenditures incurred during the month of November 2009.

The continuation of the Company's capital raising activities as well as shareholder support will address any negative cash flows in the short to medium term.

2. In December 2009, the Company has successfully recommenced its IT trading business contributing an amount of \$293K to the Group's revenue. As the IT trading business continues to grow, the Company expects positive contribution from this business in the months ahead which will also address in part the current negative cash flows.

3. The actual revenue and expenses of the Company for the month of November 2009 is in line with management expectations.

4. Not applicable.

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Chongqing (China)



5. To date there are no significant changes to the business objectives and strategies as outlined in the annual report for the period ending 30 June 2009, a copy of which was released to the market on 30 September 2009.

The Company on 2 December 2009 has converted \$3,455,733 debt into equity after obtaining approvals from shareholders at its Annual General Meeting held on 30 November 2009. This reduction of debt improves the Company's ability to seek additional funding for its working capital requirements.

6. The Company confirms that it is in compliance with the ASX Listing Rules and in particular LR 3.1.
7. 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,



Ethel Lau  
Company Secretary  
Byte Power Group Limited



4 January 2010

Ms Ethel Lau  
Company Secretary  
Byte Power Group Limited  
Maja Place  
1/75 Longland Street  
NEWSTEAD QLD 4006

By email: [elau@bytepowergroup.com](mailto:elau@bytepowergroup.com)

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Dear Ms Lau

**Byte Power Group Limited (the "Company")**

I refer to the Company's Appendix 4C for the month ending November 2009 ("Appendix 4C") released on Thursday, 31 December 2009.

ASX notes that the Company has reported the following.

1. Receipts from customers of \$60,000.
2. Net operating cash flows for the month of (\$201,000).
3. Cash at end of month of \$16,000.
4. Nil financing facilities available to be drawn upon.

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 ended 30 November 2009, as indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities after a period of less than one month has elapsed. 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 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. To what extent have the Company's actual revenues and expenses in the month, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?

**Australian Securities Exchange**

Australian Stock Exchange  
Sydney Futures Exchange

Australian Clearing House  
SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
Austraclear

4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.
5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives as set out in its annual report for the period ending 30 June 2009 (the "Annual Report")? The Company's business objectives and strategies may have changed since the date of the Annual Report. If so, this should be taken into account in your response.
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. 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.

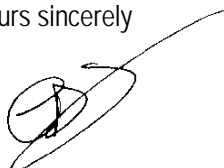
This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to Gregory Seeto via **email at [greg.seeto@asx.com.au](mailto:greg.seeto@asx.com.au)** or by **facsimile number (07) 3832 4114**. It should not be sent to the Company Announcements Office.

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 **8.30am (Brisbane time) on Thursday, 7 January 2010**.

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 in relation to the above, please let me know.

Yours sincerely



**Gregory Seeto**  
**Adviser, Issuers (Brisbane)**