

Byte Power Group Limited ABN 80 009 268 571

## Notice of Annual General Meeting and Explanatory Memorandum

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Date of Meeting: Wednesday 30 November 2011

Time of Meeting: 2 pm (Brisbane Time)

Place of Meeting: Hopgood Ganim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane

# Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Byte Power Group Limited ABN 80 009 268 571 (**Company**) will be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, on Wednesday 30 November 2011 at 2 pm (Brisbane time).

## Agenda

### Ordinary business

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#### Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflow and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2011.

#### 1. Re-election of Raphael Tham as a director

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To consider and, if thought fit, pass the following resolution, as an ordinary resolution of the Company:

"That Raphael Tham, who retires by rotation in accordance with Rule 38.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

#### 2. Remuneration report

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To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2011 (as set out in the Directors Report) is adopted."

- The vote on this Resolution 2 is advisory only and does not bind the Directors of the Company.

#### Voting Restriction pursuant to Section 250R(4) of the Corporations Act

Terms used in this Notice of Meeting are defined in the Interpretation section of the accompanying Explanatory Memorandum.

A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel ("KMP") details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of a KMP.

However, a vote may be cast on Resolution 2 by a KMP or a Closely Related Party of a KMP, if:

- the KMP or a Closely Related Party of a KMP does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of a KMP.

#### ASIC Relief

The Company has obtained relief from ASIC allowing the Chairman to vote undirected proxies on the conditions set out in the Explanatory Memorandum.

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- Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including Resolution 1.

## 3. Ratification of the issue of shares to Placees

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.4 of the Official Listing Rules of the ASX Limited (**ASX**), and for all other purposes, the shareholders ratify the previous placement of 100,000,000 fully paid ordinary shares in the Company (**Previous Placement Shares**) to investors who fall within one or more of the exemptions under section 708 of the *Corporations Act* (Cwth) (**Placees**) at an issue price of AUD\$0.003 per on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum.”

- The Previous Placement Shares were issued to the Placees as followed:

Name of Placee	Total no. of Shares issued
Mr Law Wai Keung	60,000,000
Fernjewel Pty Ltd	33,333,333
Hanly Limboro Superannuation Fund	6,666,667

- The Previous Placement Shares were issued to investors who fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act;
- The rights attaching to the Previous Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;
- The funds raised by the issue were used by the Company to provide working capital to the Company and repayment of debts; and
- The Previous Placement Shares were not issued to any related party of the Company (within the meaning of the ASX Listing Rules).

### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Any Placee; and
- any associate of a Placee.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## 4. Ratification of the issue of shares to Placees

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

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“That, in accordance with the provisions of Listing Rule 7.4 of the Official Listing Rules of the ASX Limited (**ASX**), and for all other purposes, the shareholders ratify the previous placement of 66,666,667 fully paid ordinary shares in the Company (**Previous Placement Shares**) to investors who fall within one or more of the exemptions under section 708 of the *Corporations Act* (Cwth) (**Placees**) at an issue price of AUD\$0.003 per on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum.”

- The Previous Placement Shares were issued to the Placees as followed:

Name of Placee	Total no. of Shares issued
Mr Law Wai Keung	66,666,667

- The Previous Placement Shares were issued to investors who fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act;
- The rights attaching to the Previous Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;
- The funds raised by the issue were used by the Company to provide working capital to the Company and repayment of debts; and
- The Previous Placement Shares were not issued to any related party of the Company (within the meaning of the ASX Listing Rules).

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Any Placee; and
- any associate of a Placee.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## 5. Ratification of the issue of shares to Placees

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.4 of the Official Listing Rules of the ASX Limited (**ASX**), and for all other purposes, the shareholders ratify the previous placement of 133,890,649 fully paid ordinary shares in the Company (**Previous Placement Shares**) to investors who fall within one or more of the exemptions under section 708 of the *Corporations Act* (Cwth) (**Placees**) at an issue price of AUD\$0.003 per on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum.”

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- The Previous Placement Shares were issued to the Placees as followed:

Name of Placee	Total no. of Shares issued
Mr Chen Yaoqing	133,890,649

- The Previous Placement Shares were issued to investors who fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act;
- The rights attaching to the Previous Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;
- The funds raised by the issue were used by the Company to provide working capital to the Company and retirement of debts; and
- The Previous Placement Shares were not issued to any related party of the Company (within the meaning of the ASX Listing Rules).

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Any Placee; and
- any associate of a Placee.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## 6. Issue of Shares to Li Baorong

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

“That in accordance with the provisions of Listing Rule 7.1 of the Official Listing Rules of the ASX Limited (**ASX**) (**ASX Listing Rules**) and for all other purposes, the Company be authorised to issue 175,630,567 fully paid ordinary shares (**Li Baorong Shares**) at an issue price of AUD\$0.003 each to Li Baorong (**Li**) (or their nominees) on the terms and conditions as contained in this notice of meeting and attached Explanatory Memorandum.”

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## Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any of Li; and
- any associate of Li

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## 7. Authorise issue of placement shares

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

“That in accordance with the provisions of Listing Rule 7.1 of the Official Listing Rules of the ASX, and for all other purposes, the Company and the Directors of the Company are authorised to issue up to 700,000,000 fully paid ordinary shares (**Placement Shares**) at an issue price per Placement Share of not less than 80% of the weighted average trading price of the Company’s shares calculated over the last five (5) days on which sales in the securities of the Company were recorded before the day on which the share placement is made, to various sophisticated or professional investors (**Investors**) that fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum”.

### Notes:

- The Placement Shares will be issued to sophisticated or professional investors who fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act;
- The Company intends to issue the Placement Shares as soon as practicable after the Meeting and in any event no later than three (3) months from the date of the Meeting;
- The rights attaching to the Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;
- The funds raised by the issue will be used by the Company to provide working capital to the Company and retirement of debt; and
- The Placement Shares will not be issued to any related party of the Company (within the meaning of the ASX Listing Rules).

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## **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

All shareholders who vote on Resolution 7 (and their associates) will be prohibited from subscribing for any shares under Resolution 7. Accordingly, all shareholders who intend (or have associates that intend) to subscribe for any new shares pursuant to this Resolution, must abstain from voting.

## **General business**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



Ethel Lau

Company Secretary  
26 October 2011

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to shareholders of **Byte Power Group Limited** ABN 80 009 268 571 (**Company**) to explain the resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at Hopgood Ganim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, on Wednesday 30 November 2011 at 2:00 pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 11.

The Notice of Meeting sets out the details of seven (7) separate resolutions to be put to Shareholders comprising the following:

## 2. Consider the company's annual report

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The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2011 were released to the ASX Limited on 30 September 2011. The Company's Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

## 3. Resolution 1- Re-election of Raphael Tham as a director

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Raphael Tham retires in accordance with Clause 38 of the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Mr Tham was appointed on 7 June 2004.

Raphael is a Singaporean who has strong technology industry credentials and is an experienced business strategist. He has held senior positions and advisor with a number of companies in Asia. His skills and experience include starting new businesses, overseas expansion and mergers and acquisitions.

The Directors (with Mr Tham abstaining) recommend that you vote in favour of this Ordinary Resolution.

## 4. Resolution 2 – Remuneration report

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The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.



A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

As a result of amendments to the Corporations Act which came into effect on 1 July 2011, members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution (**Voting Restriction**) put to Shareholders that the remuneration report of the Company be adopted. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where the Chairman or any other member of the Key Management Personnel is appointed in writing (by a shareholder who is not a member of the Key Management Personnel) as a proxy (**Management Proxy**) with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company.

It is not clear in the amendments to the Corporations Act whether the Management Proxy will be able to vote where the proxy appointment does not give specific instructions on how to vote on a resolution to adopt the remuneration report. In order to resolve this, during 2011, the Federal Government proposes to amend the Corporations Act to make clear that a chairperson is permitted to vote undirected proxies on remuneration report resolutions.

In order to ensure strict compliance with the relevant provisions of the Corporations Act in relation to the Voting Restriction, the Company has obtained from ASIC relief allowing the Chairman to vote undirected proxies. The relief applies to the casting of a vote of the Chairman in the following circumstances:

- (a) Mr Alvin Phua or, in the alternative, Michael Walsh has been elected, by either the directors or the members of the Company, to be the chair of the AGM of the Company to be held on or about 30 November 2011 and at any adjournment or postponement of that meeting;
- (b) the chair has been appointed by a member of the Company who is not a person mentioned in paragraph (a) or (b) of subsection 250R(4) as the member's proxy to attend and vote for the member at the meeting in relation to the resolution;
- (c) the appointment does not specify the way the chair is to vote on the resolution;
- (d) the appointment expressly authorises the chair to exercise the proxy in relation to the resolution even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chair;
- (e) the notice of the meeting and the proxy form which accompanies the notice of meeting contains a statement as to how the chair, if appointed as the member's proxy and the appointment does not specify the way the chair is to vote on the resolution, intends to vote on the resolution; and
- (f) the proxy form which accompanies the notice of meeting is substantially in the form of the draft proxy form provided to ASIC on 21 October 2011.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 21.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

## **5. Resolution 3 - Ratification of the issue of Shares to Placees**

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### 5.1 Introduction

As announced to the market on 28 February 2011, the Company completed a placement of 100,000,000 ordinary shares at an issue price of \$0.003 per share to raise a total of A\$279,430 net

proceeds for the Company (**Previous Placement Shares**). The funds raised were used for general working capital of the Company and repayment of debts.

The placement was made to the following investors who fall within one or more of the exemptions contained in Section 708 of the *Corporations Act* (**Placees**):

<b>Name of Placee</b>	<b>Total no. of Shares issued</b>
Mr Law Wai Keung	60,000,000
Fernjewel Pty Ltd	33,333,333
Hanly Limboro Superannuation Fund	6,666,667

## 5.2 Resolution 3

Resolution 3 seeks the ratification of shareholders for the previous issue of 100,000,000 fully paid ordinary shares (**Previous Placement Shares**) Shares at AUD\$0.003 per Share.

## 5.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, shareholder approval is sought to ratify the issue of Previous Shares in the Company, being issues of securities made by the Company during the previous 12 months for which shareholder approval has not already been obtained.

As previously outlined, ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

If this Resolution is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.5, the Company advises:

- the number of Shares issued was 100,000,000 fully paid ordinary shares;
- the Previous Placement Shares were issued and allotted on 28 February 2011;
- the Previous Placement Shares were issued at AUD\$0.003 per Share;
- the Previous Placement Shares were issued to the Placees who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act, and is not a related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Previous Placement Shares have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company; and
- the funds raised from the Previous Placement Shares were used for general working capital of the Company and repayment of debts.

## 6. Resolution 4 - Ratification of the issue of Shares to Placees

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### 6.1 Introduction

As announced to the market on 30 June 2011, the Company completed a placement of 66,666,667 ordinary shares at an issue price of \$0.003 per share to raise a total of A\$190,000 net proceeds for the Company (**Previous Placement Shares**). The funds raised were used for general working capital of the Company and repayment of debts.

The placement was made to the following investors who fall within one or more of the exemptions contained in Section 708 of the *Corporations Act* (**Placees**):

Name of Placee	Total no. of Shares issued
Mr Law Wai Keung	66,66,667

## 6.2 Resolution 4

Resolution 4 seeks the ratification of shareholders for the previous issue of 66,666,667 fully paid ordinary shares (**Previous Placement Shares**) Shares at AUD\$0.003 per Share.

## 6.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, shareholder approval is sought to ratify the issue of Previous Shares in the Company, being issues of securities made by the Company during the previous 12 months for which shareholder approval has not already been obtained.

As previously outlined, ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

If this Resolution is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.5, the Company advises:

- the number of Shares issued was 66,666,667 fully paid ordinary shares;
- the Previous Placement Shares were issued and allotted on 30 June 2011;
- the Previous Placement Shares were issued at AUD\$0.003 per Share;
- the Previous Placement Shares were issued to the Placees who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act, and is not a related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Previous Placement Shares have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company; and
- the funds raised from the Previous Placement Shares were used for general working capital of the Company and repayment of debts.

## 7. Resolution 5 - Ratification of the issue of Shares to Placees

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### 7.1 Introduction

As announced to the market on 30 August 2011, the Company completed a placement of 133,890,649 ordinary shares at an issue price of \$0.003 per share to raise a total of A\$401,672 net proceeds for the Company (**Previous Placement Shares**). The funds raised were used for general working capital of the Company and retirement of debts.

The placement was made to the following investors who fall within one or more of the exemptions contained in Section 708 of the *Corporations Act* (**Placees**):

Name of Placee	Total no. of Shares issued
Mr Chen Yaoqing	133,890,649

## 7.2 Resolution 5

Resolution 5 seeks the ratification of shareholders for the previous issue of 133,890,649 fully paid ordinary shares (**Previous Placement Shares**) Shares at AUD\$0.003 per Share.

## 7.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, shareholder approval is sought to ratify the issue of Previous Shares in the Company, being issues of securities made by the Company during the previous 12 months for which shareholder approval has not already been obtained.

As previously outlined, ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

If this Resolution is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.5, the Company advises:

- the number of Shares issued was 133,890,649 fully paid ordinary shares;
- the Previous Placement Shares were issued and allotted on 30 August 2011;
- the Previous Placement Shares were issued at AUD\$0.003 per Share;
- the Previous Placement Shares were issued to the Placees who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act, and is not a related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Previous Placement Shares have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company; and
- the funds raised from the Previous Placement Shares were used for general working capital of the Company and retirement of debts.

## 8. Resolution 6 - Issue of shares to Li Baorong

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### 8.1 Introduction

On 23 September 2011 the Company entered into a converting loan agreement with Li Baorong (**Li Li Agreement**). Under the Li Agreement, the Company was provided with a loan in the amount of AUD\$526,891.70 (**Li Loan Amount**).

The Li Loan Amount was provided to the Company on 23 September 2011 (**Li Settlement Date**). Under the terms and conditions of the Li Agreement the Company is entitled to repay the Loan Amount either by:

- (a) the issue of Shares which are equivalent in value to the Loan Amount and have an issue price of AUD\$0.003 per Share, subject to Shareholder approval; or
- (b) by Fund Transfer to Li for the Loan Amount in full or partially

Li as the lender has the option to have the Loan Amount repaid through the issue of Shares and now seeks Shareholder approval for the issue of Shares under the Li Agreement.

### 8.2 Resolution 6

Resolution 6 seeks Shareholder approval to issue 175,630,567 Shares to Li (**Li Shares**) in satisfaction of the obligation of the Company to repay the Li Loan Amount if Li elect to convert the Loan Amount to shares.

If the issue of the Li Shares is not approved the Company will be required to repay the Li Loan Amount on or before 23 December 2011.

### 8.3 Listing Rule 7.1

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders.

In accordance with Listing Rule 7.1 and the terms and conditions of the Li Agreement the Company is now seeking the approval of Shareholders for the issue of the Li Shares.

The effect of the Shareholders approving the issue of the Li Shares will be that the issue will not be counted as part of the Company's 15% limit under ASX Listing Rule 7.1, and the Company will therefore retain a greater proportion of the 15% limit for any subsequent requirements that may arise.

In accordance with ASX Listing Rule 7.3, the Company advises as follows:

- the maximum number of Shares that will be issued under this Resolution 6 is 175,630,567 Shares;
- the Li Shares will be issued and allotted no later than 3 months from the date of the Meeting;
- the issue price of the Li Shares is AUD\$0.003 per Li Share;
- the Li Shares will be issued to Li who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act. The Company confirms that Li is not a related party of the Company (within the meaning of the Corporations Act and the Listing Rules);

- the Li Shares will have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company;
- the Company will make application for quotation of the Li Shares to be issued; and
- the Li Loan Amount will be used for general working capital and retiring existing debt

## 9. Resolution 7 - Approval to issue placement shares

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### 9.1 Introduction

Resolution 7 seeks shareholder approval to issue of up to 700,000,000 new fully paid ordinary shares (**Placement Shares**) at an issue price per Placement Share of not less than 80% of the weighted average trading price of the Company's shares calculated over the last five (5) days on which sales in the securities of the Company were recorded before the day on which the share placement is made (**Placement Shares**) to one or more sophisticated or professional investors that fall within one or more of the classes of exemptions specified in section 708 of the *Corporation Act 2001*.

In order to preserve the maximum commercial flexibility of the Company to issue Shares under ASX Listing Rule 7.1, and in circumstances where the Company and the Directors of the Company believe that such issue of Shares is in the best interests of the Company and its Shareholders without having to obtain separate shareholder approval for such issue, the Company is seeking to obtain approval of its Shareholders to the issue of up to 700,000,000 Shares to effect the capital raising.

The effect of the shareholders approving the issue of these Shares will be that the issue will not be counted as part of the Company's 15% limit under ASX Listing Rule 7.1, and the Company will therefore retain a greater proportion of the 15% limit for any subsequent requirements that may arise.

The funds raised by the issue of the Placement Shares will be used by the Company for general working capital and retirement of debt.

### 9.2 Resolution 7

Resolution 7 seeks Shareholder approval to issue up to 700,000,000 Shares.

### 9.3 Listing Rule 7.1

As previously noted, ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders.

The effect of the Shareholders approving the issue of the Placement Shares will be that the issue will not be counted as part of the Company's 15% limit under ASX Listing Rule 7.1, and the Company will therefore retain a greater proportion of the 15% limit for any subsequent requirements that may arise.

In accordance with ASX Listing Rule 7.3, the Company advises as follows:

- the maximum number of Placement Shares that will be issued under this Resolution 7 is 700,000,000;
- the Placement Shares will be issued and allotted on a progressive basis (as the Company identifies and agrees terms with Placees), but in any event will be issued and allotted not later than 3 months from the date of the Meeting;
- the issue price of the Placement Shares will be determined by the Directors of the Company, but shall not be less than the price that is 80% of the average market price of the Shares over the 5 trading days prior to the date of issue of the Placement Shares;

- the Placement Shares will be issued to certain persons selected by the Directors of the Company from time to time who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act, provided that the Placement Shares will not be issued to any related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Placement Shares will have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company; and
- the Company will make application for quotation of the Placement Shares to be issued.

## 10. Trading Price History

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The highest closing price for the Company's shares over the past three months prior to the dispatch of these Meeting materials was A\$0.003 on 30 September, 2011, 17 August 2011, 10 August 2011 and 5 August 2011.

The lowest closing price for the Company's shares over the past three months prior to the dispatch of these Meeting materials was A\$0.002 on 28 September 2011, 7 September 2011, 30 August 2011, 19 August 2011, 12 August 2011 and 25 July 2011.

The VWAP of the Company's shares over the past three months prior to the dispatch of these Meeting materials was A\$0.0024.

## 11. Interpretation

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**ASIC** means the Australian Securities and Investments Commission;

**ASX** means the ASX Limited ACN 008 624 691;

**Board** means the board of the Company;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by the regulations for the purposes of this paragraph;

**Company** means Byte Power Group Limited ACN 009 268 571;

**Corporations Act** means Corporations Act 2001 (Cwlth);

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

**Listing Rules** means the listing rules of the ASX;

**Meeting** means the Meeting to be held on 30 November 2010;

**Resolution** means a resolution to be proposed at the Meeting;

**Shares** means ordinary fully paid shares in the issued capital of the Company; and

**Shareholder** means a shareholder of the Company;

**VWAP** means the Volume Weighted Average Price.

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*Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Ethel Lau (Company Secretary):*

*Unit 13, 76 Doggett Street, Newstead Qld 4006  
07 3620 1688*



## Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Share Registry**, Level 15, 324 Queen Street, Brisbane, QLD 4000 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Byte Power Group Limited  
Unit 13, 76 Doggett Street, Newstead Qld 4006  
Telephone Phone: 07 3620 1688  
Facsimile No: 07 3620 1689

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

## Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney Time) on 28 November 2011 (Noting that this will be 6.00pm Brisbane Time). Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.



**X99999999999**

**SHAREHOLDER VOTING FORM**


I/We being a member(s) of Byte Power Group Limited and entitled to attend and vote hereby appoint:

**STEP 1**

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)** OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **2:00pm (Brisbane time) on Wednesday, 30 November 2011, at HoggoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane** and at any adjournment or postponement of the meeting.

 **IMPORTANT NOTE**  
The Chairman of the Meeting intends to vote undirected proxies **in favour of each item of business**. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), you authorise the Chairman to exercise your proxy on Resolution 2, that the Remuneration Report for the year ended 30 June 2011 (as set out in the Directors' Report) be adopted, even though the Item is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. If you do **not** wish to authorise the Chairman to vote in this way, you should direct your vote in accordance with Step 2 below.


Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

**STEP 2**

**VOTING DIRECTIONS**

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 1</b> Re-election of Raphael Tham as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Ratification of the issue of shares to Places	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 6</b> Issue of Shares to Li Baorong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Ratification of the issue of shares to Places	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 7</b> Authorise issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Ratification of the issue of shares to Places	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3**

**SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual) <input type="text"/>	Joint Shareholder 2 (Individual) <input type="text"/>	Joint Shareholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If a member of the Key Management Personnel of the company or their closely related parties (other than the Chairman) is your proxy, that person will not vote your shares on Resolution 2 (Remuneration Report) if you have not directed them how to vote on that item.

The Chairman intends to vote undirected proxies in favour of all items of business, including Resolution 2 (Remuneration Report).

Key Management Personnel of the company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year to 30 June 2011. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (Brisbane time) on Monday, 28 November 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



by mail:

Byte Power Group Limited  
13/76 Doggett Street  
NEWSTEAD QLD 4006.



by fax:

07 3620 1689



by hand:

Byte Power Group Limited  
13/76 Doggett Street  
NEWSTEAD QLD 4006.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.