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China Cyber Port (International) Company Limited

神州奧美網絡(國際)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

**(1) PLACING OF NEW SHARES;
AND
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

PLACING OF NEW SHARES

Reference is made to the announcement of the Company dated 15 January 2010 in relation to, inter alia, the Acquisition, in which it was announced that a fund-raising activity with net proceeds of not less than HK\$150 million shall be conducted by the Company and had been set as a condition precedent to the completion of the Acquisition. The Directors are pleased to announce that on 23 February 2010 (after trading hours), the Company and the Subscribers have entered into the Subscription Agreements respectively in relation to the placing of an aggregate of 256,410,256 Subscription Shares at the Subscription Price of HK\$0.78 per Subscription Share.

The Subscription Shares represent approximately 31.96% of the existing issued share capital of the Company and approximately 24.22% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The Subscription Shares shall be allotted and issued under the specific mandate to be sought at the EGM.

The gross proceeds of the Subscription will be approximately HK\$200 million. The net proceeds of the Subscription, after the deduction of the related expenses, will be approximately HK\$199.8 million, representing a net issue price of approximately HK\$0.779 per Subscription Share. The Company intends that the net proceeds will be used by the Group to settle the cash portion of the consideration for the Acquisition, and the balance, if any, shall be applied as the general working capital of the Group.

* For identification purposes only

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the existing authorised share capital of the Company is HK\$10,000,000 being divided into 1,000,000,000 Shares, of which 802,286,761 Shares have been issued and fully paid or credited as fully paid. As the number of Shares which the Company may allot and issue under the existing unissued authorised share capital of 197,713,239 Shares is insufficient to cover the allotment and issue of the Consideration Shares and the Subscription Shares, the Company proposes to increase the authorised share capital of the Company from HK\$10,000,000 comprising 1,000,000,000 Shares to HK\$100,000,000 comprising 10,000,000,000 Shares by the creation of additional 9,000,000,000 Shares, which will be subject to passing of the ordinary resolution by the Shareholders at the EGM.

GENERAL

An EGM will be convened at which the Shareholders (as appropriate) will consider and, where appropriate, approve (i) the Subscription Agreements and the transactions contemplated thereunder; and (ii) the proposed increase in authorised share capital of the Company.

The Circular containing, amongst other things, further information of the Subscription and the proposed increase in authorised share capital of the Company and the notice of the EGM will be despatched to the Shareholders as soon as possible.

THE SUBSCRIPTION AGREEMENTS

The First Subscription Agreement

Date: 23 February 2010

Parties: (i) the Company as issuer; and
(ii) the First Subscriber as subscriber

Information on the First Subscriber

The First Subscriber is a trading and investment holding company incorporated in Hong Kong and its ultimate beneficial owners are merchants and private investors. To the best of the Directors' knowledge, information and belief, each of the First Subscriber and its ultimate beneficial owners is an Independent Third Party. Prior to the entering into of the First Subscription Agreement, neither the First Subscriber nor its associates has any interests in the Shares or any material business dealings with the Group. The First Subscriber is independent of and not connected with, the Second Subscriber.

Number of the First Subscription Shares

Pursuant to the First Subscription Agreement, the First Subscriber will subscribe for an aggregate of 128,205,128 Subscription Shares, representing approximately (i) 15.98% of the existing issued share capital of the Company, (ii) 12.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Second Subscription Agreement

Date: 23 February 2010

Parties: (i) the Company as issuer; and
(ii) the Second Subscriber as subscriber

Information on the Second Subscriber

The Second Subscriber is an investment holding company incorporated in Hong Kong and its ultimate beneficial owners are merchants and private investors. To the best of the Directors' knowledge, information and belief, each of the Second Subscriber and its ultimate beneficial owners is an Independent Third Party. Prior to the entering into of the Second Subscription Agreement, neither the Second Subscriber nor its associates has any interests in the Shares or any material business dealings with the Group. The Second Subscriber is independent of and not connected with, the First Subscriber.

Number of the Second Subscription Shares

Pursuant to the Second Subscription Agreement, the Second Subscriber will subscribe for an aggregate of 128,205,128 Subscription Shares, representing approximately (i) 15.98% of the existing issued share capital of the Company, (ii) 12.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

COMMON TERMS OF THE SUBSCRIPTION AGREEMENTS

Conditions

Completion of the Subscription Agreements shall be subject to and conditional upon, among other things, the following:

- (a) the GEM Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Subscription Shares;
- (b) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Subscription Agreements and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Subscription Shares; and
- (c) the passing of an ordinary resolution by the Shareholders at the EGM to approve the increase in authorised share capital of the Company to HK\$100,000,000.

If the conditions of the Subscription Agreements are not fulfilled on or before 4:00 p.m. of the date falling 30 days from the date of the Subscription Agreements (or such later date as may be agreed between the relevant parties thereto), the relevant Subscription Agreements will terminate and cease and none of the parties thereto shall have any claim against the other save for any antecedent breaches of the provisions thereof.

Completion Date

Completion of the Subscription Agreements will take place on the third Business Day after the fulfillment of the conditions referred to above. Each of the First Subscription Agreement and the Second Subscription Agreement is independent to one another.

INFORMATION ABOUT THE SUBSCRIPTION SHARES

Subscription Price

The Subscription Price is HK\$0.78 per Subscription Share.

The Subscription Price represents (i) a premium of approximately 4% over the closing price of HK\$0.75 per Share as quoted on the Stock Exchange on 23 February 2010, being the date of the Subscription Agreements; and (ii) a premium of approximately 4.6% over the average of the closing prices of approximately HK\$0.746 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 22 February 2010, being the last trading day immediately prior to the entering into of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.779 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading prices of the Shares. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares shall be allotted and issued pursuant to a special mandate to be sought at the EGM. The EGM will be convened and held to consider and, if thought fit, to approve, among other things, the Subscription including but not limited to the allotment and issue of the Subscription Shares to the Subscribers by way of poll.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE PLACING OF SHARES AND USE OF PROCEEDS

The Group is principally engaged in (i) the operation of an e-Sports platform for online computer games tournaments; (ii) the operation of the online game “Sudden Attack” (突袭OL) in the PRC; and (iii) distributing and selling computer games in the PRC.

Assuming completion of the Subscription Agreements, the gross proceeds of the Subscription will be approximately HK\$200 million. The net proceeds of the Subscription, after the deduction of the related expenses, will be approximately HK\$199.8 million, representing a net issue price of approximately HK\$0.779 per Subscription Share. The aggregate nominal value of the Subscription Shares is HK\$2,564,102.56.

As disclosed in the announcement of the Company dated 15 January 2010 in relation to, inter alia, the Acquisition, it was agreed under the Acquisition Agreement that a fund-raising activity with net proceeds of not less than HK\$150 million shall be conducted by the Company and had been set as a condition precedent to the completion of the Acquisition. Accordingly, it is intended that net proceeds will be used by the Group to settle the cash portion of the consideration for the proposed Acquisition as described in the announcement dated 15 January 2010, and the balance, if any, shall be applied as the general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Group has not conducted any fund raising activity for the twelve months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 802,286,761 Shares in issue. The following chart set out the shareholding structure of the Company, assuming there are no other changes to the issued share capital of the Company, (i) Scenario 1: as at the date of this announcement; (ii) Scenario 2: immediately after the issue of the Subscription Shares; and (iii) Scenario 3: immediately after the issue of the Subscription Shares and the Consideration Shares:

Shareholders	Scenario 1		Scenario 2		Scenario 3 (note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
CCI (note 1)	220,542,000	27.49	220,542,000	20.83	220,542,000	15.90
Mr. Xiao Haiping (note 2)	1,000,000	0.12	1,000,000	0.09	1,000,000	0.07
CCC (note 1)	–	–	–	–	328,307,692	23.67

Public Shareholders

First Subscriber	–	–	128,205,128	12.11	128,205,128	9.24
Second Subscriber	–	–	128,205,128	12.11	128,205,128	9.24
Other public Shareholders	580,744,761	72.39	580,744,761	54.86	580,744,761	41.88
Total	802,286,761	100.00	1,058,697,017	100.00	1,387,004,709	100.00

Notes:

1. The entire issued share capital of CCI is wholly and beneficially owned by CCC.
2. Mr. Xiao Haiping is an executive Director.
3. Scenario 3 is for illustration purpose only. Under the Acquisition Agreement, the number of Consideration Shares to be allotted and issued to CCC at completion of the Acquisition, when aggregated with the number of Shares being held by CCC and its associates as at the date of the allotment and issue of the Consideration Shares, shall not exceed 29.9% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the existing authorised share capital of the Company is HK\$10,000,000 being divided into 1,000,000,000 Shares, of which 802,286,761 Shares have been issued and fully paid or credited as fully paid. In addition, as disclosed in the announcement of the Company dated 15 January 2010, up to 328,307,692 new Consideration Shares may be issued by the Company to settle part of the consideration of the Acquisition. As such, the number of Shares which the Company may allot and issue under the existing unissued authorised share capital of 197,713,239 Shares is insufficient to cover the allotment and issue of the Consideration Shares and the Subscription Shares. Accordingly, the Company proposes to increase the authorised share capital of the Company from HK\$10,000,000

comprising 1,000,000,000 Shares to HK\$100,000,000 comprising 10,000,000,000 Shares by the creation of additional 9,000,000,000 Shares, which will be subject to passing of the ordinary resolution by the Shareholders at the EGM.

GENERAL

An EGM will be convened at which the Shareholders will consider and, where appropriate, approve (i) the Subscription Agreements and the transactions contemplated thereunder; and (ii) the proposed increase in authorised share capital of the Company. Each of the Subscribers and their respective associates will abstain from voting in respect of resolutions approving the Subscription and the allotment and issue of the Subscription Shares at the EGM due to their interests in the Subscription. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Subscription Shares, none of the Subscribers and their respective associates has any interests in the Shares of the Company.

The Circular containing, amongst other things, further information of the Subscription and the proposed increase in authorised share capital of the Company and the notice of the EGM will be despatched to the Shareholders as soon as possible.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Acquisition”	the proposed acquisition of the entire registered and paid up capital in 北京神通益家科技服務有限公司 (Beijing Shentong Yijia Technology Service Company Limited [#]) by Sino Key International Limited, being an indirect wholly owned subsidiary of the Company, from CCC pursuant to the Acquisition Agreement, details of which have been disclosed in the announcement of the Company dated 15 January 2010
“Acquisition Agreement”	the conditional acquisition agreement dated 15 January 2010 entered into between Sino Key International Limited and CCC in relation to the Acquisition
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday or Sunday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“CCC”	神州通信集團有限公司 (China Communication Group Co., Ltd.#)
“Circular”	the circular to be issued to the Shareholders by the Company in accordance with the GEM Listing Rules in respect of, among other things, further details of the Subscription Agreements and the transactions contemplated thereunder, and the proposed increase in authorised share capital of the Company
“Company”	China Cyber Port (International) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreements
“Consideration Shares”	the maximum of 328,307,692 new Shares to be allotted and issued by the Company to CCC or its nominee(s) at the issue price of HK\$0.78 per Consideration Share at completion of the Acquisition credited as fully paid pursuant to the Acquisition Agreement
“Directors”	the directors, including independent non-executive directors, of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Subscription Agreements, and the transactions contemplated thereunder, and the increase in authorised share capital
“First Subscriber”	Full Ocean Development Limited (暉洋發展有限公司), a company incorporated in Hong Kong with limit liability, an Independent Third Party
“First Subscription Agreement”	the conditional subscription agreement dated 23 February 2010 and entered into between the Company and the First Subscriber in relation to the subscription the First Subscription Shares
“First Subscription Shares”	the 128,205,128 new Shares to be allotted and issued to the First Subscriber upon completion of the First Subscription Agreement
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(Parties)”	independent third party (parties) who is (are) not connected person(s) (as defined in the GEM Listing Rules) of the Company and is (are) independent of and not connected with the connected persons of the Company
“PRC”	the People’s Republic of China
“Second Subscriber”	Amazing International Holdings Limited (美時國際集團有限公司), a company incorporated in Hong Kong with limit liability, an Independent Third Party
“Second Subscription Agreement”	the conditional subscription agreement dated 23 February 2010 and entered into between the Company and the Second Subscriber in relation to the subscription of the Second Subscription Shares
“Second Subscription Shares”	the 128,205,128 new Shares to be allotted and issued to the Second Subscriber upon completion of the Second Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively the First Subscriber and the Second Subscriber, and “Subscriber” shall mean any one of the Subscribers
“Subscription Agreements”	collectively the First Subscription Agreement and the Second Subscription Agreement, and “Subscription Agreement” shall mean any one of the Subscription Agreements
“Subscription Price”	an Subscription Price of HK\$0.78 per Subscription Share
“Subscription Shares”	collectively the First Subscription Shares and the Second Subscription Shares, being new Shares to be allotted and issued to the Subscribers upon completion of the Subscription Agreements

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By order of the Board
China Cyber Port (International) Company Limited
He Chenguang
Chairman

Hong Kong, 23 February 2010

English translation of the name for identification purpose only

As at the date of this announcement, the executive Directors are Mr. He Chenguang, Mr. Xiao Haiping, Mr. Zhang Peng and Ms. Weng Pinger and the independent non-executive Directors are Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.ccpi.com.hk.