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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)

CONTINUING CONNECTED TRANSACTIONS AND FURTHER INFORMATION REGARDING THE SUBSCRIPTION

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the circular of the Company dated 28 December 2007 relating to, inter alia, the Service Agreements.

Independent Shareholders' approvals for the continuing connected transactions and the annual caps assigned under each of the Service Agreements had been obtained by the Company at the extraordinary general meetings of the Company held on 16 January 2008. As the terms of each of the Service Agreements will expire on 31 March 2010, CCP, a non-wholly owned subsidiary of the Company, and CCC had entered into the Second Service Agreements on 24 February 2010 to renew certain Service Agreements for three years commencing on 1 April 2010 and ending on 31 March 2013.

IMPLICATIONS UNDER THE GEM LISTING RULES

CCC is a connected person to the Company by virtue of its interest in 25% in CCP, a non-wholly owned subsidiary of the Company, as well as its interest in approximately 27.49% of the issued share capital of the Company through CCI, its wholly-owned subsidiary. Mr. He Chenguang, the chairman and an executive Director, is also the legal representative of CCC and Mr. Bai Jie, a director of CCP, is also a director of CCC. Based on the annual caps set by the Company, the annual consideration which may be payable by the Group under the Second Service Agreements will exceed HK\$10,000,000 and 25% of the applicable ratios under the GEM Listing Rules. Accordingly, the transactions contemplated under the Second Service Agreements are subject to the reporting, announcements and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Details of the Second Service Agreements will be included in the Company's next published annual reports and accounts for so long as the Second Service Agreements continue to be effective.

* for identification purpose only

GENERAL

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Second Service Agreements and the annual caps for the transactions respectively contemplated thereunder.

The combined circular containing, amongst other things, further information of the Subscription as announced by the Company on 23 February 2010, the Second Service Agreements, the recommendations of the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the notice of the EGM will be despatched to the Shareholders as soon as possible in compliance with the GEM Listing Rules.

FURTHER INFORMATION REGARDING THE SUBSCRIPTION

Reference is also made to the announcement of the Company dated 23 February 2010 in relation to, inter alia, the Subscription. Apart from the information which has already announced in the said announcement, the Directors would also like to announce that the completion of the Subscription would also be conditional upon, inter alia, the Acquisition Agreement having becoming unconditional (save for the condition for the fund-raising exercise as contemplated under the Subscription Agreements to become unconditional). Save for the above mentioned, all other contents of the said announcement remain unchanged.

CONTINUING CONNECTED TRANSACTIONS

Background

Reference is made to the circular of the Company dated 28 December 2007 relating to, inter alia, the Service Agreements.

Independent Shareholders' approvals for the continuing connected transactions and the annual caps assigned under each of the Service Agreements had been obtained by the Company at the extraordinary general meetings of the Company held on 16 January 2008. As the terms of each of the Service Agreements will expire on 31 March 2010, CCP, a non-wholly owned subsidiary of the Company, and CCC had entered into the Second Service Agreements on 1 February 2010 to renew certain Service Agreements for the three years commencing on 1 April 2010 and ending on 31 March 2013.

Details of each of the Second Service Agreements are set out as follows:

(1) Second Customer Service Hotline Rental Agreement

Date: 24 February 2010 (as supplemented by a supplemental agreement dated 24 February 2010)

Parties: CCC as supplier and CCP as purchaser

Services: CCC shall provide a designated national customer service hotline number 95130111 to CCP

Pricing basis: CCC will charge CCP (i) an annual fee of RMB20,000 (equivalent to approximately HK\$22,642); (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.068) per 6 seconds for long distance incoming calls (subject to the scaled-discount rates); and (iii) a calling charge of RMB0.15 (equivalent to approximately HK\$0.17) per minute for outgoing calls via internet through the “VoIP” (Voice-Over Internet Protocol) telephone system. The calling rates are subject to adjustment in accordance with any new charging standard to be announced by the government from time to time.

The annual fee shall be payable by CCP on 1 April of each year during the term of the Second Customer Service Hotline Rental Agreement, whereas the calling charges shall be settled by CCP on a monthly basis in arrears. A daily default interest of 0.3% on the outstanding amount payable will be accrued should CCP fail to pay the service fee payable on time.

The above pricing basis was made on an arm’s length basis in the ordinary course of business and on normal commercial terms with reference to similar transactions carried out in the market and are no less favourable than terms available from independent third parties.

Term: For the period commencing from 1 April 2010 until 31 March 2011, which shall be automatically renewed for successive periods of one (1) year unless terminated by either party by 90 days’ written notice prior to the expiry of the term.

(2) Second Internet Payment and Settlement Service Agreement

Date: 24 February 2010 (as supplemented by a supplemental agreement dated 24 February 2010)

Parties: CCC as supplier and CCP as purchaser

Services: CCC is currently operating an electronic wallet service named “Shentong Card”. CCP will charge its “e-Sports Platform” and “Sudden Attack” customers via “Shentong Card”. CCC shall generate monthly report and pay the sales revenue through “Shentong Card” to CCP (net of CCP’s service charge payable under the Second Internet Payment and Settlement Service Agreement)

Pricing basis: CCC will charge CCP a service charge at the rate of 25% of the payments made by CCP’s “e-Sports Platform” and “Sudden Attack” customers through “Shentong Card” to compensate CCC for the sales tax and the handling charge.

The above pricing basis was made on an arm's length basis in the ordinary course of business and on normal commercial terms which is determined with reference to i) sales tax of 3% incurred by CCC upon selling of the Shentong Cards; ii) distribution cost incurred by CCC when distributing the Shentong Card throughout the PRC which is estimated at about 10% on the sale value of Shentong Card; and iii) administrative costs at about 12% on the sale value of Shentong Card incurred by CCC for manufacturing the Shentong Card.

Term: For the period commencing from 1 April 2010 until 31 March 2011, which shall be automatically renewed for successive periods of one (1) year unless terminated by either party by one (1) month's written notice prior to the expiry of the term.

(3) Second Dedicated Leased Line Rental Agreement

Date: 24 February 2010 (as supplemented by a supplemental agreement dated 24 February 2010)

Parties: CCC as supplier and CCP as purchaser

Services: CCC shall provide two dedicated broadband leased lines to CCP for CCP's website running

Pricing basis: CCC will charge CCP a monthly rental fee per leased line based on different kind of bandwidth chosen by CCP ranging from 50M for RMB65,000 (equivalent to approximately HK\$73,863) to 200M for RMB260,000 (equivalent to approximately HK\$295,454) respectively.

The above pricing basis was made on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to similar transactions carried out in the market and are no less favourable than terms available from independent third parties.

Term: For the period commencing from 1 April 2010 until 31 March 2013, which shall be automatically renewed for successive periods of one (1) year unless either party expresses its intention of not to renew by one month's written notice prior to the expiry of the term.

Common Terms of the Second Service Agreements

Each of the Second Service Agreements contains the following terms:

1. The terms of Second Service Agreements shall not extend beyond 31 March 2013. CCP will be entitled to extend the Second Service Agreements on or before 31 March 2013 and to take such action as may be appropriate to comply with the GEM Listing Rules. Without prejudice to the right of any party to terminate the Second Service Agreements

pursuant to their respective terms, the Second Service Agreements shall automatically terminate on 31 March 2013 (or such later date as the parties to the Second Service Agreements may agree) if:

- (i) the Company considers that it is not feasible to comply with the GEM Listing Rules at the relevant time; or
 - (ii) compliance with the GEM Listing Rules would require changes to the Second Service Agreements which are not acceptable to any of the parties.
2. All changes made to the Second Service Agreements shall be subject to compliance by the Company with GEM Listing Rules.
 3. The total annual consideration payable by CCP under the Second Service Agreements shall be subject to a yearly cap set by the parties.

Annual caps of the Second Service Agreements

The fees paid by the CCP to CCC under the Second Service Agreements for the period commencing from 1 April 2009 until 31 December 2009 were summarised in the table below.

Taking into account (i) the historical amounts paid by CCP to CCC; (ii) the business projections for CCP for the years to follow; and (iii) the possible inflation and exchange rate of RMB in the coming years, the Company has set the following annual caps for each of the years ending 31 March 2011, 2012 and 2013:

The Second Service Agreements	Terms of the Second Service Agreements	Historical figures from 1 April 2009 to 31 December 2009	Annual caps for the years ended/ending 31 March			
		2010	2011	2012	2013	
		(Note)				
		RMB	RMB	RMB	RMB	RMB
Second Customer Service Hotline Rental Agreement	1/4/2010 – 31/3/2013	441,000	17,000,000	700,000	700,000	700,000
Second Internet Payment and Settlement Service Agreement	1/4/2010 – 31/3/2013	13,167,309	110,000,000	19,000,000	19,000,000	19,000,000
Second Dedicated Leased Lines Rental Agreement	1/4/2010 – 31/3/2013	2,340,000	210,000,000	3,500,000	3,500,000	3,500,000

Note: The annual caps for the year ended 31 March 2010 stated in the above table are the annual caps under the original agreements before the renewal of the same by entering into the respective Second Service Agreements.

The descending annual caps set by the Directors above for the transactions contemplated under the Second Service Agreements are due to (i) the recent reduction in service fees charged by internet service providers, including CCC, in the PRC; and (ii) the recent downturn in the animation and game industry in the PRC, while the charges of the Second Internet Payment and Settlement Service Agreement and the Second Customer Service Hotline Rental Agreement are calculated based on the actual amount of usage of the relevant facilities.

The above annual caps are made on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to (i) similar transactions carried out in the market; (ii) possible inflation and change in exchange rate of RMB in the coming years; (iii) the historical figures in the previously dealings between CCP and CCC under the Service Agreements; and (iv) the business projections for CCP for the years to follow and are no less favourable than terms available from Independent Third Parties.

INFORMATION ABOUT THE GROUP AND CCC

The Group is principally engaged in (i) the operation of the 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.

CCC is a nationwide telecom operator and internet network operator in the PRC covering a wide range of value-added telecom services, including telecommunication services, valued-added telecommunication platform, payment and billing system. The electronic billing and payment system is operated through "Shentong Card" (神通卡) platform.

REASONS FOR THE ENTERING INTO OF THE CONTINUING CONNECTED TRANSACTIONS

CCC is a nationwide telecom operator and Internet network operator in the PRC providing comprehensive value-added telecom services, whereas CCP is principally engaged in the development, operation and distribution of computer games and online games in the PRC. Therefore, in order to facilitate the business development of CCP on its principal business, it is considered to be appropriate and beneficial to CCP to enter into the Second Service Agreements with CCC, who can provide a comprehensive and full range of telecommunications, internet and payment supporting services to CCP. The Directors also considered that during the term of the Service Agreements, the services provided by CCC were considered to be reliable and of good quality and therefore determined to renew the Service Agreements by entering into the Second Service Agreements.

Based on the above, the Directors (except independent non-executive Directors who shall form their view after considering the advice from the independent financial adviser) consider that the entering into of the Second Service Agreements are in the ordinary course of business of the Group and that the terms of the Second Service Agreements are determined on an arm's length basis with CCC. Accordingly, the Directors (excluding the independent non-executive Directors who shall provide their view after considering the advice from the independent financial adviser) are of the view that the terms and conditions of the Second Service Agreements (including but not limited to the annual caps respectively contemplated thereunder) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

CCC is a connected person to the Company by virtue of its interest in 25% in CCP, a non-wholly owned subsidiary of the Company, as well as its interest in approximately 27.49% of the issued share capital of the Company through CCI, its wholly-owned subsidiary. Mr. He Chenguang, the chairman and an executive Director of the Company, is also the legal representative of CCC and Mr. Bai Jie, a director of CCP, is also a director of CCC. Based on the annual caps set by the Company, the annual consideration which may be payable by the Group under the Second Service Agreements will exceed HK\$10,000,000 and 25% of the applicable ratios under the GEM Listing Rules. Accordingly, the transactions contemplated under the Second Service Agreements are subject to the reporting, announcements and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Details of the Second Service Agreements will be included in the Company's next published annual reports and accounts for so long as the Second Service Agreements continue to be effective.

GENERAL

An independent board committee of the Company comprising Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong, being all independent non-executive Directors, has been formed to advise the Independent Shareholders as to the terms of the Second Service Agreements. Nuada Limited has been appointed as the independent financial adviser to the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Second Service Agreements. The transactions contemplated under each of the Second Service Agreements are subject to the annual review requirements under Rules 20.37 to 20.40 of the GEM Listing Rules.

The combined circular containing, amongst other things, further information of the Subscription as announced by the Company on 23 February 2010, the Second Service Agreements, the recommendations of the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the notice of the EGM will be despatched to the Shareholders as soon as possible in compliance with the GEM Listing Rules.

FURTHER INFORMATION REGARDING THE SUBSCRIPTION

Reference is also made to the announcement of the Company dated 23 February 2010 in relation to, inter alia, the Subscription. Apart from the information which has already announced in the said announcement, the Directors would also like to announce that the completion of the Subscription would also be conditional upon, inter alia, the Acquisition Agreement having becoming unconditional (save for the condition for the fund-raising exercise as contemplated under the Subscription Agreement to become unconditional). Save for the above mentioned, all other contents of the said announcement remain unchanged.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition Agreement”	the agreement dated 11 January 2010 entered into between CCC and Sino Key International Limited in relation to 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, details of which have been disclosed in the announcement of the Company dated 15 January 2010
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“CCC”	神州通信集團有限公司 (China Communication Group Co., Ltd. [#]), a company established under the laws of the PRC, a substantial Shareholder by virtue of its interest in 25% in CCP as well as its interest as to approximately 27.49% of the issued share capital of the Company through CCI, its wholly-owned subsidiary
“CCI”	神州通信投資有限公司 (China Communication Investment Limited), a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of CCC
“CCP”	神州奧美網絡有限公司 (China Cyber Port Co. Ltd. [#]), a company established under the laws of the PRC, a non-wholly owned subsidiary of the Company, with its entire equity interests owned by the Company and CCC as to 75% and 25% respectively
“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
“connected person”	has the meaning ascribed to this term under the GEM Listing Rules
“Customer Service Hotline Rental Agreement”	the customers service hotline rental agreement entered into between CCP and CCC on 15 December 2006 (as supplemented by a supplemental agreement dated 16 January 2008) in relation to the provision of the designated national customers service hotline number 95130111 by CCC to CCP, details of which have been included in the circular of the Company dated 28 December 2007

“Director(s)”	the director(s) 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 Second Service Agreements and the transactions respectively contemplated thereunder
“e-Sports Platform”	a platform for computer and online game tournaments such as “Counter-Strike” (反恐精英), “WarCraft” (魔獸爭霸) and “StarCraft” (星際爭霸) etc., being one of the major components of the 24365 Entertainment Portal
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Board Committee”	a committee of the Board comprising Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong, all being the independent non-executive Directors, to be established to advise the Independent Shareholders in relation to the Second Service Agreements and the annual caps for the transactions respectively contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than CCC and Shareholders who are connected to or otherwise associated with CCC or interested in the Second Service Agreements other than being a Shareholder of the Company
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company
“Internet Payment and Settlement Service Agreement”	the internet payment and settlement service agreement dated 12 December 2006 (as supplemented by supplemental agreements dated 12 September 2007 and 16 January 2008) in relation to provision of internet payment and settlement services by CCC to CCP for CCP’s customers payments through “Shentong Card” , details of which have been included in the circular of the Company dated 28 December 2007

“Office Internet Connection Agreement”	the office internet connection agreement dated 1 December 2006 (as supplemented by a supplemental agreement dated 16 January 2008) and entered into between CCC and CCP in relation to the provision of a dedicated broadband leased line to CCP, details of which have been included in the circular of the Company dated 28 December 2007
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Second Customer Service Hotline Rental Agreement”	the customers service hotline rental agreement entered into between CCP and CCC on 24 February 2010 (as supplemented by a supplemental agreement dated 24 February 2010) in relation to the provision of the designated national customers service hotline number 95130111 by CCC to CCP, to renew the Customer Service Hotline Rental Agreement
“Second Dedicated Leased Lines Rental Agreement”	the dedicated leased lines rental agreement entered into between CCP and CCC on 24 February 2010 (as supplemented by a supplemental agreement dated 24 February 2010) in relation to the provision of the broadband dedicated leased lines by CCC to CCP, to renew the Server Hosting Agreement
“Second Internet Payment and Settlement Service Agreement”	the internet payment and settlement service agreement dated 24 February 2010 (as supplemented by supplemental agreement dated 24 February 2010) in relation to provision of internet payment and settlement services by CCC to CCP for CCP’s customers payments through “Shentong Card”, to renew the Internet Payment and Settlement Service Agreement
“Second Service Agreements”	collectively, the Second Internet Payment and Settlement Service Agreement, the Second Customer Service Hotline Rental Agreement and the Second Dedicated Leased Lines Rental Agreement
“Server Hosting Agreement”	the server hosting agreement entered into between CCP and CCC on 1 December 2006 (as supplemented by a supplemental agreement dated 16 January 2008) in relation to the provision of server hosting service and the broadband dedicated leased lines by CCC to CCP, details of which have been included in the circular of the Company dated 28 December 2007

“Service Agreements”	collectively, the Server Hosting Agreement, the Customer Service Hotline Rental Agreement, the Office Internet Connection Agreement and the Internet Payment and Settlement Service Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription by Full Ocean Development Limited (暉洋發展有限公司) and Amazing International Holdings Limited (美時國際集團有限公司), for an aggregate of 256,410,256 new Shares at the subscription price of HK\$0.78 per new Share, details of which have been disclosed in the announcement of the Company dated 23 February 2010
“Subscription Agreement”	the subscription agreements both dated 23 February 2010 entered into between the Company and Full Ocean Development Limited (暉洋發展有限公司) and Amazing International Holdings Limited (美時國際集團有限公司) respectively in relation to the Subscription, details of which have been disclosed in the announcement of the Company dated 23 February 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words

For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK\$ is based on the approximate exchange rate of HK\$1.00 to RMB0.88. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

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

Hong Kong, 24 February 2010

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.