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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 CHANGE OF AUDITORS

CONTINUING CONNECTED TRANSACTIONS

The Board announces that while preparing the Company's financial statements for the 6 months ended 30 September 2008, the Directors note that the Company had failed to comply with the relevant requirements of the GEM Listing Rules in respect of the Agreements entered into by CCP, a non wholly-owned subsidiary of the Company since 1 April 2008.

Prior to the entering into of the Acquisition Agreement, CCP had entered into the HTD Web Advertising Agreement and the BTT Web Advertising Agreement with HTD and BTT respectively, pursuant to which each of HTD and BTT agreed to place advertisements on the online game platforms (namely "Sudden Attack" and "e-Sports") operated by CCP at a consideration of not less than RMB150,000,000 (equivalent to approximately HK\$170,454,545) for two years commencing from 1 October 2007 and not less than RMB100,000,000 (equivalent to approximately HK\$113,636,364) for three years commencing from 1 October 2007 respectively.

In addition, on 1 March 2008, CCP has entered into the HTD Naming-Right Sponsorship Agreement with HTD, pursuant to which HTD agreed to pay CCP a sum of RMB18,000,000 (equivalent to approximately HK\$20,454,545) as consideration for acquiring the naming right of certain computer and online game tournaments to be organised by CCP during the period commencing from 1 March 2008 to 1 March 2010.

Following the completion of the Acquisition on 1 April 2008, CCP has become a non wholly-owned subsidiary of the Company. Given HTD and BTT are connected persons to the Company, the transactions contemplated under the HTD Web Advertising Agreement, the BTT Web Advertising Agreement and the HTD Naming-Right Sponsorship Agreement have constituted continuing connected transactions on the part of the Company under Rule 20.41 of the GEM Listing Rules.

* For identification purpose only

Also, on 19 March 2008, the CCC Web Advertising Agreement was entered into by CCP and CCC, pursuant to which CCC agreed to place advertisements on the online game platform (namely “e-Sports”) operated by CCP at a consideration of not less than RMB10,000,000 (equivalent to approximately HK\$11,363,636) during the period commencing on 20 March 2008 to 19 March 2009.

In addition, on 1 June 2008, CCP and CCC entered into the CCC Tenancy Agreement and pursuant to which CCC agreed to lease a property located at Beijing, PRC to CCP for business use for a period of one year commencing from 1 June 2008 and expiring on 1 June 2009, at a total annual rental of RMB2,460,000 (equivalent to approximately HK\$2,795,454).

Following the completion of the Acquisition on 1 April 2008, CCP has become a non wholly-owned subsidiary of the Company. As CCC is a connected person to the Company within the meaning of the GEM Listing Rules, the transaction between CCC and CCP constituted a continuing connected transaction which should have been subject to reporting and disclosure requirement pursuant to Rule 20.41 of the GEM Listing Rules.

For the CCC Tenancy Agreement, as the relevant amount is less than HK\$10,000,000 and the relevant percentage ratio is less than 25%, the CCC Tenancy Agreement should have only been subject to reporting and announcement requirements under the GEM Listing Rules and exempt from the Independent Shareholders’ approval requirement pursuant to Rule 20.32 of the GEM Listing Rules.

Each of HTD, BTT and CCC had subsequently on 24 November 2008 entered into the Supplemental Agreements with CCP. Given HTD, BTT and CCC are connected persons to the Company, the transactions contemplated under the Supplemental Agreements and as the relevant percentage ratio has exceeded 25%, the Supplemental Agreements have constituted continuing connected transactions on the part of the Company under Rule 20.35 of the GEM Listing Rules and the Supplemental Agreements (including but not limited to the annual caps) and transactions contemplated thereunder are subject to reporting, announcement and Independent Shareholders’ approval.

GENERAL

An EGM will be held to approve the Supplemental Agreements (including but not limited to the annual caps) and the transactions contemplated thereunder by the Independent Shareholders. An Independent Board Committee, comprising Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Supplemental Agreements (including but not limited to the annual caps) and all the transactions contemplated thereunder. Nuada Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, further information on the Supplemental Agreements, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders and the notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

CHANGE OF AUDITORS

The Board announces that due to unintentional inadvertence, the Company has failed to announce that Baker Tilly has resigned as the auditors of the Group with effect from 28 July 2008. The Board has appointed RSM Nelson Wheeler as the auditors of the Company to fill the causal vacancy following the resignation of Baker Tilly. The appointment of new auditors is subject to the approval by the Shareholders at an extraordinary general meeting.

Baker Tilly has confirmed that there were no matters that needed to be brought to the attention of the Shareholders. Moreover, the Board was not aware of any matters, including any disagreement or any unresolved issues between the Group and Baker Tilly that should be brought to the attention of the shareholders and creditors of the Group in relation to the resignation of Baker Tilly.

The reason for the change of the Company's auditors is due to the fact that RSM Nelson Wheeler was the reporting accountant of the Group for the Acquisition, and the engagement of RSM Nelson Wheeler helps the Group to be more familiar with the business of CCP which the Board considers it to be in the interests of the Shareholders as a whole.

A notice convening an extraordinary general meeting to approve the appointment of RSM Nelson Wheeler as the auditors of the Company will be despatched to the Shareholders as soon as possible.

CONTINUING CONNECTED TRANSACTIONS

The Board announces that while preparing the Company's financial statements for the 6 months ended 30 September 2008, the Directors note that the Company had failed to comply with the relevant requirements of the GEM Listing Rules in respect of the Agreements entered into by CCP, a non-wholly owned subsidiary of the Company since 1 April 2008.

Each of the Agreements is subject to various reporting and disclosure requirements under Rule 20.41 of the GEM Listing Rules. Details of each of the Agreements and the relevant GEM Listing Rules implications are set out below.

(A) RELATIONSHIPS BETWEEN THE PARTIES

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the relationships between the relevant parties under the Agreements and the Supplemental Agreements are set out below:

The Company	China Cyber Port (International) Company Limited, a company incorporated in the Cayman Islands with limited liability with its issued share capital listed on GEM
BTT	Beijing Tiandironghe Technology Company Limited*, a company established under the laws of the PRC, is an indirect wholly-owned subsidiary of CCC principally engaged in the business of development and selling of computer softwares and networks. By virtue of being an associate to CCC, BTT is considered to be a connected to the Company
CCC	China Communication Co., Ltd, a company established under the laws of the PRC, is a national-wide telecom operator and internet network operator in the PRC. By virtue of its interest in 25% equity interest in CCP as well as its interest as to approximately 27.49% of the issued Shares of the Company through CCI, a wholly-owned subsidiary of CCC, it is considered as a connected person to the Company
CCP	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
HTD	Heilongjiang Tiandi Digital Technology Company Limited*, a company established under the laws of the PRC principally engaged in the business of development and selling of high technology products. At the time of entering into the HTD Web Advertising Agreement and the HTD Naming Right Sponsorship Agreement, as Mr. He, the chairman and an executive Director, and Mr. Bao, a director of CCP, were the substantial shareholders of Heilongjiang Tiandi Digital holding its equity interest as to 66% and 32.5% respectively, Heilongjiang Tiandi Digital is regarded as a connected person to the Company. In or about October 2008, Mr. He, Mr. Bao and other shareholders of HTD have respectively transferred all their shareholdings in HTD to CCC and CCC has become the legal and beneficial owner of the entire equity interest in HTD on 13 October 2008. By virtue of being an associate to CCC, HTD shall remain to be a connected person to the Company

* For identification purpose only

(B) CONTINUING CONNECTED TRANSACTIONS

(1) HTD Web Advertising Agreement and Supplemental HTD Advertising Agreement

Date: 29 September 2007 (as supplemented by the Supplemental HTD Advertising Agreement dated 24 November 2008)

Parties: (1) Heilongjiang Tiandi Digital Technology Company Limited*
(2) China Cyber Port Co., Ltd

Services

HTD agreed to place and CCP agreed to arrange the web advertisements of HTD be published on the “Sudden Attack” online game platform operated by CCP for two years commencing from 1 October 2007 to 30 September 2009. 24-hour technical support services shall also be provided by CCP to HTD to handle technical issues arising out of the publication of the advertisements.

Consideration

It is agreed that the amount of advertising fees to be incurred by HTD during the term of the HTD Web-Advertising Agreement shall not be less than RMB150,000,000 (equivalent to approximately HK\$170,454,545). A non-refundable deposit of RMB15,000,000 (equivalent to approximately HK\$17,045,455) had been paid by HTD on 30 September 2007 and shall be used to settle all or part of the final instalment of the advertising fees payable by HTD by the end of the term.

Under the Supplemental HTD Advertising Agreement, the parties agreed to amend the following terms and conditions:

- (a) the agreed amount of advertising fees to be incurred by CCP during the term of the HTD Web Advertising Agreement has been revised to not more than RMB138,000,000 (equivalent to approximately HK\$156,818,182) of which the advertising fee shall not be more than RMB40,000,000 (equivalent to approximately HK\$45,454,545), RMB65,000,000 (equivalent to approximately HK\$73,863,636) and RMB33,000,000 (equivalent to approximately HK\$37,500,000) for the three years ended 31 March 2010 respectively.

The above annual cap of the HTD Web Advertising Agreement was determined by reference to the estimated number of advertisement to be placed by HTD derived from the historical data of the past dealings between HTD and CCP and the possible inflation and exchange rate of RMB in the coming years.

* For identification purpose only

Pricing basis

The advertising fees to be charged by CCP for each advertisement to be placed by HTD shall be determined according to the proposed publication timeslots, size, position etc. and shall be determined based on the prevailing charging rates and are no less favourable than terms available to independent third parties.

The advertising fees shall be payable in the following manner:

- (1) 40% of the total advertising fees shall be payable by HTD before publication of the relevant advertisement;
- (2) 40% of the total advertising fees shall be payable by HTD during advertising period of the relevant advertisement; and
- (3) the remaining 20% of the advertising fee shall be payable by HTD at least one month before the end of the relevant advertising period.

The above pricing basis was made on an arm's length basis in the ordinary course of business and on normal commercial terms.

Termination

The HTD Web-Advertising Agreement may be terminated by either party thereto by notice should the operation of the HTD Web-Advertising Agreement would be materially and adversely affected by any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out etc, and such event of force majeure has been subsisting for more than 30 days.

(2) BTT Web Advertising Agreement and Supplemental BTT Advertising Agreement

Date: 29 September 2007 (as supplemented by the Supplemental BTT Advertising Agreement dated 24 November 2008)

Parties: (1) Beijing Tiandironghe Digital Technology Company Limited*
(2) China Cyber Port Co., Ltd.

Services

BTT agreed to place and CCP agreed to arrange the web advertisements of BTT be published on the "e-Sports" online game platform operated by CCP for three years commencing from 1 October 2007 to 30 September 2010. 24-hour technical support services shall also be provided by CCP to BTT to handle all technical issues arising out of the publication of the advertisements.

* For identification purpose only

Consideration

It is agreed that the amount of advertising fees to be incurred by BTT during the term of the BTT Web-Advertising Agreement shall not be less than RMB100,000,000 (equivalent to approximately HK\$113,636,364). A non-refundable deposit of RMB10,000,000 (equivalent to approximately HK\$11,363,636) had been paid by BTT on 29 September 2007 and shall be used to settle all or part of the final instalment of the advertising fees payable by BTT by the end of the term.

Under the Supplemental BTT Advertising Agreement, the parties agreed to amend the following terms and conditions:

- (a) the terms of the said agreement shall be for two years commencing from 1 October 2007 to 30 September 2009;
- (b) the agreed amount of advertising fees to be incurred by CCP during the term of the BTT Web Advertising Agreement has been revised to not more than RMB85,000,000 (equivalent to approximately HK\$96,590,909) of which the advertising fee shall not be more than RMB20,000,000 (equivalent to approximately HK\$22,727,273), RMB40,000,000 (equivalent to approximately HK\$45,454,545) and RMB25,000,000 (equivalent to approximately HK\$28,409,091) for the three years ended 31 March 2010 respectively.

The above annual cap of the BTT Web Advertising Agreement was determined by reference to the estimated number of advertisements to be placed by BTT derived from the historical data of the past dealings between BTT and CCP and the possible inflation and exchange rate of RMB in the coming years.

Pricing basis

The advertising fees to be charged by CCP for each advertisement to be placed by BTT shall be determined according to the proposed publication timeslots, size, position etc. and shall be determined based on the prevailing charging rates and are no less favourable than terms available to independent third parties.

The advertising fees shall be payable in the following manner:

- (1) 40% of the total advertising fee shall be payable by BTT before publication of the relevant advertisement;
- (2) 40% of the total advertising fee shall be payable by BTT during advertising period of the relevant advertisement; and
- (3) the remaining 20% of the advertising fee shall be payable by BTT at least one month before the end of the relevant advertising period.

The above pricing basis was made on an arm's length basis in the ordinary course of business and on normal commercial terms.

Termination

The BTT Web-Advertising Agreement may be terminated by either party thereto by notice should the operation of the BTT Web-Advertising Agreement would be materially and adversely affected by any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out etc, and such event of force majeure has been subsisting for more than 30 days.

(3) HTD Naming-Right Sponsorship Agreement and Supplemental HTD Naming-Right Sponsorship Agreement

Date: 1 March 2008 (as supplemented by the Supplemental HTD Naming-Right Sponsorship Agreement dated 24 November 2008)

Parties: (1) Heilongjiang Tiandi Digital Technology Company Limited*
(2) China Cyber Port Co., Ltd.

Services

HTD agreed to acquire and CCP agreed to grant the naming rights of certain computer and online game tournaments to be organised by CCP during the period commencing from 1 March 2008 to 1 March 2010. It was also agreed that HTD shall be allowed to participate in not less than ten promotion events to be organised by CCP for each year during the term of the HTD Naming-Right Sponsorship Agreement. Premier advertising space shall also be reserved for HTD during the promotion events. Pursuant to the HTD Naming-Right Sponsorship Agreement, an amount of RMB18,000,000 (equivalent to approximately HK\$20,454,545) should be paid by HTD to the Group, however, pursuant to subsequent agreement by the parties, an amount of RMB6,000,000 (equivalent to approximately HK\$6,818,182) has been paid by HTD to the Group on 25 March 2008.

Pricing basis

Pursuant to the Supplemental HTD Naming-Right Sponsorship Agreement, during the term of agreement, the naming right fees shall be satisfied in the manner of not more than RMB1,000,000 (equivalent to approximately HK\$1,136,364), RMB12,000,000 (equivalent to approximately HK\$13,636,364) and RMB10,000,000 (equivalent to approximately HK\$11,363,636) respectively for the three years ended 31 March 2010 respectively in accordance with number and size of the promotion events held during the term of the HTD Naming-Right Sponsorship Agreement. The exact deduction amount for each promotion events shall be agreed between HTD and CCP.

The naming right fees shall be payable in the following manner:

- (1) deduct from the prepaid RMB6,000,000; and
- (2) after deducting (1) above in full, the remaining naming right fees shall be payable by HTD upon completion of each promotion events.

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The pricing basis for each promotion events shall be determined on an arm's length basis in the ordinary course of business and on normal commercial terms based on the prevailing charging rate and is no less favourable than terms available to independent third parties.

Termination

The HTD Naming-Right Sponsorship Agreement may be terminated by either party thereto by 15-day notice upon any breach of the terms and conditions of the HTD Naming-Right Sponsorship Agreement by the other party.

(4) CCC Web Advertising Agreement and Supplemental CCC Advertising Agreement

Date: 19 March 2008 (as supplemented by the Supplemental CCC Advertising Agreement dated 24 November 2008)

Parties: (1) China Communication Co., Ltd.
(2) China Cyber Port Co., Ltd.

Services

CCC agreed to place and CCP agreed to arrange the web advertisements of CCC be published on the "e-Sports" online game platform operated by CCP for the period commencing from 20 March 2008 to 19 March 2009. 24-hour technical support services shall also be provided by CCP to CCC to handle all technical issues arising out of the publication of the advertisements.

Consideration

It is agreed that the amount of advertising fees to be incurred by CCC during the term of the CCC Web Advertising Agreement shall not be less than RMB10,000,000 (equivalent to approximately HK\$11,363,636). A prepayment in the sum of RMB4,000,000 (equivalent to approximately HK\$4,545,455) and a non-refundable deposit of RMB1,000,000 (equivalent to approximately HK\$1,136,364) had been paid by CCC on 10 April 2008. The said non-refundable deposit paid shall be used to settle all or part of the final instalment of the advertising fees payable by CCC by the end of the term.

Under the Supplemental CCC Advertising Agreement, the parties agreed to amend the following terms and conditions:

- (a) the terms of the said agreement shall be for approximately three years commencing from 20 March 2008 to 31 March 2011;
- (b) the agreed amount of advertising fees to be incurred by CCP during the term of the CCC Web Advertising Agreement has been revised to not more than RMB95,000,000 (equivalent to approximately HK\$107,954,545) of which the advertising fee shall not be more than RMB25,000,000 (equivalent to approximately HK\$28,409,091), RMB30,000,000 (equivalent to approximately HK\$34,090,909) and RMB40,000,000 (equivalent to approximately HK\$45,454,545) for the three years ended 31 March 2011 respectively.

The above annual cap of the CCC Web Advertising Agreement was determined by reference to the estimated number of advertisement to be placed by CCC derived from the historical data of the past dealings between CCC and CCP and the possible inflation and exchange rate of RMB in the coming years.

Pricing basis

The advertising fees to be charged by CCP for each advertisement to be placed by CCC shall be determined according to the proposed publication timeslots, size, position etc. and shall be determined based on the prevailing charging rate and are no less favourable than terms available to independent third parties.

The advertising fees shall be payable in the following manner:

- (1) 40% of the total advertising fees shall be payable by CCC before publication of the relevant advertisement;
- (2) 40% of the total advertising fees shall be payable by CCC during advertising period of the relevant advertisement; and
- (3) the remaining 20% of the advertising fee shall be payable by CCC at least one month before the end of the relevant advertising period.

The above pricing basis was made on an arm's length basis in the ordinary course of business and on normal commercial terms.

Termination

The CCC Web-Advertising Agreement may be terminated by either party thereto by notice should the operation of the CCC Web-Advertising Agreement would be materially and adversely affected by any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out etc, and such event of force majeure shall be subsisting for more than 30 days.

(5) CCC Tenancy Agreement

Date: 1 June 2008

Parties: (1) China Communication Co., Ltd., as landlord
(2) China Cyber Port Co., Ltd., as tenant

Subject property

No.172, Dexingmennei Road, Xicheng District Beijing, PRC with a total gross floor area of approximately 120 sq. metres, where shall be used by CCP as the venue for members' gatherings and the computer and online game tournaments to be organised by CCP from time to time.

Consideration

The annual rental payable by CCP shall be RMB2,460,000 (equivalent to approximately HK\$2,795,455), inclusive of all the utilities charges. A deposit of RMB615,000 (equivalent to approximately HK\$698,864), being three months rental payment, shall be payable by CCP as deposit upon signing of the CCC Tenancy Agreement. The rents are payable quarterly in advance which shall be satisfied in cash by the internal resources of the Group.

The annual rental was determined 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.

Termination

The term for the CCC Tenancy Agreement shall be one year commencing from 1 June 2008 and expiring on 1 June 2009 and may be terminated by CCP by one-month notice.

COMMON TERMS OF THE SUPPLEMENTAL AGREEMENTS

Each Supplemental Agreements contains the following terms:

1. The term of the relevant agreements shall not extend beyond 31 March 2011. CCP will be entitled to extend the relevant agreements on or before the end of term or 31 March 2011 (as the case may be) and to take such actions as may be appropriate to comply with the relevant GEM Listing Rules requirements. Without prejudice to the rights of any party to terminate the relevant agreements pursuant to their terms, the relevant agreements shall automatically be terminated on the end of term or 31 March 2011 (as the case may be) (or such later date as the parties may agree) if:
 - (a) the Company considers that the continuing performance by the Company of its obligations under the relevant agreements would render it not feasible to comply with the relevant GEM Listing Rules requirements at the relevant; or
 - (b) compliance with the GEM Listing Rules by the Company would require amendments to be made to the relevant agreements which are not acceptable to any of the parties thereto.
2. Any amendments to be made to the relevant agreements shall be subject to due compliance by the Company with the applicable GEM Listing Rules requirements.
3. The total annual consideration received by CCP under the relevant agreements shall be subject to a yearly cap set by the parties.

ANNUAL CAP OF THE CONTINUING CONNECTED TRANSACTIONS

The fees have been or to be received or to be paid (as applicable) by CCP under the Agreements between 30 September 2007 to 31 March 2008 and the respective annual caps set by the parties for the four years ending 31 March 2011 pursuant to the Supplemental Agreements were summarized below.

The Agreements and their respective Supplemental Agreements	Terms of the Supplemental Agreements	Historical	Annual caps for the years ended/ending 31 March			
		figures from 30 September 2007 to 31 March 2008 RMB	2008 RMB	2009 RMB	2010 RMB	2011 RMB
HTD Web Advertising Agreement	01/10/2007-30/09/2009	37,500,000	40,000,000	65,000,000	33,000,000	-
BTT Web Advertising Agreement	01/10/2007-30/09/2009	16,666,668	20,000,000	40,000,000	25,000,000	-
HTD Naming Right Sponsorship Agreement	01/03/2008-01/03/2010	750,000	1,000,000	12,000,000	10,000,000	-
CCC Web Advertising Agreement	20/03/2008-31/03/2011	308,333	310,000	25,000,000	30,000,000	40,000,000
CCC Tenancy Agreement	01/06/2008-01/06/2009	-	-	2,050,000	410,000	-

The above annual caps was determined by reference to the estimated number of advertisement to be placed derived from the historical data of the past dealings between CCP and the relevant parties, the possible inflation and exchange rate of RMB in the coming years and the management best estimation.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) operation of the e-Sports platform; (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.

REASONS FOR ENTERING INTO THE AGREEMENTS AND THE SUPPLEMENTAL AGREEMENTS

CCP is principally engaged in (i) operation of the e-Sports Platform; (ii) operation of the online game “Sudden Attack” (突袭OL) in the PRC; and (iii) distribution and selling of computer games in the PRC.

The operation of online game platforms, including “Sudden Attack”(突袭OL) and “e-Sports” is one of the principal business of the Group and the relevant advertising income generated has become a main stream of revenue of the Group. The entering into of the HTD Web Advertising Agreement, the BTT Web Advertising Agreement, the HTD Naming-Right Sponsorship Agreement and the CCC Web Advertising Agreement would allow the Company to have a stable and a relatively secured source of income during the term of the said agreements and so to strengthen the revenue base of the Group.

Also, the entering into of the CCC Tenancy Agreement would allow the Company to have a readily available venue for organising various activities and computer and online game tournaments. The Board considers these value-adding services provided to the registered members of the online game platforms would help maintaining a solid relationship with the existing clientele as well as to attract more of the target customers.

In view of the above, the Directors (excluding the independent non-executive Directors who shall provide their view after taking the advice from the independent financial adviser), considered that the terms of the Supplemental Agreements were entered into upon normal commercial terms following arm’s length negotiations among the parties, and that the terms of the Supplemental Agreements were fair and reasonable and were in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

Prior to the entering into of the Acquisition Agreement, CCP had entered into the HTD Web Advertising Agreement and the BTT Web Advertising Agreement with HTD and BTT respectively. On 1 March 2008, CCP had also entered into the HTD Naming-Right Sponsorship Agreement with HTD. On 19 March 2008, CCP had also entered into the CCC Web Advertising Agreement with CCC. Following the completion of the Acquisition on 1 April 2008, CCP has become a non wholly owned subsidiary of the Company. Given HTD, BTT and CCC are connected persons to the Company, the transactions contemplated under the HTD Web Advertising Agreement the BTT Web Advertising Agreement, the HTD Naming-Right Sponsorship Agreement and the CCC Web Advertising Agreement have constituted continuing connected transactions on the part of the Company under Chapter 20 of the GEM Listing Rules.

According to Rule 20.41 of the GEM Listing Rules, where a pre-existing agreement entered into by the Company involving continuing transactions and such transactions subsequently become continuing connected transactions, the Company shall, immediately upon become aware of the fact, comply with all applicable reporting and disclosure requirements in respect of all such continuing connected transactions.

For the CCC Tenancy Agreement, as the relevant amount is less than HK\$10,000,000 and the relevant percentage ratio is less than 25%, the CCC Tenancy Agreement should have only been subject to reporting and announcement requirements under the GEM Listing Rules and exempt from the Independent Shareholders’ approval requirement pursuant to Rule 20.32 of the GEM Listing Rules.

While preparing the Company's financial statements for the 6 months ended 30 September 2008, the Directors note that the Company had failed to comply with the relevant requirements of the GEM Listing Rules in respect of the Agreements entered into by CCP due to inadvertent oversight by the Directors.

As at the date of entering into the Agreements, CCP has not yet or has only recently become a subsidiary of the Company. As it took time for the management to review all the agreements previously entered into by CCP, a then newly acquired subsidiary, as well as to obtain information regarding the background of each of the business partners of CCP, it was only the first available opportunity for the Directors to reveal the connected nature of the Agreements. Immediately after becoming aware of the incident, the Board has made an enquiry with the legal adviser to the Company as to the requirements under the GEM Listing Rules in this regard. The Company was later informed that each of the Agreements has fall within the definition of continuing connected transaction under Chapter 20 of the GEM Listing Rules and that the Company had not complied in full with the applicable GEM Listing Rules requirements. In the circumstances, the Company has immediately requested its legal adviser to brief and explain the relevant requirements under the GEM Listing Rules and has taken all initiatives to comply with Rule 20.41 of the GEM Listing Rules to arrange for reporting and disclosure of those continuing connected transactions.

Further, pursuant to the Supplemental Agreements subsequently entered into by CCP and each of HTD, BTT and CCC respectively on 24 November 2008, as the relevant percentage ratio for each of the Supplemental Agreements have exceeded 25%, the Supplemental Agreements shall be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rules 20.35 of the GEM Listing Rules.

CHANGE OF AUDITORS

The Board announces that due to unintentional inadvertence, the Company has failed to announce that Baker Tilly Hong Kong ("**Baker Tilly**") has resigned as the auditors of the Group with effect from 28 July 2008. The Board has appointed RSM Nelson Wheeler as the auditors of the Company to fill the causal vacancy following the resignation of Baker Tilly. The appointment of new auditors is subject to the approval by the Shareholders at an extraordinary general meeting.

Baker Tilly has confirmed that there were no matters that needed to be brought to the attention of the Shareholders. Moreover, the Board was not aware of any matters, including any disagreement or any unresolved issues between the Group and Baker Tilly that should be brought to the attention of the shareholders and creditors of the Group in relation to the resignation of Baker Tilly.

The reason for the change of the Company's auditors is due to the fact that RSM Nelson Wheeler was the reporting accountant of the Group for the Acquisition, and engagement of RSM Nelson Wheeler helps the Group to be more familiar with the business of CCP which the Board considers it to be in the interests of the Shareholders as a whole.

A notice convening an extraordinary general meeting to approve the appointment of RSM Nelson Wheeler as the auditors of the Company will be despatched to the Shareholders as soon as possible.

GENERAL

An EGM will be held to approve the Supplemental Agreements (including but not limited to the annual caps) and the transaction contemplated thereunder by the Independent Shareholders by way of poll. An Independent Board Committee, comprising Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Supplemental Agreements (including but not limited to the annual caps) and all the transactions contemplated thereunder. Nuada Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

CCI and their respective associates, are in aggregate, interested in 220,542,000 Shares, representing approximately 27.49% of the total issued Shares of the Company of 802,286,761 Shares as at the date of this announcement and are required to abstain from voting in respect of the Supplemental Agreements (including but not limited to the annual caps) and the transaction contemplated thereunder at the forthcoming EGM. Save as disclosed, no other Shareholders have material interest in the Supplemental Agreement and the transactions contemplated thereunder and are required to abstain from voting in respect of the approval of the Supplemental Agreement (including but not limited to the annual caps) and the transactions contemplated thereunder at the forthcoming EGM.

A circular containing, among other matters, further information on (i) the Supplemental Agreements (including but not limited to the annual caps), (ii) the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, (iii) the letter from the Independent Board Committee to the Independent Shareholders, (iv) the change of auditors and (v) the notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions, shall have the following meanings:

“Acquisition”	the acquisition by the Company of 75% equity interest in CCP from CCI pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 1 November 2007 entered into between Favor Grow Holdings Limited, a wholly-owned subsidiary of the Company, and China Communication Investment Ltd, in relation to the acquisition of 75% equity interest in CCP
“Agreements”	altogether, the BTT Web Advertising Agreement, the CCC Tenancy Agreement, the CCC Web Advertising Agreement, the HTD Naming-Right Sponsorship Agreement and the HTD Web Advertising Agreement

“associate(s)”	shall have the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“BTT”	北京天地融合科技有限公司 (Beijing Tiandironghe Technology Company Limited*), a company established under the laws of the PRC, is an indirect wholly-owned subsidiary of CCC
“BTT Web Advertising Agreement”	the web advertising agreement dated 29 September 2007 and entered into between CCP and BTT in relation to the provision of advertising space by CCP to BTT
“CCC”	神州通信有限公司 (China Communication Co., Ltd), a company established under the laws of the PRC
“CCC Tenancy Agreement”	the tenancy agreement dated 1 June 2008 entered into between CCC as landlord and CCP as tenant in relation to a property in Beijing, PRC
“CCC Web Advertising Agreement”	the web advertising agreement dated 19 March 2008 and entered into between CCP and CCC in relation to the provision of advertising space by CCP to CCC
“CCI”	神州通信投資有限公司 (China Communication Investment Ltd.), a company incorporated in the British Virgin Islands with limited liability, is 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, is a non-wholly owned subsidiary of the Company
“Company”	China Cyber Port (International) Company Limited, a company incorporated in the Cayman Islands with limited liability with its issued share capital listed on GEM
“connected person(s)”	shall have the meaning as ascribed to it under the GEM Listing Rules
“Directors”	directors (including independent non-executive directors) of the Company
“EGM”	an extraordinary general meeting to be convened by the Company to approve, inter alia, the Supplemental Agreements and annual caps for the transactions contemplated thereunder

“GEM”	the Growth Enterprises 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
“HTD”	黑龍江天地數碼科技有限公司 (Heilongjiang Tiandi Digital Technology Company Limited*), a company established under the laws of the PRC
“HTD Naming-Right Sponsorship Agreement”	the naming-right sponsorship agreement dated 1 March 2008 and entered into between CCP and HTD in relation to the acquisition of naming rights by HTD of certain computer and online game tournaments to be organised by CCP
“HTD Web Advertising Agreement”	the web advertising agreement dated 29 September 2007 and entered into between CCP and HTD in relation to the provision of advertising space by CCP to HTD
“Independent Board Committee”	a committee comprising Mr. Yip Tai Him, Ms. Cao Huifang and Ms. Liu Hong, all being the independent non-executive Directors, established to advise the Independent Shareholders in relation to the Supplemental Agreements and all the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than BTT, CCC and HTD and Shareholders who are connected to or otherwise associated with BTT, CCC and HTD or interested in the Supplemental Agreements other than being a Shareholder of the Company
“Mr. He”	Mr. He Chenguang, the chairman and an executive Director, and a substantial shareholder of HTD
“Mr. Bao”	Mr. Bao Yueqing, a director of CCP and a substantial shareholder of HTD
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	altogether, the Supplemental BTT Advertising Agreement, the Supplemental CCC Advertising Agreement, the Supplemental HTD Advertising Agreement and the Supplemental HTD Naming-Right Sponsorship Agreement
“Supplemental BTT Advertising Agreement”	the supplemental agreement dated 24 November 2008 entered into by BTT and CCP to supplement certain terms in the BTT Web Advertising Agreement
“Supplemental CCC Advertising Agreement”	the supplemental agreement dated 24 November 2008 entered into by CCC and CCP to supplement certain terms in the CCC Web Advertising Agreement
“Supplemental HTD Advertising Agreement”	the supplemental agreement dated 24 November 2008 entered into by HTD and CCP to supplement certain terms in the HTD Web Advertising Agreement
“Supplemental HTD Naming-Right Sponsorship Agreement”	the supplemental agreement dated 24 November 2008 and entered into by HTD and CCP to supplement certain terms in the HTD Naming-Right Sponsorship Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 4 December 2008

* *For identification purpose only*

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

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 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 Group. 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.