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*This announcement, for which the directors of CyberM International (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to CyberM International (Holdings) Limited. 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 aspects 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 (if any) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



**CyberM International (Holdings) Limited**  
**美域數碼國際(控股)有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 8017)

**ANNOUNCEMENT**  
**AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board hereby announces that on 14th July, 2005, Cherry Oasis entered into the Marketing Agreement whereby Cherry Oasis was appointed by the Sole Operator of the VIP Lounge as the exclusive service provider for the provision of Rolling and Settlement Service for the customers of the VIP Lounge.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 14th July, 2005 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 15th July, 2005.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

**The Marketing Agreement**

The Board announces that on 14th July, 2005, Cherry Oasis, an indirect wholly owned subsidiary of the Company, entered into the Marketing Agreement whereby Cherry Oasis has been appointed by the Sole Operator of the VIP Lounge, as the exclusive service provider for the provision of Rolling and Settlement Service for customers of the VIP Lounge. The Board understands that the VIP Lounge has been in operation since July 2004 and there are 3 gaming

tables at the VIP Lounge. So far as the Directors are aware, the Sole Operator of the VIP Lounge has applied, through a newly incorporated Macau company controlled by the Sole Operator of the VIP Lounge, for registration as a licensed operator under Administrative Rule 6/2002 (第6/2002號行政法規) of Regulations Relating to Licensing of Junket Promoters in Macau.

Under the Marketing Agreement, which is expected to commence on or about 1st August, 2005, Cherry Oasis shall provide Rolling and Settlement Services for customers of the VIP Lounge for a term of three years commencing from the date of the Marketing Agreement with an option to renew the term for another three years. Cherry Oasis will not be involved in the direct operation or management of the VIP Lounge.

In consideration for the services provided by Cherry Oasis, Cherry Oasis shall be entitled to receive the Management Fee. The Management Fee is based upon the rolling turnover of the VIP Lounge (being the amount of non-negotiable gambling chips acquired by Cherry Oasis on behalf of customers of the VIP Lounge less the amount of non-negotiable chips redeemed by Cherry Oasis on behalf of customers of the VIP Lounge) and is based on accounts prepared by Cherry Oasis computed on a daily basis, which is verified together with representatives of the Sole Operator of the VIP Lounge at the end of each day.

The Marketing Agreement is terminable by either party by giving of 6 months' notice in writing to the other. Pursuant to the Marketing Agreement, the Sole Operator of the VIP Lounge has agreed to indemnify Cherry Oasis for any losses and/or costs incurred in relation or incidental to the Marketing Agreement in the event that, during the term of the Marketing Agreement, its appointment as the sole operator of the VIP Lounge is terminated thereby leading to early termination of the Marketing Agreement.

No consideration is payable by Cherry Oasis under the Marketing Agreement and Cherry Oasis has not given any guarantee to anyone including the Sole Operator of the VIP Lounge on the amount of Rolling and Settlement Services which can be generated at the VIP Lounge. There are no conditions that need to be fulfilled by Cherry Oasis prior to the commencement of the Marketing Agreement. There are no obligations that have to be undertaken by Cherry Oasis under the Marketing Agreement.

### **Experience of Management**

The Board has been conducting a due diligence exercise on the rolling and settlement services industry in Macau in the last several months in order to ascertain the rolling turnover which can be generated for the Company from such business. A due diligence exercise had also been conducted by the Company on the proposed provision of the Rolling and Settlement Services by Cherry Oasis and the Board is of the view that such service is legal. The Company had, on 22nd June, 2005, appointed Mr. Lai Cho Wai (a then independent third party who is not a connected person of the Company (as that term is defined in the GEM Listing Rules)) as a director of the Company. Mr. Lai has extensive experience in casino management having been an executive manager of the JADE VIP Lounge in the Jai Alai Casino in Macau since 1996. With Mr. Lai's experience and the Board's business acumen, the Board believes that it can successfully expand into the gaming industry.

## **Existing Business**

The principal business of the Group is the trading of software and hardware equipment, lease of software licences and provision of consultancy services. The Group will continue to carry on such business following the entering into of the Marketing Agreement. The Board believes that the entering into of the Marketing Agreement would diversify the Group's business and add an additional income stream to the Group.

## **Risk Factors**

- (i) The Group has no experience in the provision of Rolling and Settlement Services and although the Board has appointed a director, namely Mr. Lai Cho Wai, with relevant experience and further staff with such experience will be appointed, there is no assurance that the Group will be successful in this business.
- (ii) The Group does not currently have a network of junket operators to provide the Rolling and Settlement Services to the VIP Lounge. The Group will appoint a junket network to provide this service and such appointments will lead to the Group incurring costs and expenses. However, any expenses and costs incurred is expected to be covered by the Management Fee.
- (iii) The income of Cherry Oasis relies on its ability to procure customers to the VIP Lounge and if it fails to procure any rolling turnover for the term of the Marketing Agreement and Cherry Oasis cannot obtain its fees under the Marketing Agreement during the entire term, the Group may not be able to generate income from this business.
- (iv) The provision of junket business in Macau is competitive in general. There is no guarantee that targeted players of the VIP Lounge will not be lured away by other junket operators.
- (v) The Marketing Agreement will automatically terminate if the appointment of the Sole Operator of the VIP Lounge is terminated by the Casino. There is no assurance that the Sole Operator of the VIP Lounge's appointment will not be terminated. However, the Sole Operator of the VIP Lounge has agreed to indemnify Cherry Oasis for any losses in the event that the appointment of the Sole Operator of the VIP Lounge is terminated prior to the expiry of the term of the Marketing Agreement.
- (vi) Money laundering involves conduct or acts designed in whole or in part to conceal or disguise the nature, location, source, ownership, movement or control of money to avoid a transaction reporting requirement under applicable national and international laws or to disguise the fact that the money was acquired by illegal means.

The VIP Lounge may fail to detect money laundering transactions. In the event that the gaming tables at the VIP Lounge becomes the target for carrying out money laundering, the Rolling and Settlement Services provided by Cherry Oasis may possibly be affected and/or interrupted.

Despite the risks involved in the proposed rolling and settlement service to be conducted by Cherry Oasis, the Board believes that it is worthwhile to enter into the Marketing Agreement given:

- (i) the fact that no cash outlay has been or will be made by the Group to acquire the rights pursuant to the Marketing Agreement;
- (ii) the Management Fee can create a new income stream for the Group; and
- (iii) an indemnity has been provided by the Sole Operator of the VIP Lounge to Cherry Oasis as mentioned herein.

The Board (including the independent non-executive directors) is of the view that the entering into of the Marketing Agreement is in the interest of the Company and its shareholders as a whole.

### **Implication of the Laws of Hong Kong and the GEM Listing Rules and relevant rules in other jurisdiction**

The operation of the activities at the VIP Lounge will take place outside Hong Kong, which are beyond the legal restrictions of Hong Kong. The Board considers that none of the activities to be carried out pursuant to the Marketing Agreement will constitute unlawful activities under the laws of Hong Kong, including the Gambling Ordinance (Chapter 148 of the Laws of Hong Kong). The Company will use its reasonable endeavour to ensure that throughout the term of the Marketing Agreement, Cherry Oasis will comply with the applicable Macau laws in the relevant jurisdiction. The Company has been advised by Hong Kong legal advisers that the transactions contemplated by the Group pursuant to the Marketing Agreement do not contravene the Gambling Ordinance of Hong Kong. The Company has been advised by Macau legal advisers that the services to be provided by Cherry Oasis pursuant to the Marketing Agreement do not contravene relevant Macau laws.

Shareholders are reminded that, in accordance with the Stock Exchange's guidelines in relation to "Gambling Activities Undertaken by Listing Applicants and/or Listed Issuers", should the Company and its subsidiaries be in breach of any laws or regulations of Hong Kong and fails to comply with the applicable laws in the areas where such activities operate, the Stock Exchange may, depending on the circumstances of the case, direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, Shares under the GEM Listing Rules. If the Company cannot take the requisite remedial action in the circumstance aforementioned, it is the Company's intention to maintain active trading and listing status of the Shares through the Group's existing business and divest its provision of Rolling and Settlement Services business in accordance with applicable laws and regulations.

### **Resumption of Trading**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 14th July, 2005 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 15th July, 2005.

## Definitions

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

“Board”	board of Directors
“Casino”	Galaxy Casino in Waldo Hotel in Macau
“Cherry Oasis”	Cherry Oasis (Macau) Limited, an indirect wholly owned subsidiary of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Management Fee”	a monthly management fee calculated at 1.18% of the total rolling turnover of the VIP Lounge to be received by Cherry Oasis under the Marketing Agreement
“Marketing Agreement”	the agreement dated 14th July, 2005 entered into between Cherry Oasis and the Sole Operator of the VIP Lounge under which the Sole Operator of the VIP Lounge has appointed Cherry Oasis as its sole and exclusive service provider for the provision of Rolling and Settlement Service for the customers of the VIP Lounge at the Casino
“Rolling and Settlement Services”	the provision of services involving the exchanging of non-negotiable gambling chips of the customers of the VIP Lounge at the Casino where no money in any form is settled by Cherry Oasis in its own capacity and provided always that such non-negotiable gambling chips are given to the customers against (i) production of a bank-in slip demonstrating equivalent amount of money having been deposited in the designated accounts of the Casino; or (ii) cash payment of equivalent sum having been received by Cherry Oasis; or (iii) cash gambling chips of equivalent sum having been received by Cherry Oasis
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“Sole Operator of the VIP Lounge”	Mr. Iong Io Hong, an independent third party who is not a connected person of the Company (as that term is defined in the GEM Listing Rules)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“VIP Lounge”	the VIP lounge named Emperor V. I. P. Club at the Casino in Macau

Made by the order of the Board of CyberM International (Holdings) Limited, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board  
**CyberM International (Holdings) Limited**  
**Lau Chiu Pui**  
*Chairman*

Hong Kong, 14th July, 2005

*As at the date hereof, the executive Directors are Mr. Lau Chiu Pui and Ms. Chan Pui Fong, Trish and Mr. Lai Cho Wai; the non-executive Director is Mr. Chiu Raymond Yim; and the independent non-executive directors are Mr. Chan Wai Choi, Glenn, Ms. Kwan Ngan Hing, Edith and Mr. Cheong Ngai Ming David.*

*This announcement will appear on the “Latest Company Announcement” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of this posting.*