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PACIFIC ONLINE LIMITED

太平洋網絡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 543)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF PROPERTY**

The Board is pleased to announce that on 24 June 2013, GZP Computer, an indirect wholly-owned subsidiary of the Company, as the purchaser entered into the Pre-Sale Agreement with Shanghai Huatian as the vendor, pursuant to which GZP Computer agreed to purchase and Shanghai Huatian agreed to sell the Property, by way of pre-sale prior to the completion of the construction of the Project, at the Consideration.

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition contemplated under the Pre-Sale Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

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THE PRE-SALE AGREEMENT

Date : 24 June 2013

Parties : GZP Computer (as purchaser)

Shanghai Huatian (as vendor)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Shanghai Huatian and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Property : 10th Floor, Block 2 of Huaxin Center, No.711 Yishan Road, Xuhui District, Shanghai City, the PRC (中國上海市徐匯區宜山路711號華鑫中心2幢第10層), with an estimated total gross area of approximately 1,884 square metres.

Pursuant to the Pre-Sale Agreement, GZP Computer will purchase and Shanghai Huatian will sell the Property upon the terms contained therein and the Formal Agreement will be entered into after the Property is constructed to a salable standard which is expected to take place no later than 31 October 2013.

The Property is designated for commercial use and will be used by the Group as one of its office premises.

Currently, the Project where the Property is situated is still under construction and development by Shanghai Huatian, and is expected to be completed by 30 June 2014. The Property will be custom-made by Shanghai Huatian according to the specific requirements and standards provided by GZP Computer at no additional charges, provided that such custom-made requirements and standards shall be in compliance with the overall planning and construction standards of the Project. GZP Computer shall pay the Custom Made Deposit within three days upon signing of the Pre-Sale Agreement, which will automatically be regarded as the initial deposit for the Acquisition upon signing of the Formal Agreement.

If the Formal Agreement is not entered into on or before 31 October 2013 due to reasons attributable to Shanghai Huatian, GZP Computer has the right to terminate the Pre-Sale Agreement and the Custom Made Deposit shall be refunded by Shanghai Huatian to GZP Computer without interest.

Consideration and Payment Terms

The Consideration for the Acquisition was arrived at after arm's length negotiation between GZP Computer and Shanghai Huatian with reference to the selling prices of neighbouring properties which are located in brand new buildings similar to the Property. The Consideration shall be satisfied by the internal resources of the Group and payable by GZP Computer according to the following payment schedule:

- (a) the Custom Made Deposit will be paid by GZP Computer within three days upon signing of the Pre-Sale Agreement;
- (b) an amount of RMB30,426,600 (equivalent to approximately HK\$38,033,250) (representing 50% of the Consideration) will be paid by GZP Computer within three days upon signing of the Formal Agreement;
- (c) an amount of RMB12,170,640 (equivalent to approximately HK\$15,213,300) (representing 20% of the Consideration) will be paid by GZP Computer after signing of the Formal Agreement but on or before 15 December 2013; and
- (d) the remaining balance will be paid by GZP Computer on or before 31 January 2014.

The Directors, having taken into account the convenient location of the Property, the brand new development of the Property, and the prevailing market value of comparable properties in the same area in Shanghai, consider that the Acquisition at the Consideration is in the interests of the Company and its Shareholders as a whole.

Delivery, Inspection and Acceptance

The Property shall be delivered to GZP Computer for inspection and acceptance on or before 30 June 2014, failing which Shanghai Huatian shall pay penalty to GZP Computer at the rate of RMB10,000 per day.

REASONS FOR THE ACQUISITION

The Company is currently leasing flats in Shanghai as its office premises. The Directors consider that the Property is at a very good location of the commercial district and the Company intends to use the Property as one of the Group's office premises. By establishing its own office premises, the Company is able to save rental cost and avoid the adverse effect to its operation in moving offices and conducting renovation work frequently. The Company believes that it is in the long term benefit to the Company's development to acquire its own permanent office premises. The Acquisition is also in the commercial interest of the Group.

The Directors believe that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COUNTERPARTY

The Group is principally engaged in provision of internet advertising services in the PRC, which currently operates six vertically-integrated portals, including PConline, PCauto, PCgames, PClady, PCbaby and PChouse that offer specialised content relating to key industries such as IT-related products, automobiles, PC games, women lifestyle-related topics, parenting related issues and home decoration.

To the best of the Directors' knowledge, information and belief, Shanghai Huatian is a company engaged in property development business.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Acquisition is more than 5% but less than 25%, the Acquisition contemplated under the Pre-Sale Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

None of the Directors have any material interests in the Acquisition thus no Directors were required to abstain from voting on the Board resolutions for approving the aforesaid transaction.

DEFINITIONS

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

- “Acquisition” means the acquisition of the Property by GZP Computer from Shanghai Huatian pursuant to the terms and conditions of the Pre-Sale Agreement;
- “Board” the board of Directors;

“Company”	Pacific Online Limited (太平洋網絡有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules;
“Consideration”	approximately RMB60,853,200 (equivalent to approximately HK\$76,066,500), being the total price for purchasing the Property from Shanghai Huatian pursuant to the terms and conditions of the Pre-Sale Agreement;
“Custom Made Deposit”	the amount of RMB1,000,000 (equivalent to approximately HK\$1,250,000), being the deposit for custom-made construction of the Property according to the specific requirements and standards provided by GZP Computer, which will automatically be regarded as the initial deposit for the Acquisition upon signing of the Formal Agreement;
“Director(s)”	the director(s) of the Company;
“Formal Agreement”	means the formal agreement for the sale and purchase of the Property to be entered into between GZP Computer and Shanghai Huatian, which is expected to take place on or before 31 October 2013;
“Group”	the Company and its subsidiaries;
“GZP Computer”	廣州太平洋電腦信息諮詢有限公司 (Guangzhou Pacific Computer Information Consulting Co., Ltd.*), a limited liability company incorporated in the PRC on 7 November 1997 and an indirect wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratios”	has the same meaning as ascribed to this term under Chapter 14 of the Listing Rules;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“Pre-Sale Agreement”	the agreement dated 24 June 2013 entered into between Shanghai Huatian as vendor and GZP Computer as purchaser in relation to the sale and the purchase of the Property by way of pre-sale prior to the completion of the construction of the Project;
“Project”	the development of the building at which the Property will be located, being Huaxin Center, No.711 Yishan Road, Xuhui District, Shanghai City, the PRC (中國上海市徐匯區宜山路711號華鑫中心);

“Property”	10th Floor, Block 2 of Huaxin Center, No.711 Yishan Road, Xuhui District, Shanghai City, the PRC (中國上海市徐匯區宜山路711號華鑫中心2幢第10層);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Huatian”	上海華田置業有限公司(Shanghai Huatian Property Purchase Co., Ltd. *), a company incorporated in the PRC with limited liability;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

In this announcement, amount quoted in HK\$ have been converted into RMB at the rate of RMB1 to HK\$1.25. Such exchange rate has been used where applicable, for the purposes of illustration only and does not constitute a representation that any amount were or may have been exchanged at this or any other rates or at all.

On behalf of the Board
Lam Wai Yan
Chairman

Hong Kong, 24 June 2013

As at the date of this announcement, the Board comprises 4 executive directors, namely, Mr. Lam Wai Yan, Mr. Ho Kam Wah, Mr. Wang Ta-Hsing and Ms. Zhang Cong Min; and 3 independent non-executive directors, namely, Mr. Tsui Yiu Wa, Alec, Mr. Thaddeus Thomas Beczak and Mr. Chan Chi Mong, Hopkins.

* *for identification purposes only*