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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)

**VOLUNTARY ANNOUNCEMENT —
NEW CONTRACTUAL ARRANGEMENT
UNDER THE PCHOUSE STRUCTURE CONTRACTS**

THE PCHOUSE STRUCTURE CONTRACTS

The Board is pleased to announce that on 1 August 2018, the PChouse Structure Contracts were entered into among GZYR Technology, GZ Yingyou, the GZ Yingyou Shareholders and GZ Shangcong Online, pursuant to which the Company will operate its online business relating to the PChouse Portal through GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising. The PChouse Structure Contracts were entered into for the purpose of offering a separate framework for the business and operation of the PChouse Portal, in view of its popularity, growing prospect and for attracting different group of investors for the Group's future development and expansion.

As a result of the PChouse Structure Contracts, the Group is able to recognize and receive the economic benefit of the business and operations of the Domestic Entities. The PChouse Structure Contracts are also designed to provide the Company with effective control over and (to the extent permitted by PRC law) the right to acquire the equity interests of GZ Yingyou Shareholders in GZ Yingyou and the equity interests of GZ Yingyou in, or assets of, GZ Shangcong Online.

LISTING RULES IMPLICATION

In preparation for the Listing, the Company has sought, and the Stock Exchange has granted, the waiver (the “**Waiver**”) from strict compliance with the applicable reporting, announcement and independent shareholders’ approval requirements relating to the annual caps, three years term and fee terms of Chapter 14A of the Listing Rules in connection with the continuing connected transactions involving the Group in the form of the Existing Structure Contracts subject to the Conditions (the “**Conditions**”). The Conditions include, among others, that on the basis that the Existing Structure Contracts provide an acceptable framework for the relationship between the Company and its subsidiaries on the one hand, and GZ Yingxin and GDP Internet, on the other hand, that framework may be renewed and/or “cloned” upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company that the Group may wish to establish, without obtaining the approval of the Shareholders.

The Directors are of the view that pursuant to the Conditions and on the basis that the PChouse Structure Contracts, though entered into among different parties, have terms and conditions substantially the same as those of the Existing Structure Contracts, is merely a clone of the Existing Structure Contracts. The differences between the PChouse Structure Contracts and the Existing Structure Contracts are only due to the Company’s voluntary compliance with the more updated and stringent requirements set out in the listing decision handed down by the Stock Exchange subsequent to the Existing Structure Contracts, which are more beneficial to the Shareholders as a whole. As such, the Directors are of the view that the contractual arrangement underlying the PChouse Structure Contracts is in compliance with the Conditions under which the Waiver was granted in respect of the Existing Structure Contracts.

As such, the Company has sought, and the Stock Exchange has provided confirmation that:

- the PChouse Structure Contracts will be exempt from the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules; and
- the transactions between the Company and each of GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising relating to the PChouse Structure Contracts will be exempt from the continuing connected transaction requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 1 August 2018, the PChouse Structure Contracts were entered into among GZYR Technology, GZ Yingyou, the GZ Yingyou Shareholders and GZ Shangcong Online, pursuant to which the Company will operate its online business relating to the PChouse Portal (as defined below) through GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising.

BACKGROUND

As disclosed in the section headed “Structure Contracts” in the Prospectus, due to the limitation of applicable PRC laws and regulations on foreign ownership of companies that provide internet content services, the Group conducts its internet multi-portals and online advertising business through GDP Internet under the Existing Structure Contracts. The Group does not have direct ownership of GZ Yingxin, whose sole purpose is to hold the entire interest in GDP Internet, the operating ICP company. As a result of the Existing Structure Contracts, the Group has contractual arrangements with GDP Internet, GZ Yingxin and the GZ Yingxin Shareholders that allow the Group to effectively control GZ Yingxin and GDP Internet and therefore recognise and receive the economic benefit of the business and operation of GDP Internet.

In preparation for the Listing, the Company has sought, and the Stock Exchange has granted, a Waiver from strict compliance with the applicable reporting, announcement and independent shareholders’ approval requirements relating to the annual caps, three year term and fee terms of Chapter 14A of the Listing Rules in connection with the continuing connected transactions involving the Group in the form of the Existing Structure Contracts as referred to in the Prospectus on a number of Conditions. The Conditions include, among others, that on the basis that the Existing Structure Contracts provide an acceptable framework for the relationship between the Company and its subsidiaries on the one hand, and GZ Yingxin and GDP Internet, on the other hand, that framework may be renewed and/or “cloned” upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company that the Group may wish to establish, without obtaining the approval of the Shareholders.

On 30 June 2015, the PClady Structure Contracts, essentially a clone to the Existing Structure Contracts with necessary amendments for compliance with the requirements set out in the then listing decision by the Stock Exchange updated subsequent to the Structure Contracts, were entered into among GZFW Technology, GZ Yingyue, the GZ Yingyue Shareholders and GZS Internet, for the purpose of providing a separate framework for the PClady Portal for the business and operation, possible corporate financing and business expansion. As a result of the PClady Structure Contracts, the Group has been able to receive the economic benefit of the business and operations of GZ Yingyue, GZS Internet and GZS Advertising, and to have effective control over and the right to acquire the equity interests in GZ Yingyue and GZS Internet. Before the entering into the PClady Structure Contracts, the Stock Exchange confirmed the application of Waiver on the PClady Structure Contracts.

The Group currently operates portals of POnline (www.ponline.com.cn), PCauto (www.pcauto.com.cn), PCBaby (www.pcbaby.com.cn), PChouse (www.pchouse.com.cn) through GDP Internet and the portal of PClady (www.pclady.com.cn) through GZS

Internet. The corporate structure of the Group under both the Existing Structure Contracts and the PClady Structure Contracts is set out in Schedule A of this announcement.

THE NEW CONTRACTUAL ARRANGEMENT AND REASONS FOR ENTERING INTO OF THE PCHOUSE STRUCTURE CONTRACTS

The Company envisaged that one of its existing portals, PChouse (www.pchouse.com.cn) (the “**PChouse Portal**”) which is specialized in home decoration and related issues, would be able to attract different and specific group of investors due to increasing popularity and revenue-generating ability of the PChouse Portal. For the purpose of future corporate financing and business expansion, it is proposed that the Company shall undertake a separate framework for the PChouse Portal in the PChouse Structure Contracts.

The PChouse Structure Contracts were entered into among GZYR Technology, the wholly-owned subsidiary of the Company, GZ Yingyou, GZ Yingyou Shareholders and GZ Shangcong Online.

The Directors are of the view that the PChouse Structure Contracts is merely a clone of the Existing Structure Contracts and the PClady Structure Contracts, with additional provisions to comply with the most updated and more stringent requirements set out by the Stock Exchange, to strengthen the Group’s management control over GZ Yingyou and GZ Shangcong Online, to confer the relevant rights upon the Group over the assets and economic benefits of GZ Yingyou and GZ Shangcong Online, and to grant the right to acquire the equity interests and/or assets of GZ Yingyou and GZ Shangcong Online to the extent permitted by PRC laws and regulations. Corporate structure of the Group after the entering into the PChouse Structure Contracts was set out in Schedule B of this announcement.

THE PCHOUSE STRUCTURE CONTRACTS

1. Exclusive Management Consultation Service Agreement

Pursuant to the Exclusive Management Consultation Service Agreement entered into by GZYR Technology and GZ Shangcong Online on 1 August 2018, GZYR Technology agrees to provide management and consultation services to GZ Shangcong Online in return for payment of a fixed annual consultancy services fee and an annual floating fee to be mutually agreed between the parties, calculated on the basis of the scope of management and consulting services rendered and time incurred to provide such services. In addition, without prior written consent from GZYR Technology, GZ Shangcong Online shall not receive any other management or consultation service with the same or similar nature from other third parties. All intellectual property rights arising from or in relation to the performance of the Exclusive Management Consultation Service Agreement shall belong to GZYR Technology.

The Exclusive Management Consultation Service Agreement is for a term of 10 years commencing from the date of signing of the agreement, and can be extended at the discretion of GZYR Technology. The Exclusive Management Consultation Service Agreement can be unilaterally terminated by GZYR Technology. GZ Shangcong Online is not contractually entitled to terminate the Exclusive Management Consultation Service Agreement.

2. Exclusive Technical Support and Technical Service Agreement

Pursuant to the Exclusive Technical Support and Technical Service Agreement entered into by GZYR Technology and GZ Shangcong Online on 1 August 2018, GZYR Technology agrees to provide certain technical support and technical service to GZ Shangcong Online in return for payment of a fixed annual service fee and an annual floating fee to be mutually agreed between the parties, calculated on the basis of the scope of technical support and services rendered and time incurred to provide such services. In addition, without prior written consent from GZYR Technology, GZ Shangcong Online shall not receive any other management or consultation service with the same or similar nature from other third parties. All intellectual property rights arising from or in relation to the performance of the Exclusive Technical Support and Technical Service Agreement shall belong to GZYR Technology.

The Exclusive Technical Support and Technical Service Agreement is for a term of 10 years commencing from the date of signing of the agreement, and can be extended at the discretion of GZYR Technology. The Exclusive Technical Support and Technical Service Agreement can be unilaterally terminated by GZYR Technology. GZ Shangcong Online is not contractually entitled to terminate the Exclusive Technical Support and Technical Service Agreement.

3. Strategic Co-operation Agreement

Pursuant to the Strategic Co-operation Agreement entered into among GZYR Technology, GZ Yingyou, GZ Yingyou Shareholders and GZ Shangcong Online on 1 August 2018, GZYR Technology, in its sole discretion, can provide guarantee for any obligations undertaken by GZ Shangcong Online in any business-related contract. In return, GZ Shangcong Online, GZ Yingyou and GZ Yingyou Shareholders agree to appoint designated representatives of GZYR Technology to the management team of GZ Shangcong Online and GZ Yingyou respectively, including but not limited to, the legal representative, directors, general managers, chief financial officer and other senior management. This arrangement is to prevent GZ Shangcong Online and GZ Yingyou from taking certain actions that may have material adverse effects on the operation of GZ Shangcong Online, including incurring any indebtedness, lending and, selling or transferring any assets to any third parties, without the prior written consent of GZYR Technology.

The Strategic Co-operation Agreement is for a term of 10 years commencing from the date of signing of the agreement and can be extended at the discretion of GZYR Technology. The Strategic Co-operation Agreement may be terminated unilaterally by GZYR Technology.

4. Domain Name Pledge Agreement

Pursuant to the Domain Name Pledge Agreement entered into by GZ Shangcong Online in favour of GZYR Technology on 1 August 2018, GZ Shangcong Online agrees to pledge all of its domain names to GZYR Technology in order to secure its obligations under the Exclusive Management Consultation Service Agreement, the Exclusive Technical Support and Technical Service Agreement, the Strategic Co-operation Agreement and the Call Option Agreement. Further, GZ Shangcong Online undertakes and warrants that it will not transfer or encumber in any form the domain names without the prior written consent of GZYR Technology.

The Domain Name Pledge Agreement can be terminated unilaterally by GZYR Technology.

5. Call Option Agreements

Each of GZ Yingyou, the GZ Yingyou Shareholders and GZ Shangcong Online has entered into a Call Option Agreement with GZYR Technology on 1 August 2018, pursuant to which:

- (i) GZYR Technology is entitled to exercise an exclusive and irrevocable option to purchase (i) all or any of the equity interests held by GZ Yingyou Shareholders in GZ Yingyou and/or (ii) all or any of the equity interests held by GZ Yingyou in GZ Shangcong Online at the lowest price permitted under the PRC law;
- (ii) each of the GZ Yingyou Shareholders and GZ Yingyou undertakes that they will return to GZYR Technology any proceeds they will receive upon the exercise of the aforesaid irrevocable option;
- (iii) each of the GZ Yingyou Shareholders and GZ Yingyou warrants and undertakes not to sell, transfer, dispose or encumber his/its respective equity interests in GZ Yingyou and GZ Shangcong Online in any form to any third party, and GZ Shangcong Online further warrants and undertakes that its legal or equitable assets will not be sold or transferred or disposed or encumbered in any form without the prior written consent of GZYR Technology; and
- (iv) each of the GZ Yingyou Shareholders and GZ Yingyou agrees to execute an irrevocable power of attorney in favour of the individual appointed by GZYR Technology, who will be authorised to exercise full power and authority of all shareholder's rights in GZ Yingyou and GZ Shangcong Online as permitted under the respective articles of association as permitted under PRC laws.

The Call Option Agreements are for an indefinite term commencing on 1 August 2018, being the date of the agreements, until it is terminated (i) upon transfer of the equity interest held by GZ Yingyou Shareholders in GZ Yingyou and/or GZ Yingyou in GZ Shangcong Online to GZYR Technology; or (ii) by any other agreements between the parties.

6. Equity Pledge Agreements

Each of GZ Yingyou, the GZ Yingyou Shareholders and GZ Shangcong Online has entered into an Equity Pledge Agreement with GZYR Technology, pursuant to which each of the GZ Yingyou Shareholders and GZ Yingyou agrees to pledge all of his/its respective equity interests in GZ Yingyou and GZ Shangcong Online to GZYR Technology to secure all his/its obligations and the obligations of GZ Shangcong Online under the Exclusive Management Consultation Service Agreement, the Exclusive Technical Support and Technical Service Agreement, the Strategic Co-operation Agreement and the Call Option Agreements. GZYR Technology is entitled to exercise its right to dispose of the pledged equity interest of GZ Yingyou or GZ Shangcong Online on the occurrence of any breach of or failure to perform the obligations by the GZ Yingyou Shareholders, GZ Yingyou or GZ Shangcong Online under the aforesaid agreements. In addition, each of the GZ Yingyou Shareholders and GZ Yingyou has undertaken to GZYR Technology, among other things, not to transfer the equity interest in GZ Yingyou or GZ Shangcong Online, create or allow any pledge thereon that may affect the rights and interests of GZYR Technology without its prior written consent.

The Equity Pledge Agreements are for an indefinite term commencing from 1 August 2018, being the date of the agreement, until all agreements (other than this Equity Pledge Agreement) underlying the PChouse Structure Contracts have been fulfilled or terminated.

Powers of Attorney

Each of the GZ Yingyou Shareholders and GZ Yingyou has executed a power of attorney on 1 August 2018 pursuant to the terms of the Call Option Agreements. Under each of the powers of attorney, each of the GZ Yingyou Shareholders and GZ Yingyou irrevocably confirmed that the powers of attorney shall remain in full force and effect during the term within which each of the GZ Yingyou Shareholders or GZ Yingyou remain as a shareholder of GZ Yingyou or GZ Shangcong Online.

Pursuant to the powers of attorney, each of the GZ Yingyou Shareholders or GZ Yingyou irrevocably authorised representative(s) appointed by GZYR Technology to exercise all his/its rights and powers as shareholder of GZ Yingyou or GZ Shangcong Online. These rights include (i) to attend shareholders' meeting; (ii) to exercise voting rights in shareholders' meetings to appoint directors; (iii) to attend board meeting and exercise all rights as a director under the relevant articles of association and the PRC laws; and (iv) all rights entitled as a shareholder under the

relevant articles of association and the PRC laws, such as to decide on business strategy, investment plan, dividend distribution, to sign shareholders resolutions and meeting minutes, and to file documents with relevant governmental authorities or regulatory bodies. In particular, the representative(s) appointed by GZYR Technology is/are authorised by each of the GZ Yingyou Shareholders and GZ Yingyou to execute all agreements or documents as required under the Call Option Agreements, including but not limited to all relevant transfer documents relating to the equity interests in GZ Yingyou or GZ Shangcong Online.

Dispute Resolution

Each of the PChouse Structure Contracts stipulates that the parties shall negotiate in good faith to resolve the dispute arising from the interpretation and implementation of the agreements, failing which any party may submit the said dispute to Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) of the PRC for arbitration in accordance with the then effective arbitration rules. The results of the arbitration shall be final and binding on all relevant parties.

It is also provided that the subject to the arbitration rules and relevant PRC laws, arbitral tribunal may award remedies over the equity interest or assets of GZ Yingyou or GZ Shangcong Online, or order the winding up of GZ Yingyou or GZ Shangcong Online, and the parties may apply to the courts of Hong Kong, the relevant party's places of incorporation, and the places where the principal assets of GZ Yingyou or GZ Shangcong Online are located or courts having competent jurisdiction for the grant of interim remedies against the equity interest or properties of GZ Yingyou or GZ Shangcong Online.

The Company's PRC legal advisers confirmed that the abovementioned dispute resolution provisions set forth in the PChouse Structure Contracts are in compliance with the PRC laws, legally valid and binding on the relevant signatories. However, the PRC legal advisers are also in the view that under the current PRC laws, an arbitral body has no power to grant injunctive relief or winding up order of GZ Yingyou or GZ Shangcong Online. In addition, interim remedies order granted by overseas courts such as Hong Kong or other overseas place may not be recognized or enforced by the PRC courts.

Succession

The provisions set out in the PChouse Structure Contracts are also binding on the successors of the respective shareholders of GZ Yingyou and GZ Shangcong Online, as if the successor was a signing party to the contractual arrangements underlying the PChouse Structure Contracts. Any successors of the respective shareholders of GZ Yingyou and GZ Shangcong Online shall succeed any and all rights and obligations of the registered shareholders under the PChouse Structure Contracts as a result of their death, as if the successors was a signing party to such contractual arrangements.

Each of the GZ Yingyou Shareholders has provided a written confirmation/undertaking, to confirm appropriate arrangements have been made to ensure that none of his successor, guardian, creditor, spouse or any other person who may assume rights and interests in his equity interest in GZ Yingyou upon his death, incapacity, divorce or any other circumstances, will carry out any act that may affect or hinder the fulfillment of his obligations under each of the PChouse Structure Contracts to which he is a party.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the contractual arrangements under the PChouse Structure Contracts.

Company's Confirmation

As at the date of this announcement, the Company had not encountered any interference or encumbrance from any PRC governing bodies in operating its business through the PRC operating entities under both the Existing Structure Contracts and the PClady Structure Contracts.

LEGALITY OF THE PCHOUSE STRUCTURE CONTRACTS

According to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on 11 December 2001 and amended on 6 February 2016, foreign investors are not allowed to hold more than 50% of the equity interest of a company providing value added telecommunication services, including ICP service.

The PRC Lawyer advises that as no filings, consents, permits or recognitions of any PRC governmental authorities are required in connection with the execution, delivery, effectiveness and enforceability of the PChouse Structure Contracts and it is not an administrative matter under the PRC laws for governmental authorities to issue formal confirmations on any agreements that do not require the examination and approval of the regulatory authorities, therefore, the Company has not formally filed any request for confirmation regarding the legality of the PChouse Structure Contracts.

Having taken all possible actions and steps to enable the PChouse Structure Contracts to reach their legal conclusions, Tian Yuan Law Firm, the Company's PRC legal advisers are of the opinion that:

- (i) the Company does not hold, directly or indirectly, any equity interest in GZ Yingyou and GZ Shangcong Online; the ownership of each of GZ Yingyou and GZ Shangcong Online, the latter which operates the online advertising business, will be in compliance with the existing PRC laws and regulations; the Group's ownership structure, immediately following the entering into the PChouse Structure Contracts, will not be regarded as violation of the existing PRC laws and regulations;

- (ii) the PChouse Structural Contracts shall not be regarded as being invalid due to violation of the PRC Laws, in particular on the ground of “concealing illegal intentions with a lawful form” as provided under Article 52 of the PRC Contract Law;
- (iii) each of the PChouse Structure Contracts is in compliance with the applicable PRC laws and regulations, and is enforceable, valid and legally binding under the applicable PRC laws and regulations, except for the provisions to the effect that the arbitral body may award remedies over the shares and/or assets of the relevant Domestic Entities, injunctive relief and/or winding up of the relevant Domestic Entities, and that the courts in Hong Kong or the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal may not be recognized or enforceable by the PRC courts;
- (iv) all the ICP licences is held by GZ Shangcong Online; and all ICP services to be provided by the Group in relation to the PChouse Portal will be carried out by GZ Shangcong Online only; and none of the entities in which the Company holds, directly or indirectly, any equity interest, will engage in any ICP services; the agreements among GZYR Technology, GZ Shangcong Online, GZ Yingyou and the GZ Yingyou Shareholders described above shall not be deemed to be any form of transfer, lease or sale of the ICP licenses to the Company;
- (v) as of the date of this announcement, the PRC legal advisers are not aware of any effective PRC Laws or precedents that specifically disallow foreign investors from using any agreements or contractual arrangements to gain control of or operate ICP services and would thus invalidate the PChouse Structural Contracts;
- (vi) the Group’s current business operations under the Existing Structure Contracts are, and business operations under the PChouse Structure Contracts will be, in compliance with the relevant PRC laws, rules and regulations in all material respects, subject to certain issues discussed in the section headed “Risk Factors in relation to the PChouse Structure Contracts” in this announcement; and
- (vii) no filings, consents, approvals, permits or recognitions, of any PRC governmental authorities, will be required in connection with the execution, delivery, effectiveness and enforceability of each of the agreements comprising the PChouse Structure Contracts.

Based on the above, the Directors believe that the PChouse Structure Contracts are enforceable under the relevant laws and regulations, subject to certain issued discussed in the section headed “Risk Factors in relation to the PChouse Structure Contracts” in this announcement.

EFFECTS OF THE PCHOUSE STRUCTURE CONTRACTS

As a result of the PChouse Structure Contracts, the Group is able to recognize and receive the economic benefit of the business and operations of the Domestic Entities. The PChouse Structure Contracts are also designed to provide the Company with effective control over and (to the extent permitted by PRC law) the right to acquire the equity interests of GZ Yingyou Shareholders in GZ Yingyou and the equity interests of GZ Yingyou in, or assets of, GZ Shangcong Online. In summary, the PChouse Structure Contracts will provide the Company with:

- (i) the right to receive the online advertising revenue received by GZ Shangcong Online from its online advertising operations through various commercial arrangements;
- (ii) the right to acquire all the shares in and/or assets of GZ Yingyou and GZ Shangcong Online, as and when permitted by PRC laws, for the lowest price permitted under the PRC law; the right to ensure that the Company (through GZYR Technology) is able to effectively control the business of GZ Shangcong Online including the online advertising business of GZ Shangcong Online pursuant to the Strategic Co-Operation Agreement; and
- (iii) pledge over the entire equity interests in the registered capital of GZ Yingyou and GZ Shangcong Online.

Annual Caps

Similar to the Existing Structure Contracts, both the Exclusive Technical Support and Technical Service Agreement and Exclusive Management Consultation Service Agreement will provide for a revenue transfer mechanism by way of fixed annual fee and floating annual fee which is designed to transfer substantially all of the operating revenue from the Domestic Entities. Further, as all operational and financial decisions will be assigned to a nominee of GZYR Technology in accordance with the Strategic Co-operation Agreement, the Group does not foresee any difficulty in ensuring the Company to derive substantially all economic benefits from the Domestic Entities.

Accordingly, the PChouse Structure Contracts have been designed to ensure that there will be no limit on the amount of fees payable to the Group under the PChouse Structure Contracts. Therefore, there will be no monetary cap on any agreements under the PChouse Structure Contracts.

Connected Persons

Upon execution of the PChouse Structure Contracts, each of GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising will be treated as a wholly-owned subsidiary of the Company, and the directors, chief executive or substantial shareholders (as defined in the Listing Rules) of GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising and their respective associates will be treated as “connected

persons” of the Company under the Listing Rules. Given that the PChouse Structure Contracts are continuing in nature, transactions between members of the Group and each of GZ Yingyou Shareholders, GZ Yingyou and GZ Shangcong Online under the PChouse Structure Contracts would constitute continuing connected transactions and, unless an exemption is obtained under the Listing Rules, would be subject to the applicable reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

OPERATIONS IN COMPLIANCE WITH THE EXISTING STRUCTURE CONTRACTS, THE PCLADY STRUCTURE CONTRACTS AND THE PCHOUSE STRUCTURE CONTRACTS

The Company has assessed the requirements (other than foreign ownership restriction) under applicable laws and regulations upon advices from its legal advisers, and has taken/will take the following steps in respect of the Existing Structure Contracts, the PClady Structure Contracts and PChouse Structure Contracts for compliance purpose:

- (i) As the contractual arrangements under the Existing Structure Contracts and the PClady Structure Contracts constitute continuing connected transactions of the Company according to the Listing Rules, the Company has sought, and the Stock Exchange has granted, the Waiver from strict compliance of certain requirements under Chapter 14A of the Listing Rules; the Company has complied with such conditions prescribed by the Stock Exchange in relation to the Waiver.
- (ii) As the contractual arrangements under the PChouse Structure Contracts will also constitute continuing connected transactions of the Company according to the Listing Rules, the Company has sought, and the Stock Exchange has granted, the Waiver from strict compliance of certain requirements under Chapter 14A of the Listing Rules, and will comply with such conditions to be prescribed by the Stock Exchange in relation to the Waiver.
- (iii) The Group has retained Hong Kong and PRC legal advisors to advise from time to time regulatory and compliance matters in relation to applicable Hong Kong and PRC laws in respect of the Existing Structure Contracts, the PClady Structure Contracts and the PChouse Structure Contracts respectively. If required, extra legal advisors and/or other professionals will be retained to assist the Group to deal with specific issues arising from the Existing Structure Contracts, the PClady Structure Contracts and PChouse Structure Contracts and to ensure that their operation and implementation will comply with applicable laws and regulations.
- (iv) The independent non-executive Directors of the Company have reviewed/will review the Existing Structure Contracts, the PClady Structure Contracts and PChouse Structure Contracts on annual basis and their confirmation has been/will be disclosed in the annual report of the Group.

- (v) The auditor of the Company has been engaged to report on the Group's continuing connected transactions in accordance with the applicable accounting rules and standards on annual basis, and a copy of the auditor's letter will be provided by the Company to the Stock Exchange in accordance with Rule 14A.38 of the Listing Rules.
- (vi) The Board will ensure that any designee, person or entity designated/nominated by the Company for the purpose of exercising any of the rights granted to it by GZ Yingxin Shareholders/GZ Yingxin/GZ Yingyue Shareholders/GZ Yingyue/GZ Yingyou/GZ Yingyou Shareholders pursuant to the relevant power of attorney under the Existing Structure Contracts, the PClady Structure Contracts or the PChouse Structure Contracts be restricted to a legally-held subsidiary of the Company (which will be under the management control of the Company) or an authorized director of the Company or a legally-held subsidiary (whom shall own fiduciary duties to the Group).

RISK FACTORS IN RELATION TO THE PCHOUSE STRUCTURE CONTRACTS

If the PRC government finds that the PChouse Structure Contracts with the structure for operating the Group's businesses in China do not comply with the applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the contractual arrangements and the relinquishment of the Group's interest in the Domestic Entities.

The Company is incorporated in the Cayman Islands and its wholly-owned PRC subsidiary, GZYR Technology, is considered as a foreign-invested enterprise. The PRC government restricts foreign investment in telecommunications and internet information businesses such as online advertising. Due to these restrictions, the Company conducts its operations in relation to the PChouse Portal in China through the Domestic Entities. Although the Company does not have any equity interest in any of the Domestic Entities, it is able to exercise effective control over each of the Domestic Entities and receive substantially all of the economic benefits of its operations through the PChouse Structure Contracts with GZ Shangcong Online, GZ Yingyou and GZ Yingyou Shareholders.

On July 13, 2006, the MIIT issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (關於加強外商投資經營增值電信業務管理的通知) (the "MIIT Circular"), which reiterated restrictions on foreign investment in telecommunications businesses. Under the MIIT Circular, a domestic company that holds an ICP License is prohibited from leasing, transferring or selling the license to foreign investors in any form, or providing any assistance, including providing resources, sites or facilities, to foreign investors to provide ICP services illegally in China. Due to a lack of interpretative materials from the authorities, it is uncertain whether the MIIT will not consider the corporate structure under the PChouse Structure Contracts as a kind of foreign investment in telecommunication services, in which case the Company may be found in violation of the MIIT Circular.

According to the Administrative Rules for Foreign Investments in Telecommunications Enterprises (外商投資電信企業管理規定) issued by the State Council on 11 December, 2001 and amended on 6 February 2016, foreign investors' ultimate equity ownership in an entity in the PRC providing value-added telecommunications services shall not exceed 50% and a foreign investor wishing to acquire any equity interest in a value-added telecommunications business in the PRC must demonstrate (i) a good track record; and (ii) experience in providing value-added telecommunications services overseas. However, there are no specific written guidelines in regards to what constitutes "a good track record". As such, the PRC legal advisors of the Company take the view that the details of such requirements are subject to the discretion of the MIIT when it handles the specific applications from foreign investors intending to set up a foreign-invested value-added telecommunications enterprise under the Administrative Rules for Foreign Investments in Telecommunications Enterprises (外商投資電信企業管理規定).

The Company's PRC legal advisors, Tian Yuan Law Firm, is of the opinion that (i) the Group's ownership structure does not violate the existing PRC laws and regulations, (ii) except for the provisions to the effect that the arbitral body may award remedies over the shares and/or assets of the relevant Domestic Entities, injunctive relief and/or winding up of the relevant Domestic Entities, and that the courts in Hong Kong or other overseas place are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal may not be recognized or enforced by the PRC courts, the PChouse Structure Contracts are valid and legally binding and do not result in any violation of existing PRC laws and regulations; and (iii) the PChouse Structure Contracts entered into by the Group do not fall within any of the circumstances (including, without limitation, "concealing illegal intentions with a lawful form") under Section 52 of the PRC Contract Law pursuant to which the contracts would be determined to be invalid.

However, it cannot be assured that the PRC government or judicial authorities would agree that the Group's corporate structure or the PChouse Structure Contracts comply with PRC licensing, registration, other regulatory requirements or policies that may be adopted in the future. If the PRC government or judicial authorities determines that the Group does not comply with the applicable laws and regulations, it could have broad discretion in dealing with such non-compliance, including:

- (i) requiring the nullification of the PChouse Structure Contracts;
- (ii) levying fines and/or confiscating the proceeds generated from the operations under the PChouse Structure Contracts;
- (iii) revoking the business licenses or operating licenses of GZ Shangcong Online and/or GZYR Technology;
- (iv) discontinuing or placing restrictions or onerous conditions on the business operations of GZ Shangcong Online and/or GZYR Technology;

- (v) imposing conditions or requirements which the Company may not be able to comply with; requiring the Company to undergo a costly and disruptive restructuring; and
- (vi) taking other regulatory or enforcement actions that could be harmful to or even shut down the relevant business under the PChouse Structure Contracts.

The imposition of any of the above-mentioned consequences could result in a material and adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these consequences causes the Company to lose the rights to direct the activities of the Domestic Entities or the Company's right to receive its economic benefits, the Company would no longer be able to consolidate the financial results of the Domestic Entities.

The Company relies on the PChouse Structure Contracts to control and obtain the economic benefits from Domestic Entities, which may not be as effective in providing operational control as direct ownership.

Due to the PRC's legal restrictions on foreign investment in value added telecommunication services, the Company controls through the PChouse Structure Contracts rather than equity ownership of GZ Shangcong Online, the Group's operating entity in the PRC and the holder of the key licenses required to operate its business in the PRC.

However, the PChouse Structure Contracts may not be as effective as in exercising direct control over GZ Shangcong Online or GZ Yingyou as equity ownership. For example, GZ Shangcong Online, GZ Yingyou and GZ Yingyou Shareholders could breach or fail to perform their obligations under the PChouse Structure Contracts. If the Company has direct ownership of GZ Shangcong Online or GZ Yingyou, the Company would be able to exercise its rights as a shareholder to effect changes in their board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management and operational level. Under the PChouse Structure Contracts, the Company would need to rely on GZYR Technology's rights under the Strategic Co-Operating Agreement, Exclusive Management Consultation Service Agreement, Exclusive Technical Support and Technical Service Agreement and Powers of Attorney to effect such changes, or designate new shareholders for GZ Shangcong Online under the Call Option Agreement.

If GZ Shangcong Online or GZ Yingyou or GZ Yingyou Shareholders breached their obligations under the PChouse Structure Contracts or if the Company loses the effective control over GZ Shangcong Online or GZ Yingyou for any reason, the Company would need to bring a claim against them under the terms of the PChouse Structure Contracts. The PChouse Structure Contracts are governed by the PRC law and provide that any dispute arising from these arrangements will be submitted to the Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) in the PRC for

arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the GZ Yingyou Shareholders may also be subject to the equity interest they hold in GZ Yingyou to court preservation actions or enforcement.

The legal framework and system in the PRC, particularly those relating to arbitration proceedings, involves significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings in the PRC, which could limit the Group's ability to enforce the PChouse Structure Contracts and exert effective control over the Domestic Entities. If GZ Shangcong Online or GZ Yingyou or GZ Yingyou Shareholders fail to perform their respective obligations under the PChouse Structure Contracts, and the Group is unable to enforce the PChouse Structure Contracts, or suffer significant delay or other obstacles in the process of enforcing the PChouse Structure Contracts, the business and operations of the Group could be severely disrupted, which could adversely affect its results of operations.

The GZ Yingyou Shareholders may have conflicts of interest with the Group, which may materially and adversely affect the Group's business.

Zhang Cong Min, an executive Director and chief operating officer of the Group, and Yang Tian Ying, an assistant to the chief executive officer, are also the shareholders of GZ Yingyou. Conflicts of interest between their dual roles in the Company and in GZ Yingyou may arise.

Protections over potential conflicts of interest between these individuals and the Company exist under the PChouse Structure Contracts. Pursuant to the Call Option Agreement, the Company has the option to (i) purchase or to designate a third party to purchase the equity interests of GZ Yingyou when and to the extent permitted by law and (ii) acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of GZ Shangcong Online at such minimum purchase price permitted under PRC laws and regulations. Each of the GZ Yingyou Shareholders has executed the powers of attorney to authorize any individual(s) appointed by GZYR Technology to exercise all of their rights and powers as shareholders of GZ Yingyou or GZ Shangcong Online. Each of the individuals appointed by GZYR Technology must be one of the directors of the Company or its legally held subsidiaries who is a PRC citizen. Each director of the Company or its legally-held subsidiaries owes a duty of loyalty and a duty of care to the Company or its legally-held subsidiaries and the relevant shareholders as a whole.

It cannot be assured, however, that when conflicts of interest arise, these individuals will act in the best interests of the Company or that conflicts of interest will be resolved in the Company's favour. In the event of any such conflicts of interest arises, these individuals may breach or cause GZ Yingyou or GZ Shangcong Online to breach or refuse to renew the PChouse Structure Contracts that allow the Company to effectively control and receive economic benefits from the Domestic Entities. If any conflict of interest or dispute between the Company and the GZ Yingyou Shareholders could not be resolved should it arise, the Company would have to rely on legal proceedings, which could result in disruption of the Group's business and subjecting it to substantial uncertainty as to the

outcome of any such legal proceedings. These uncertainties may impede the Company's ability to enforce the PChouse Structure Contracts. If any such conflicts are unable to be resolved, or if significant delays or other obstacles as a result of such conflicts are encountered, the business and operations of the Group could be severely disrupted, which could materially and adversely affect the Group's operation results and damage its reputation.

Certain terms of the PChouse Structure Contracts may not be enforceable under the PRC laws.

The PChouse Structural Contracts provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) in the PRC. The PChouse Structural Contracts contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of the relevant Domestic Entities, injunctive relief and/or winding up of the relevant Domestic Entities. In addition, the PChouse Structure Contracts contain provisions to the effect that the courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, the abovementioned provisions contained in the PChouse Structure Contract may not be enforceable. Under the PRC Laws, an arbitral body does not have the power to grant any injunctive relief, provisional or final liquidation order to preserve the assets of or any equity interest in the relevant Domestic Entities in case of disputes. The interim remedies granted by the courts in Hong Kong or the Cayman Islands may not be recognized or enforced by PRC courts.

Potential economic risks of Company.

Because of the arrangements under the PChouse Structure Contracts, the financial results of the Domestic Entities will be consolidated into the financial statements of the Group, and it is likely that the Company's business and financial position will be affected if the Domestic Entities suffers losses or fails to obtain the requisite licences and approvals to continually operate its business in the PRC.

Besides, pursuant the Strategic Co-operation Agreement, GZYR Technology may, at its own discretion and only to the extent permissible under the PRC laws, can provide guarantee for any obligations undertaken by GZ Shangcong Online in any business-related contract, whether or not GZ Shangcong Online actually incur any such operational loss.

GZYR Technology’s ability to acquire the entire equity interests in GZ Yingyou and/or GZ Shangcong Online (the “Target Company(ies)”) may be subject to the limitations and substantial costs.

In case GZYR Technology exercises its options to acquire all or part of the equity interests in the Target Company(ies) under the Call Option Agreements, the acquisition of the entire equity interests in the Target Company(ies) may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the abovementioned acquisition may be required to be subject to an appraised value for the entire equity interests of the Target Company(ies) (rather than a nominal price) or other limitations as imposed by applicable PRC laws. Further, a substantial amount of other costs or expenses (such as income tax imposed on the shareholder(s) of the Target Company(ies)) and time may be involved in transferring the ownership of the Target Company(ies), which may have a material adverse impact on GZYR Technology’s businesses and results of operation.

The PChouse Structure Contracts may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed.

The PChouse Structure Contracts may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed on GZYR Technology. GZYR Technology may face adverse tax consequences if the PRC tax authorities determine that the PChouse Structure Contracts were not entered into based on arm’s length negotiations. If the PRC tax authorities determine that the PChouse Structure Contracts were not entered into on an arm’s length basis, they may adjust the income and expenses of GZYR Technology and the Target Company(ies) for the PRC taxation purposes, which could result in higher tax liabilities on GZYR Technology or the Target Company(ies). The operation results of GZYR Technology may be materially and adversely affected if the tax liabilities of the Target Company(ies) or those of GZYR Technology increase significantly or if they are required to pay interest on late payments.

Risks in relation to the Draft PRC Foreign Investment Law.

Article 149 of Foreign Investment Law of the PRC (Draft for Comments) (the “**Draft PRC Foreign Investment Law**”) which was promulgated by the Ministry of Commerce of the PRC on 9 January 2015 stipulates the legal liabilities for foreign investors and/or foreign-invested enterprises when circumventing the Draft PRC Foreign Investment Law by multi-level re-investment, agreement-based control or any other means. However, as at the date of the announcement, the Draft PRC Foreign Investment Law is only a draft from the Ministry of Commerce of the PRC for public comments without any legal effect. Therefore, the Draft PRC Foreign Investment Law will not have any adverse effect on PChouse Structure Contracts and the relevant transactions at present. In spite of the case aforementioned, there can be no assurance that the relevant government authority would deem the PChouse Structure Contracts to be in compliance with the licensing, registration or other regulatory requirements, or that the legal requirements or policies

that may be adopted under the enacted version of the Draft Foreign Investment Law (if there will be such enactment) would not affect the PChouse Structural Contracts and contractual arrangements contemplated thereunder.

DIRECTORS' VIEW ON THE PCHOUSE STRUCTURE CONTRACTS

None of the GZ Yingyou Shareholders will receive any financial benefit under the PChouse Structure Contracts despite their equity interests in GZ Yingyou. Furthermore, the PChouse Structure Contracts do not anticipate any payment or consideration passing from the Group to either GZ Yingyou and/or GZ Shangcong Online. Under the PChouse Structure Contracts, GZ Shangcong Online will agree to pay fees to GZYR Technology for exclusive technical support services and information consulting services. Since the purpose of this structure is to ensure that the economic benefits of the arrangement flow to the Group and not to the connected persons (including Zhang Cong Min, an executive Director) in the Company, there is no question that Zhang Cong Min will be in compliance with the requirements of Rule 14A.01 of the Listing Rules and is not taking advantage of her position as a Director.

The Directors confirm that the PChouse Structure Contracts, taken as a whole, are on fair and reasonable terms so far as the Directors are concerned and in the interests of the Shareholders as a whole.

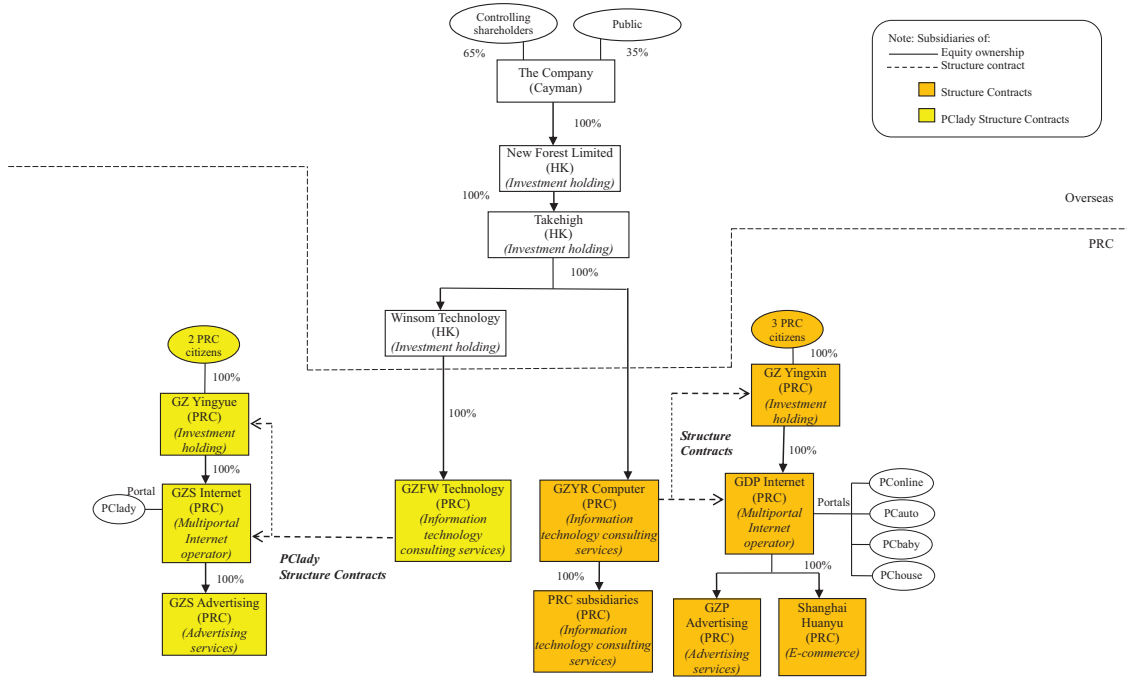
LISTING RULES IMPLICATION

The Directors are of the view that pursuant to the conditions and on the basis that the PChouse Structure Contracts, though entered into among different parties, have terms and conditions substantially the same as those of the Existing Structure Contracts. It is therefore merely a clone of the Existing Structure Contracts. The differences between the PChouse Structure Contracts and the Existing Structure Contracts are only due to the voluntary compliance with the more updated and stringent requirements set out in the listing decision handed down by the Stock Exchange subsequent to the entering into the Existing Structure Contracts, which are more beneficial to the Shareholders as a whole. As such, the Directors are of the view that the contractual arrangement underlying the PChouse Structure Contracts are in compliance with the conditions under which the waiver was granted in respect of the Existing Structure Contracts.

As such, the Company has sought, and the Stock Exchange has provided confirmation that:

- (i) the PChouse Structure Contracts will be exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and
- (ii) the transactions between the Company and each of GZ Yingyou, GZ Shangcong Online and GZ Shangcong Advertising relating to the PChouse Structure Contracts will be exempt from the continuing connected transaction requirements under Chapter 14A of the Listing Rules.

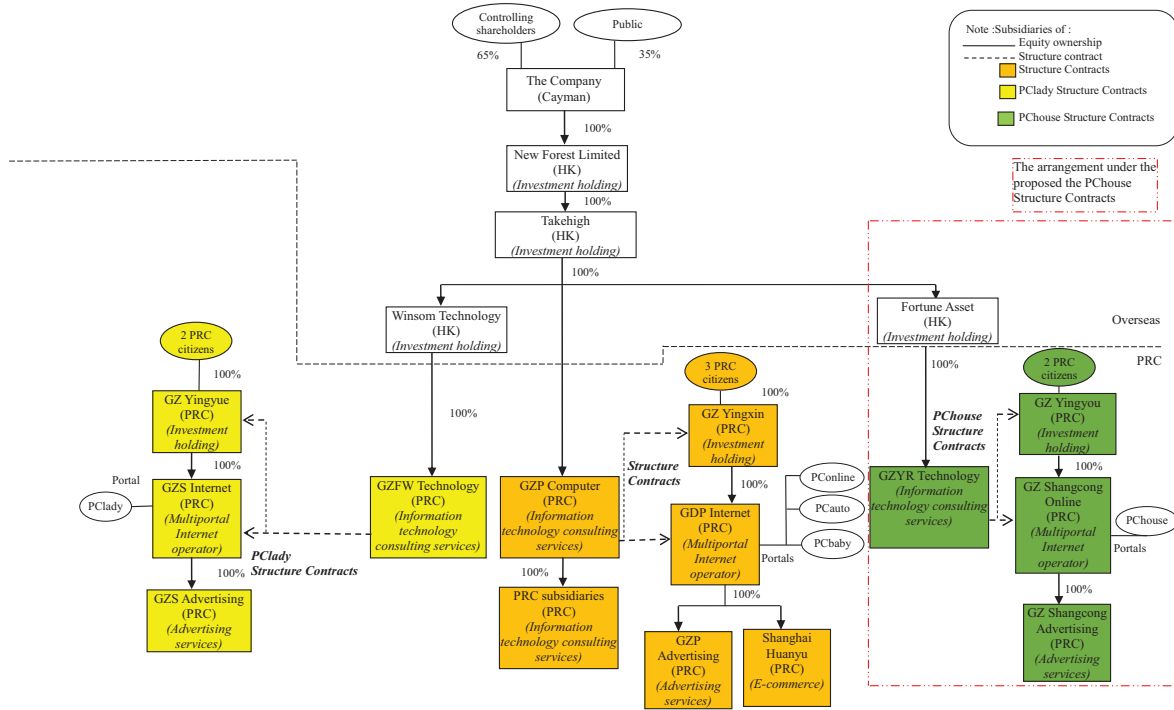
Schedule A — Corporate Structure of the Group before the PChouse Structure Contracts (* This chart shows the structure contracts-related entities only)



Schedule B

Corporate Structure of the Group after the PChouse Structure Contracts

(* This chart shows the structure contracts-related entities only)



DEFINITIONS

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

“Board”	the board of Directors;
“Call Option Agreements”	the call option agreements entered into between each of the GZ Yingyou Shareholders and GZ Yingyou respectively with GZ Shangcong Online and GZYR Technology on 1 August 2018;
“Company”	Pacific Online Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Domain Name Pledge Agreement”	the domain name pledge agreement entered into between GZ Shangcong Online and GZYR Technology on 1 August 2018;
“Domestic Entities”	GZ Yingyou, GZ Shangcong Internet and GZ Shangcong Advertising;
“Equity Pledge Agreements”	the equity pledge agreements entered into between each of the GZ Yingyou Shareholders and GZ Yingyou respectively with GZ Shangcong Online and GZYR Technology on 1 August 2018;
“Existing Structure Contracts”	the contracts entered into among GZP Computer, GZ Yingxin, the GZ Yingxin Shareholders and GDP Internet as described in the section headed “Structure Contracts” in the Prospectus;
“GDP Internet”	廣東太平洋互聯網信息服務有限公司 (Guangdong Pacific Internet Information Service Co., Ltd.*), a company incorporated in the PRC with limited liability and wholly owned by GZ Yingxin, which is effectively controlled by the Company through the contractual arrangements under the Existing Structure Contracts;
“Group”	the Company and its subsidiaries from time to time;
“GZ Shangcong Advertising”	廣州市上聰廣告有限公司 (Guangzhou Shangcong Advertising Co., Ltd.) a company incorporated in the PRC with limited liability and wholly-owned by GZ Shangcong Online;

“GZ Shangcong Online”	廣州尚聰網絡技術有限公司 (Guangzhou Shangcong Online Technology Co., Ltd.), a company incorporated in the PRC with limited liability and wholly-owned by GZ Yingyou, which is effectively controlled by the Company through the contractual arrangements under the PChouse Structure Contracts;
“GZ Yingxin”	廣州英鑫計算機科技交流有限公司 (Guangzhou Yingxin Computer Technology Exchange Co., Ltd.*), a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GDP Internet, which is owned as to 40% by Zhang Cong Min, 30% by Lu Wu Qing and 30% by Fan Zeng Chun, being the GZ Yingxin Shareholders, and is effectively controlled by the Company through the contractual arrangement under the Existing Structure Contracts;
“GZ Yingxin Shareholders”	Zhang Cong Min (an executive Director and the chief operating officer of the Group), Lu Wu Qing (the chief administrative officer of the Group) and Fan Zeng Chun (the accounting director of the Group), all of whom are PRC citizens;
“GZ Yingyou”	廣州英佑信息有限公司 (Guangzhou Yingyou Information Technology Co., Ltd.), a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GZ Shangcong, which is owned as to 60% by Zhang Cong Min, 40% by Yang Tian Ying, being the GZ Yingyou Shareholders, and is effectively controlled by the Company through the contractual arrangement under the PChouse Structure Contracts;
“GZ Yingyou Shareholders”	Zhang Cong Min (an executive Director and the chief operating officer of the Group), Yang Tian Ying (an assistant to the chief executive officer), all of whom are PRC citizens;
“GZ Yingyue”	廣州英悅計算機科技有限公司 (Guangzhou Yingyue Computer Technology Co., Ltd.), a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GZS Internet, which is owned as to 60% by Zhang Cong Min and 40% by Lu Wu Qing, being the GZ Yingyue Shareholders, and is effectively controlled by the Company through the contractual arrangement under the PClady Structure Contracts;
“GZ Yingyue Shareholders”	Zhang Cong Min (an executive Director and the chief operating officer of the Group), Lu Wu Qing (the chief administrative officer of the Group), all of whom are PRC citizens;

“GZFW Technology”	廣州鋒網信息科技有限公司 (Guangzhou Fengwang Information Technology Co., Ltd.*), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and wholly-owned by the Company;
“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 wholly foreign-owned enterprise incorporated in the PRC with limited liability and wholly-owned by the Company;
“GZS Advertising”	廣州市尚謹廣告有限公司 (Guangzhou Shangjin Advertisement Co., Ltd.*), a company incorporated in the PRC with limited liability and wholly-owned by GZS Internet;
“GZS Internet”	廣州尚進網絡有限公司 (Guangzhou Shangjin Internet Co., Ltd.*), a company incorporated in the PRC with limited liability and wholly-owned by GZ Yingyue, which is effectively controlled by the Company through the contractual arrangements under the PClady Structure Contracts;
“GZYR Technology”	廣州裕睿信息科技有限公司 (Guangzhou Yurui Information Technology Co., Ltd.), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and wholly-owned by the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ICP”	Internet content provider;
“Listing”	the listing of the Shares of the Company on the main board of the Stock Exchange on 18 December 2007;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部);
“PChouse Structure Contracts”	the contracts entered into among GZYR Technology, GZ Yingyou, the GZ Yingyou Shareholders and GZ Shangcong Online as described under the section headed “PChouse Structure Contracts” in this announcement;

“PClady Structure Contracts”	the contracts entered into among GZFW Technology, GZ Yingyue, the GZ Yingyue Shareholders and GZS Internet as described in the Company’s announcement on 2 July 2015;
“Prospectus”	the prospectus of the Company dated 5 December 2007 in relation to the Listing;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Cooperation Agreement”	the strategic co-operation agreement entered into among GZYR Technology, GZ Shangcong Online, GZ Yingyou and GZ Yingyou Shareholders 1 August 2018;
“%”	per cent.

By Order of the Board
Pacific Online Limited
Lam Wai Yan
Chairman

Hong Kong, 7 August 2018

As at the date of this announcement, the Board comprises 4 executive directors, namely, Dr. 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.*