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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Pacific Online Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE NEW SHARES  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
PROPOSED DISTRIBUTION OF SPECIAL DIVIDEND OUT  
OF SHARE PREMIUM ACCOUNT  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Pacific Online Limited to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 15 May 2009 at 10:00 a.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://corp.pconline.com.cn>).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

14 April 2009

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## DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 15 May 2009 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 20 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Company”	Pacific Online Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Current Articles of Association”	the current articles of association of the Company currently in force;
“Director(s)”	the director(s) of the Company;
“Distribution”	the distribution of special dividend of RMB27 cents per Share out of share premium account;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	8 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Date”	18 December 2007, the date on which trading in Shares commenced on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, 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;
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong; and
“%”	per cent.



**PACIFIC ONLINE LIMITED**

**太平洋網絡有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 543)**

*Executive Directors:*

Mr Lam Wai Yan (*Chairman & Chief Executive Officer*)  
Mr Ho Kam Wah  
Mr Wang Da-Shin, Jeff  
Ms Zhang Cong Min  
Mr Tsung Shih Kin, Samuel

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Independent Non-executive Directors:*

Mr Tsui Yiu Wa, Alec  
Mr Thaddeus Thomas Beczak  
Mr Louie Ming

*Principal Place of Business in*

*Hong Kong:*  
Unit 807, Tower 2  
Lippo Centre  
89 Queensway  
Hong Kong

14 April 2009

*To the shareholders*

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE NEW SHARES  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
PROPOSED DISTRIBUTION OF SPECIAL DIVIDEND OUT  
OF SHARE PREMIUM ACCOUNT  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the

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## LETTER FROM THE BOARD

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Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of Shares repurchased by the Company under the Buyback Mandate; (iv) the re-election of the retiring Directors; and (v) the proposed Distribution.

### 2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 20 May 2008, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates, to the extent not used, will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the total nominal amount of the issued share capital of the Company as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$923,710 (equivalent to 92,371,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “**Buyback Mandate**”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount not exceeding 20% of the total nominal amount of the issued share capital of the Company as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$1,847,420 (equivalent to 184,742,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the ordinary resolutions contained in items 9 and 10 of the notice of the Annual General Meeting as set out on pages 16 to 20 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with the Current Articles of Association, Mr Wang Da-Shin, Jeff, Ms Zhang Cong Min and Mr Tsung Shih Kin, Samuel shall retire at the Annual General Meeting. All of the above three retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the retiring Directors are set out in Appendix II to this circular.

### 4. PROPOSED DISTRIBUTION OF SPECIAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

Reference is made to the announcement issued by the Company on 30 March 2009 whereby the Board announced that the Company has decided to change the use of part of the net proceeds (the "Net Proceeds") received from the global offering for the listing of the Shares of the Company on the Stock Exchange and proposed to distribute a special dividend of RMB27 cents per Share in the issued share capital of the Company from the Net Proceeds depositing in the share premium account of the Company, which will amount to RMB249,401,700 to the Shareholders. In accordance with the Current Articles of Association, the proposed Distribution is subject to the approval by the Shareholders by an ordinary resolution at a general meeting. Furthermore, the proposed Distribution may only be effected if, prior to the proposed Distribution being made, the Directors confirm that the Company has the ability to pay its debts in its ordinary course of business immediately following the date the proposed Distribution is to be paid.

### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 16 to 20 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Buyback Mandate and the re-election of the retiring Directors.

Pursuant to the amendments to the Listing Rules, which came into force on 1 January 2009, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://corp.pconline.com.cn>). Whether or not you are able to attend the Annual General Meeting, please complete and sign the form of

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## LETTER FROM THE BOARD

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proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

### 6. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### 7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,  
By order of the Board  
**Lam Wai Yan**  
*Chairman*

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

### **1. REASONS FOR BUYBACK OF SHARES**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 923,710,000 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 923,710,000 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of the Shares not exceeding HK\$923,710 (equivalent to 92,371,000 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and any other applicable laws.

The Company is empowered by its Memorandum of Association and the Current Articles of Association to repurchase Shares. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share repurchase by a company may be paid out of either the profits of the company or the proceeds of a fresh issue of shares made for such purpose or, subject to the articles of association of the Company and the laws of the Cayman Islands, out of capital.

#### 4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2008) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the Buyback Mandate are set out below:

	As at the Latest Practicable Date		Immediately after the full exercise of the Buyback Mandate	
	Number of issued Shares held	Percentage of the total issued share capital of the Company	Number of issued Shares held (Note 5)	Percentage of the total issued share capital of the Company (Note 5)
<b>Controlling Shareholders</b>				
<i>(Note 1):</i>				
Mr Lam Wai Yan <i>(Note 2)</i>	261,949,000	28.36%	261,949,000	31.51%
Mr Ho Kam Wah <i>(Note 3)</i>	88,118,000	9.54%	88,118,000	10.60%
Mr Wang Ko Chiang <i>(Note 4)</i>	256,126,000	27.73%	256,126,000	30.81%
	606,193,000	65.63%	606,193,000	72.92%
<b>Public Shareholders</b>	317,517,000	34.37%	225,146,000	27.08%
	923,710,000	100.00%	831,339,000	100.00%

Notes:

- (1) Mr Lam Wai Yan, Mr Ho Kam Wah and Mr Wang Ko Chiang, who in aggregate held 606,193,000 Shares, were the controlling shareholders of the Company.

- (2) Mr Lam Wai Yan was deemed to be interested in the 256,576,000 Shares which were beneficially owned by Pac Tech Investment Co. Ltd., a controlled corporation of Mr Lam. The remaining 5,373,000 Shares were jointly held by Mr Lam Wai Yan and his spouse, Ms Ma Muk Lan.
- (3) Mr Ho Kam Wah was deemed to be interested in the 86,016,000 Shares. Such Shares were beneficially owned by Treasure Field Holdings Limited, the entire issued share capital of which was owned as to 80% by Mr Ho and 20% by his spouse, Ms Yeung Yuk Chun. Other than through Treasure Field Holdings Limited, Mr Ho was also interested in 2,102,000 Shares. Out of these Shares, 1,102,000 Shares were owned by Mr Ho's spouse, Ms Yeung Yuk Chun. The remaining 1,000,000 Shares were owned by Mr Ho personally.
- (4) Mr Wang Ko Chiang was deemed to be interested in 225,024,000 Shares which were beneficially owned by Gallop Assets Management Limited, a controlled corporation of Mr Wang. The remaining 31,102,000 Shares were owned by Mr Wang personally.
- (5) Presuming that (i) the issued share capital of the Company remained at 923,710,000 Shares immediately before the full exercise of the Buyback Mandate; and (ii) the shareholdings of the controlling shareholders as set out in the above table remained unchanged immediately before the full exercise of the Buyback Mandate. On this basis, the total issued share capital of the Company immediately after the full exercise of the Buyback Mandate would be 831,339,000 Shares.

In the event that the Directors exercise in full the power to repurchase Shares under the Buyback Mandate, the shareholding of the above controlling shareholders would, based on their current shareholding, be increased to approximately 72.92% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code or would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

## 6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**7. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

<b>Month</b>	<b>Highest <i>HK\$</i></b>	<b>Lowest <i>HK\$</i></b>
<b>2008</b>		
April	1.98	1.73
May	2.28	1.83
June	2.03	1.56
July	1.65	1.38
August	1.75	1.20
September	1.55	0.86
October	1.00	0.73
November	1.05	0.75
December	1.09	0.95
<b>2009</b>		
January	1.15	0.98
February	1.29	1.06
March	1.58	1.15
April (Up to the Latest Practicable Date)	1.60	1.43

**8. REPURCHASES OF SHARES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company during the previous 6 months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association and will be proposed to be re-elected at the same meeting are provided below.

**(1) Mr Wang Da-Shin, Jeff**

*Position and Experience*

Mr Wang Da-Shin, Jeff (“**Mr Wang**”), aged 35, is an executive director and the Chief Financial Officer of the Company and a director of certain subsidiaries of the Company. He joined the Group in 2005. Mr Wang obtained a bachelor’s degree in Science from the University of California, Berkeley in 1998 and a master’s degree in Business Administration from Columbia University in 2004. Mr Wang is responsible for financing and accounting management of the Group. He is currently a supervisor to the board of directors of United Microelectronics Corporation, which is listed on the New York Stock Exchange and on the Taiwan Stock Exchange.

Mr Wang has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

*Length of service*

Mr Wang entered into a service agreement with the Company, pursuant to which the term of office of Mr Wang has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Wang giving to the other not less than 3 months’ prior written notice. Mr Wang’s appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr Wang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Relationships*

Mr Wang is the son of Mr Wang Ko Chiang, a substantial shareholder of the Company. Save as disclosed above, Mr Wang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

*Director's emoluments*

Pursuant to the service agreement entered into between Mr Wang and the Company and subsequent review by the Board, Mr Wang's emoluments are set out below:

- (1) Mr Wang is currently entitled to receive an annual salary of HK\$848,000.
- (2) Mr Wang is entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Wang is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Wang are determined by the Board with reference to his qualifications, experience, time commitment and responsibilities as well as the prevailing market conditions.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Wang that need to be brought to the attention of the Shareholders.

**(2) Ms Zhang Cong Min***Position and Experience*

Ms Zhang Cong Min ("**Ms Zhang**"), aged 41, is an executive director and the Chief Operating Officer of the Company and a director of certain subsidiaries of the Company. Ms Zhang obtained a bachelor's degree in Chemical Analysis from the University of Science and Technology of China (中國科學技術大學) in 1991. She is also a standing member of the Political Consultation Committee of Tianhe District, Guangzhou (中國廣州天河區政治協商會議委員會) since September 2006. Ms Zhang joined the Group in January 2003. Before Ms Zhang joined the Group, she worked as a marketing manager and assistant general manager of Guangdong Pacific Electronic Technology Mall Co., Ltd. (廣東太平洋電子科技廣場有限公司). Ms Zhang has over 10 years of experience in operation management and the IT industry. She has held various management positions in the Group.

Ms Zhang has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

*Length of service*

Ms Zhang entered into a service agreement with the Company, pursuant to which the term of office of Ms Zhang has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Ms Zhang giving to the other not less than 3 months' prior written notice. Ms Zhang's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Ms Zhang had the following interests in the shares/underlying shares of the Company and its associated corporation pursuant to Part XV of the SFO:

- (1) 2,280,000 shares of GZ Yingxin Computer Technology Exchange Co., Ltd. (an associated corporation of the Company), representing 40% of its issued share capital; and
- (2) 15,876,000 share options of the Company attaching thereto the rights to subscribe for 15,876,000 Shares.

Save as disclosed above, Ms Zhang did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Relationships*

As far as the Directors are aware, Ms Zhang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

*Director's emoluments*

Pursuant to the service agreement entered into between Ms Zhang and the Company and subsequent review by the Board, Ms Zhang's emoluments are set out below:

- (1) Ms Zhang is currently entitled to receive an annual salary of RMB912,000.
- (2) Ms Zhang is entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Ms Zhang is also entitled to participate in the share option scheme of the Company. The above emoluments of Ms Zhang are determined by the Board with reference to her qualifications, experience, time commitment and responsibilities as well as the prevailing market conditions.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms Zhang that need to be brought to the attention of the Shareholders.

**(3) Mr Tsung Shih Kin, Samuel**

*Position and Experience*

Mr Tsung Shih Kin, Samuel (“**Mr Tsung**”), aged 58, is an executive director and the Chief Technical Officer of the Company. He joined the Group in 2003. Mr Tsung obtained a bachelor’s degree in Electrical Engineering from the University of Texas, Austin, in 1975. He has over 30 years of progressive IT industry experience in Canada, Hong Kong and China. Mr Tsung is in charge of commercial application of information technology and development of Internet and e-commerce capabilities. Prior to joining the Group, Mr Tsung held several key senior management positions in the IT service industry. He had worked in Canada for 18 years and served as a manager of application development for the Ministry of Agriculture & Food in Ontario, Canada until 1996.

Mr Tsung has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

*Length of service*

Mr Tsung entered into a service agreement with the Company, pursuant to which the term of office of Mr Tsung has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Tsung giving to the other not less than 3 months’ prior written notice. Mr Tsung’s appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr Tsung had the following interests in the shares of the Company pursuant to Part XV of the SFO:

- (1) 3,013,000 share options of the Company attaching thereto the rights to subscribe for 3,013,000 Shares; and

- (2) 200,000 shares, representing approximately 0.02% of the issued share capital of the Company.

Save as disclosed above, Mr Tsung did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Relationships*

As far as the Directors are aware, Mr Tsung does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

*Director's emoluments*

Pursuant to the service agreement entered into between Mr Tsung and the Company and subsequent review by the Board, Mr Tsung's emoluments are set out below:

- (1) Mr Tsung is currently entitled to receive an annual salary of RMB1,008,480.
- (2) Mr Tsung is entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Tsung is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Tsung are determined by the Board with reference to his qualifications, experience, time commitment and responsibilities as well as the prevailing market conditions.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Tsung that need to be brought to the attention of the Shareholders.



**PACIFIC ONLINE LIMITED**

**太平洋網絡有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 543)**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of Pacific Online Limited (the “**Company**”) will be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 15 May 2009 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2008;
2. To declare a final dividend of RMB7 cents per share for the year ended 31 December 2008;
3. To declare a special dividend of RMB27 cents per share for the year ended 31 December 2008;
4. To re-elect Mr Wang Da-Shin, Jeff as an executive director;
5. To re-elect Ms Zhang Cong Min as an executive director;
6. To re-elect Mr Tsung Shih Kin, Samuel as an executive director;
7. To authorize the board of directors to fix the respective directors’ remuneration;
8. To re-appoint Messrs PricewaterhouseCoopers as auditors and to authorize the board of directors to fix their remuneration;
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

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- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”;
10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”.

By order of the Board  
**Lam Wai Yan**  
*Chairman*

Hong Kong, 14 April 2009

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## NOTICE OF THE ANNUAL GENERAL MEETING

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**Notes:**

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Branch Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Wednesday, 13 May 2009 to Friday, 15 May 2009, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final and special dividend for the year ended 31 December 2008 and for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 12 May 2009.
4. In relation to the ordinary resolutions set out in items 9, 10 and 11 of the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.