

**PACIFIC ONLINE LTD:
TARGET IS NOT IN LOVE WITH THIS COMPANY**

The most-interesting aspect of Pacific Online Ltd () (Code: 543, Main Board, The Stock Exchange of Hongkong Ltd) is its complete and utter lack of any sexual characteristics: It is neither remotely interesting nor spectacular.

The Company operates what **TARGET** () would describe as electronic, classified advertisements via a group of Internet portals, all of which contain content, aimed completely at the consumer market of the People's Republic of China (PRC).

At times, the Company's server appears to be exceedingly slow and, in this medium's opinion, it contains very boring information.

But the Company is making money.

And that is the name of the game as far as Management is concerned.

Pacific Online Ltd went public in the Hongkong Special Administrative Region (HKSAR) of the PRC on December 5, 2007, when it made a Global Offering of 190 million, one-cent New Shares at the price of \$HK3.30 per Share.

The Company raised about \$HK576.40 million in this cash-raising exercise, that amount of money, earmarked for the following purposes, the Prospectus stated at Page 162:

1. Approximately 22.70 percent of the net proceeds of the Global Offering to expand and upgrade the Company's Internet portal operations;
2. Approximately 7 percent of the net proceeds of the Global Offering to expand the Company's sales and marketing teams;
3. Approximately 7 percent of the net proceeds of the Global Offering to enhance the Company's research and development activities;
4. Approximately 5.20 percent of the net proceeds of the Global Offering for the development of the Company's e-commerce platform;
5. Approximately 8.70 percent of the net proceeds of the Global Offering for the purchase of facilities in order to accommodate additional staff;
6. Approximately 39.40 percent of the net proceeds of the Global Offering for strategic acquisitions, investments and joint ventures; and,
7. Approximately 10 percent of the net proceeds of the Global Offering to be tipped into the working capital account.

The above wish-list is a bit of a giggle, actually, because Pacific Online Ltd is virtually swimming in cash, the Prospectus indicates.

In fact, this Company has been swimming in cash since at least the 2004 Financial Year, the records show.

As at October 31, 2007, the Company had no debt and, according to the Combined Balance Sheets, contained at Appendix I-3, cash and cash equivalents, as at June 30, 2007, stood at about 135.83 million renminbi.

At the time of pitching its Initial Public Offering (IPO), therefore, Pacific Online Ltd was in need of no extra money.

Page 86 of the Prospectus states that the primary objective of the Company *'is to strengthen its position as the leading multi-portal Internet provider of specialised content in China and utilise its large and active pool of online users to further expand advertising revenue ...'*.

Management makes ... [CLICK TO ORDER FULL ARTICLE](#)

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