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China.com

China.com Inc.

中華網科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8006)

DISCLOSEABLE TRANSACTION

DISPOSAL OF INVESTMENT IN PRIVATE EQUITY FUND

On 14 June 2013 (after trading hours), the Company as seller and the Buyer entered into the Disposal Agreement, and pursuant to which the Company conditionally agreed to sell, and the Buyer conditionally agreed to purchase the Portfolio Property, which represents the Company's entire interest in the Private Equity Fund, at a consideration of US\$516,000 in cash subject to adjustments.

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

On 14 June 2013 (after trading hours), the Company as the seller entered into the Disposal Agreement with the Buyer, pursuant to which, among other things, the Company conditionally agreed to sell and the Buyer conditionally agreed to purchase, the Portfolio Property, which represents the Company's entire interest in the Private Equity Fund, at a consideration of US\$516,000 in cash subject to adjustments. Principal terms of the Agreement are set out as follows.

THE DISPOSAL AGREEMENT

Date: 14 June 2013

Parties:

- (1) the Company as the seller
- (2) the Buyer

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are Independent Third Party(ies).

Portfolio Property to be disposed of

Pursuant to the Disposal Agreement, the Company agreed to sell and the Buyer agreed to purchase the Portfolio Property consisting of the Company's limited partner's interests in the Fund, including inter alia, the capital commitments paid by the Company to the Fund, the remaining capital commitment of the Company to the Fund and all the Company's contractual rights under the agreements or documents which governs the Company's ownership in the Portfolio Property as at the Cut-Off Date.

Consideration and Payment Terms

Under the Disposal Agreement, the Consideration for the Disposal amounted to an amount of US\$516,000 in cash and shall be payable by the Buyer to the Company by wire transfer as at Completion.

The Consideration is subject to certain adjustments, i.e. the Consideration shall be increased by the part of the remaining capital commitment paid by the Company after the Cut-Off Date and on or prior to Completion and be decreased by the distributions paid by the Fund to the Company after the Cut-Off Date and on or prior to Completion.

The Consideration was negotiated between the parties at arm's length on normal commercial terms, in particular, with reference to the amount of capital commitment made by the Company to the Fund since its subscription for the Fund, which is in the sum of approximately US\$516,138 up to 30 May 2013, and no distribution received from the Fund up to 30 May 2013.

Conditions precedent

Completion shall be conditional upon, among other things, the conditions set out below being satisfied or waived in accordance with the Disposal Agreement.

- (a) The respective representations and warranties made by each of the Company and the Buyer in the Disposal Agreement and other transaction documents shall be true and accurate;

- (b) The Company and the Buyer shall have performed in all material respect its respective obligations under the Disposal Agreement;
- (c) No legal proceedings or claims whatsoever are in effect or threatened which would affect the consummation of the transactions under the Disposal Agreement;
- (d) Each of the Company and the Buyer shall have furnished to the other party a certificate confirmed that it has performed and complied with the conditions set out in (a) and (b) above;
- (e) All necessary approvals required for the transfer and assignment of the Portfolio Property under the Disposal Agreement are obtained.

If the above conditions have not been fulfilled or waived on or before Completion, which can be extended to 31 July 2013, Completion of the Disposal Agreement will not take place and the Disposal Agreement can be terminated by mutual consent or by either the Company or the Buyer if the other party is in material breach of any representation, warranty, covenant or agreement under the Disposal Agreement with the right to seek indemnification from the other party.

Completion

Completion of the Disposal Agreement is expected to take place before 31 July 2013. After the Completion, the Company no longer holds any interest in the Private Equity Fund.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors considered that the Disposal will allow the Group to apply its resources to its core businesses as the Company will no longer be required to make further capital contribution to the remaining capital commitment to the Fund. Further, the sale proceeds of approximately US\$516,000 generated by the Disposal will provide additional working capital for the Group. Taking into account of the above, the Directors, including the independent non-executive Directors, consider that the terms of the Disposal Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Based on the carrying amount of the investment in the Fund, the Group estimates that there is no material gain or loss from the Disposal (after deducting the related transaction costs). The Directors take the view that the Disposal contemplated under the Disposal Agreement shall have no significant impact on the Company's future financial positions.

INFORMATION OF THE PRIVATE EQUITY FUND

The Private Equity Fund was formed in April 2011. It was established principally to make direct and indirect investments in state-owned enterprises and privately-owned enterprises in China with a focus on business primarily in the consumer products and services, life science and healthcare, alternative energy and manufacturing industries. The management, operation, policy and conduct of the Private Equity Fund was vested exclusively in the general partner thereto. The term of the Private Equity Fund was eight years as from 2011 unless it was being terminated earlier pursuant to its partnership agreement.

The Company's committed capital commitment in the Private Equity Fund is US\$4 million, of which approximately US\$516,138 had been paid as of 30 May 2013 as the Company's capital contribution to the Private Equity Fund was generally on an "as needed" basis. After completion of the Disposal, the remaining capital commitment of the Company in the Private Equity Fund will be taken up by the Buyer pursuant to the terms of the Disposal Agreement.

INFORMATION OF THE GROUP

The Company and its subsidiaries are principally engaged in the operation of a board range of content value-added community services and e-commerce capabilities through online, office and media in China, Hong Kong and Singapore, comprising operations of internet portal, and trade and publication and events.

IMPLICATION OF THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITION

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	board of the Directors
"Buyer" or "AlpInvest"	AlpInvest Partners Primary Fund Investments 2013 I B.V., a private company with limited liability organized under the laws of the Netherlands and is wholly owned by AlpInvest Partners B.V
"Company"	China.com Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange

“Completion”	completion of the Disposal upon the terms set out in the Disposal Agreement
“Connected Person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Cut –Off Date”	31 May 2013
“Disposal”	the disposal of the entire interest in the Private Equity Fund by the Company to the Buyer pursuant to the Disposal Agreement
“Disposal Agreement”	The disposal agreement entered into between the Company as seller and AlpInvest as purchaser on 14 June 2013 in respect of the Disposal
“Directors”	the directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) and its(their) ultimate beneficial owner(s), if applicable, which are independent of the Company and its Connected Persons
“Private Equity Fund” or “Fund”	An exempted limited partnership duly formed and registered in the Cayman Islands in April 2011, namely, New Horizon Capital IV, L.P.
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the US

By order of the Board
Wong Kwong Chi
Chief Executive Officer

Hong Kong, 14 June 2013

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Chow Chi Wa, Mr. Huang Honghua and Mr. Xiao Hua

Non-Executive Directors:

Ms. Xu Yun and Mr. Mao Hongcheng (with Mr. Chen Mouhua as his alternate)

Independent Non-Executive Directors:

Ms. Peng Jiang, Mr. Zhu Xiangrong and Mr. Wu Guilong

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.inc.china.com.