

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



**Pan Asia Data Holdings Inc.**

**聯洋智能控股有限公司**

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

**(Stock Code: 1561)**

**DISCLOSEABLE TRANSACTION  
POSSIBLE ACQUISITION OF CONTROL OF  
LIAN YANG GUO RONG HOLDINGS LIMITED**

The Company has agreed conditionally to acquire further shares in Lian Yang Guo Rong Holdings Limited, the Target Company. On Completion it will become a subsidiary of the Company.

The Consideration of HK\$93,294,308.94 will be payable by the issue of new shares in the Company at the Issue Price of HK\$1.35 each. The Consideration Shares will represent about 9.26% of the issued Shares immediately after Completion (assuming that there is no change in the issued share capital of the Company before Completion).

**BACKGROUND**

On 10 September 2019 the Company announced amongst other things that it had entered into an agreement, pursuant to which it would acquire 30.89% of the issued shares in the Target Company. That transaction was completed on 31 December 2019 and the Target Company is currently recognised as an associate (for accounting purposes) in the consolidated financial statements of the Company. The Company has now agreed conditionally with the Vendor to acquire further shares in the Target Company so that it will on Completion become a subsidiary of the Company.

## **THE SHARE PURCHASE AGREEMENT**

On 11 February 2021 (after trading hours), the Company entered into the Share Purchase Agreement in respect of the Possible Further Acquisition. The principal terms of the Share Purchase Agreement are:

- Date: 11 February 2021
- Parties: (1) the Target Company;
- (2) the Vendor;
- (3) the Guarantors; and
- (4) the Company.

### **VENDOR/GUARANTORS**

The Vendor is Lian Yang Investment Limited. It is beneficially owned as to 32.5% by Ms. Song Shuang, 8.13% by her mother Ms. Song Yuqin and 59.37% by nine other natural persons, the shareholding of each of whom is less than one-third of the total shareholdings in the Vendor.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor's sole activity is the holding of its investment in the Target Company and each of the Vendor and each of its ultimate beneficial owners is an Independent Third Party (save for the fact the Vendor owns 27.64% of the Target Company at the date of this announcement and will become a substantial shareholder of the Company upon Completion).

Subject to the conditions referred to below, the Company (or its nominee) will purchase 7,172 existing Target Shares from the Vendor. The purchase of the Sale Shares in return for Consideration Shares will further align interests of the Vendor's beneficial owners with those of the Company. Beneficial owners of the Vendor are considered to be of substantial value to the rapid development and fast growth of the OPCO, and the transaction will ally and integrate the interests of fast growth of the OPCO and the Company tightly. At present the Vendor owns 8,500 or 27.64% of the issued Target Shares. It will own 1,328 or 4.32% of the issued Target Shares, the Company will own 16,672 or 54.22% of the issued Target Shares and the Target Company will become a subsidiary of the Company upon Completion.

The Sale Shares are valued at HK\$93,294,308.94 by reference to the percentage they represent of the entire issued Target Shares based on a value of HK\$400,000,000.00 of the Target Company.

## **CONSIDERATION**

The Consideration is HK\$93,294,308.94 in aggregate, and will be payable not in cash but by the issue of the Consideration Shares at the Issue Price. Both the Consideration and the Issue Price were agreed after arm's length negotiations and the Issue Price was fixed on the date of the Share Purchase Agreement by reference to recent market prices of the Shares. The negotiations took into consideration an assessment of the value growth potential of the Target Company.

### **Consideration Shares**

The 69,106,895 Consideration Shares, when allotted and issued, will represent (i) approximately 10.20% of the issued share capital of the Company at the date of this announcement; and (ii) approximately 9.26% of the issued share capital as enlarged by the issue of the Consideration Shares (assuming that there is no change in the issued share capital of the Company after the date of this announcement and before Completion).

The Consideration Shares will be issued by the Company under the general mandate to issue up to 132,617,754 Shares granted by the Company to the Board on 19 June 2020. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares then in issue.

### **Issue Price**

The Issue Price of HK\$1.35 per Consideration Share represents:

- (i) a discount of approximately 53.45% over the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day of HK\$2.90 per Share;
- (ii) a discount of approximately 51.44% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.78 per Share;
- (iii) a discount of approximately 51.09% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days, up to and including the Last Trading Day, of approximately HK\$2.76 per Share; and
- (iv) a premium of approximately 22.73% to the unaudited consolidated equity attributable to the Shareholders of approximately HK\$1.10 per Share (based on the unaudited consolidated equity attributable to the Shareholders of approximately HK\$747,137,000 million as at 30 June 2020).

### **Other terms**

Immediately prior to Completion, the Target Company will grant to the Vendor Nominated Person an option to subscribe for 7,172 shares in the Target Company at the exercise price of HK\$13,008.00 per share. The grant is intended for the ultimate benefit of and to incentivize people who make and are expected to make substantive contributions to the rapid

development and fast growth of the OPCO, and thereby generate accelerated value accretion impact to the value growth of the Company. The terms and conditions of the option will be determined by the shareholders of the Target Company and the Company prior to Completion, but the option will be exercisable only if Completion takes place and OPCO recognises revenue of not less than RMB130 million in the year of 2021. Further, the Vendor Nominated Person may only sell and transfer any Target Shares issued to it upon exercise of the option to the Company or its nominee at a price to be determined in good faith by the Vendor Nominated Person and the Company. Whether or not to purchase any exercised Target Shares from the Vendor Nominated Person shall be at the Company's sole discretion. If the Target Company would cease to be a subsidiary of the Company on exercise of the option or the Company wishes to exercise its discretion to purchase any Target Shares issued on exercise of this option from the Vendor Nominated Person, the Company will comply with the relevant requirements of the Listing Rules at that time.

Immediately prior to Completion the Company will grant to a company or trust nominated by the Vendor who is qualified to participate in the Company's Share Award Scheme rights over Shares representing 2% of the issued Shares (677,376,770 shares in aggregate) under its Share Award Scheme. The Company understands that those awarded Shares will ultimately benefit people who make substantial contributions to the rapid development and fast growth of the OPCO. These rights will vest only if Completion takes place and the OPCO recognises revenue of not less than RMB130 million in the year of 2021.

At Completion a shareholders' agreement to which the Company is a party, in respect of the Target Company will be amended by the Supplemental Shareholders Deed, the terms of which are yet to be agreed.

## **Completion**

Completion shall take place on the 15th Business Day after satisfaction or, where permitted, waiver of the Conditions or on such other date as the parties to the Share Purchase Agreement may agree in writing.

## **CONDITIONS PRECEDENT**

Completion of the Possible Further Acquisition is conditional upon satisfaction or waiver of the Conditions by the Company:

- (a) the Company being satisfied with the results of a due diligence review of the Target Group;
- (b) relevant approvals of the board of directors and (if applicable) the shareholders of each member of the Target Group and the board of directors and the shareholders of the Target Company;
- (c) the Supplemental Shareholders Deed having been entered into;
- (d) the Target Company having granted a share option to the Vendor Nominated Person as referred to above;
- (e) the Company having granted awarded Shares as referred to above;

- (f) certain warranties made by the Vendor remaining true and accurate in all respects;
- (g) compliance with all applicable notification, announcement and other requirements under the Listing Rules relating to the Share Purchase Agreement and the transactions contemplated hereunder by the Company;
- (h) all necessary approvals, consents, authorisations and licenses required to be obtained in relation to the transactions contemplated under the Share Purchase Agreement having been granted by third party (including all relevant governmental or official or regulatory authorities) and all other necessary consents and approval required pursuant to any legal or regulatory requirements having been obtained;
- (i) the issue and delivery of a valuation report of the OPCO to the Company by an independent qualified valuer appointed by the Company in form and substance to the satisfaction of the Company and the appraised value of the entire equity interest in OPCO being not less than HK\$500,000,000.00;
- (j) the Listing Committee of the Stock Exchange shall have granted or agreed to grant (subject to allotment) and shall not have withdrawn or revoked listing of, and permission to deal in, the Consideration Shares; and
- (k) the Vendor having procured written waivers of all rights of pre-emption over the Sale Shares, if any.

The Company may waive any of the Conditions other than Conditions (g), (h) and (j). If the Conditions have not been fully satisfied (or as the case may be, waived by the Company) on or before 12:00 noon on the Long Stop Date, the Share Purchase Agreement shall cease and determine and no party shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms hereof.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion (assuming that there is no change in the issued share capital of the Company before Completion):

<b>Shareholder</b>	<b>(i) Shareholdings as at the date of this announcement</b>	<b>(ii) Shareholdings immediately after Completion</b>
	<i>Number of Shares (%)</i>	<i>Number of Shares (%)</i>
Vendor	6,989,894 (1.03%)	76,096,789 (10.19%)
Timenew Limited	427,860,000 (63.16%)	427,860,000 (57.32%)
Public (exc. Vendor)	242,526,876 (35.81%)	242,526,876 (32.49%)

## INFORMATION ABOUT THE TARGET COMPANY

The Target Company is an investment holding company incorporated in the Cayman Islands with limited liability, which has indirect control over the management and operation of OPCO. The OPCO is an independent and fast growing “SaaS/PaaS” cloud platform, which focuses on providing artificial intelligence “AI”-enabled algorithmic solutions to the providers of retail financial services in China, especially in consumer finance and commercial insurance, by way of wholly devoted entrepreneurial drive to market needs through relentless innovations and dedicated executions while fully leveraging upon and synergizing with its particular positioning of public private partnership in the IT and communications fields and uniquely authorized and compliant access and utilization rights to the canonical database for providing enterprise services with fintech applications. Reference information about the Target Company, the OPCO and its business and financials was also set out in the Company’s announcement of 10 September 2019.

### Financial information

Set out below is the financial information of the Target Group for each of the two years ended 31 December 2019 (audited) and 2020 (unaudited):

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<i>HK\$</i>	<i>HK\$</i>
	(audited)	(unaudited)
	<i>(Note)</i>	<i>(Note)</i>
Loss before taxation	1,135,000	25,350,000
Loss after taxation	1,135,000	25,350,000

*Note:* Through a contractual arrangement under certain structured contracts (for details, please refer to the announcement of the Company dated 10 September 2019) entered into on 31 December 2019, the Target Company has indirect effective control of the management and operation of OPCO and is entitled to 80% of the underlying economic interest and benefits generated from its business activities, despite the lack of registered equity ownership.

The losses of the Target Group mainly represented administrative, R&D and other expenses of the Target Group.

The unaudited consolidated net assets of the Target Company amounted to approximately HK\$27,579,000 as at 31 December 2020.

The financial statements of the Target Group for the year ended 31 December 2020 are being audited. Further disclosures will be made after the audit has been completed if the audited financial information is materially different to that disclosed above.

## **REASONS FOR AND POTENTIAL BENEFITS OF THE POSSIBLE FURTHER ACQUISITION**

The Company is an investment holding company. The Company's principal subsidiaries are engaged in provision of third-party payment services and manufacturing and trading of liquid coatings and powder coatings presently.

In the summer of 2020, the Chinese central authority decided to accelerate the establishment of a "dual circulation" development pattern in which the domestic economic cycle ("Internal Circulation") plays a leading role with the international economic cycle ("External Circulation") as its extension and supplement. The new mega trend towards the Internal Circulation in the Chinese economy necessitates further escalated domestic consumption, in which consumer credit plays a critical role in facilitation, which would substantially push up demand for efficient digital risk management services in the whole life cycle of personal credits. The pandemic of Covid-19 from the beginning of 2020 has significantly enhanced awareness in the Chinese population of the importance of assurance, while the Chinese central authority has taken a whole series of critical measures for years to develop an assurance system for the country's stable and sustainable development, where commercial insurance as an indispensable supplement, especially in healthcare, has been growing and expanding rapidly. As a result, AI-enabled algorithmic solutions to the full value chain of insurance are in much accelerated demand.

Based on statistics issued by the People's Bank of China, Frost & Sullivan, Oliver Wyman Analysis and others, the outstanding principal balance of personal credit in China was about RMB59.4 trillion in 2019 and is expected to grow about 13.2% annually to reach RMB110.6 trillion in 2024; insurance premiums in aggregate in China were about RMB4.3 trillion in 2019 and are expected to reach RMB6.9 trillion in 2024, and insurance penetration in China, as a percentage of GDP, was about 4% in 2019 while in the US it was about 11% in 2019; China's total revenue of big data analytics services market for financial industry was about RMB109.3 billion in 2019 and is expected to grow about 18.2% annually to reach RMB252.4 billion in 2024, while the revenue of independent big data analytics services market was about RMB10.6 billion in 2019 and expected to grow about 31.9% annually to reach about RMB42.4 billion in 2024. In addition, as the promulgation of the very recent regulatory evolutions centered around "Deleveraging" and "Anti-monopoly", the consumer credit risk management market, target of the OPCO, presents huge opportunities of independent big data risk management services to incremental consumer credit balance of approximately RMB1.7 trillion. Hence, the addressable market of the OPCO's SaaS/PaaS cloud platform is not only enormous but also in leap frog rapidly expanding.

The OPCO, having established its competitive and fully compliant data aggregation, connectivity and integration, and AI-enabled algorithmic solutions for applications to retail financial services and insurance, started revenue generation in mid-2020, from just about RMB300,000 per month in July 2020 to over RMB 10 million per month in December 2020 according to its management account, a growth of over 30 times in 6 months, and meanwhile, dozens of banks, consumer finance companies (inclusive of the sector Top tier banks in China's personal credit sector) and digital channels of consumer finance etc. have either signed contracts or in process for contract signing. Furthermore, the OPCO is also well under way in negotiation to provide its AI-enabled algorithmic solutions to several top insurers and digital insurance channels.

AI is right at the very center of ongoing disruptive secular growth under a new economic order. By acquiring the indirect controlling stake in the OPCO, a “SaaS/PaaS” cloud platform to serve Chinese consumer finance and insurance via AI-enabled algorithmic solutions, the Company, embarking on a high growth mega trend brought by expanding huge retail consumption (“Internal Circulation”) demand in China, expects to be in an anchor position to capture prospectively huge economic returns to boost its shareholders’ value significantly and sustainably, and meanwhile, generate social value to the benefit of the Chinese economy and society.

After Completion, to fuel and accelerate the OPCO’s rapid growth, the Company may, but is not obliged to, provide financing to the Target Company of up to HK\$800,000,000.00 by subscribing for new shares in the Target Company at the subscription price of HK\$13,008.00 per Target Share, which reflects an agreed pre-subscription valuation of the Target Company of HK\$400,000,000.00, or through any other means. Any decision to provide financing to the Target Company is at the sole discretion of the Company and it has not decided whether to provide any such financing or, if it does provide it, the form or terms of that financing. If and when the Company decides to provide financing to the Target Company it will comply at the time with the relevant requirements of the Listing Rules.

The Target Company is currently recognised as an associate in the consolidated financial statements of the Company. If the Possible Further Acquisition materialises, the Company will acquire control of the Target Company which will be recognised as a non wholly-owned subsidiary and will be consolidated in the consolidated financial statements of the Company and the Company will be able to control the business direction of the Target Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Possible Further Acquisition exceeds 5% but all are less than 25%, the Possible Further Acquisition constitutes a discloseable transaction for the Company and is subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

**As the Possible Further Acquisition is subject to conditions it may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares.**



## DEFINITIONS

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

“associate”	the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (excluding Saturdays, Sundays, public holidays in Hong Kong and/or the PRC and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong and the PRC are open for normal banking business;
“Company”	Pan Asia Data Holdings Inc. 聯洋智能控股有限公司 a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1561);
“Completion”	completion of the Possible Further Acquisition;
“Conditions”	the conditions precedent to which the Share Purchase Agreement is subject;
“Consideration”	HK\$93,294,308.94 in aggregate;
“Consideration Shares”	69,106,895 new Shares to be allotted and issued by the Company to the Vendor at the Issue Price pursuant to the Share Purchase Agreement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guarantors”	Shanghai Bai Pai and Shanghai Pu En;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Independent Third Party”	an individual or company which is not connected with any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is/are independent of the Company;
“Issue Price”	HK\$1.35 the issue price per Consideration Share;

“Last Trading Day”	11 February 2021, being the date of the Share Purchase Agreement and the last trading day of the Shares before the release of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 March 2021 or such other date as the parties to the Share Purchase Agreement may agree in writing;
“OPCO”	聯洋國融(北京)科技有限公司 (Lian Yang Guo Rong (Beijing) Science and Technology Co., Ltd.*), a company incorporated in Beijing, the PRC and accounted for as a subsidiary by the Target Company;
“Possible Further Acquisition”	the possible acquisition of the Sale Shares by the Company so that the Target Company will become a non-wholly owned subsidiary of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the territory of Taiwan;
“Sale Shares”	an aggregate of 7,172 existing Target Shares representing 23.32% (rounded to the nearest 2 decimal places) of the issued Target Shares as at the date of the Share Purchase Agreement;
“Shanghai Bai Pai”	Shanghai Bai Pai Digital Science and Technology LLP* (上海百派數字科技合夥企業(有限合夥)) a limited liability partnership existing under the laws of the PRC, with its registered office address at Room R-1015, 10th Floor, No.26, Alley 1289, Gongyuan East Road, Qingpu District, Shanghai, PRC (上海市青浦區公園東路1289弄26號10層R區1015室);
“Shanghai Pu En”	Shanghai Pu En Network Science and Technology LLP* (上海普恩網路科技合夥企業(有限合夥)) a limited liability partnership existing under the laws of the PRC, its registered office address at Room C-271, 2nd Floor, No. 736, Qing Hu Road, Qingpu District, Shanghai, PRC (上海市青浦區青湖路736號2層C區271室);
“Shareholders”	holders of Shares;
“Share Award Scheme”	the share award scheme of the Company adopted and announced on 9 January 2020;

“Share Purchase Agreement”	the contract dated 11 February 2021 entered into by the Target Company, the Vendor, the Guarantors and the Company, in relation to the Possible Further Acquisition;
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	the meaning ascribed to it in the Listing Rules;
“Supplemental Shareholders Deed”	a supplemental shareholders deed in respect of the Company to be entered into by and between the OPCO, the Vendor, the Company and others;
“Target Company”	Lian Yang Guo Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability;
“Target Group”	the Target Company and the entities recognised in its financial statements as its subsidiaries;
“Target Shares”	shares of US\$1.00 nominal value in the capital of the Target Company;
“Vendor”	Lian Yang Investment Limited a company incorporated in the British Virgin Islands with limited liability, which owns approximately 27.64% of the Target Shares in issue at the date of this announcement; and
“Vendor Nominated Person”	a company or a trust nominated by the Vendor to receive a share option from the Target Company immediately prior to Completion.

By Order of the Board  
**Pan Asia Data Holdings Inc.**  
**Li Zhong Yuan**  
*Chairman*

Hong Kong, 11 February, 2021

*At the date of this announcement, the Board comprises Dr. Li Zhong Yuan (Chairman) and Ms. Liu Rong Rong as executive Directors; and Mr. Li Gong, Mr. Wang Jianping and Dr. Shi Ping as independent non-executive Directors.*

\* *for identification purposes only*