联洋智能
PAD

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 — ENTERING INTO THE PARTNERSHIP AGREEMENT FOR ESTABLISHMENT OF PARTNERSHIP

FORMATION OF THE PARTNERSHIP

The Board announces that, on 7 September 2023, LYGR (Beijing), an indirect non-wholly owned subsidiary of the Company (as a limited partner), entered into the Partnership Agreement with the General Partner for the establishment of the Partnership as a limited partnership.

Pursuant to the Partnership Agreement, the total capital contribution amount of the Partnership is RMB81,000,000, of which, LYGR (Beijing) agreed to contribute RMB80,000,000 as a limited partner. ALAN AMC is the General Partner, executive partner and fund manager of the Partnership. The Partnership is accounted for as a financial asset measured at fair value through profit or loss of the Company and the financial results of the Partnership will not be consolidated by the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios with reference to the total capital commitment to the Partnership by LYGR (Beijing) under the Partnership Agreement are more than 5% but less than 25%, the entering into of the Partnership Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that, on 7 September 2023, LYGR (Beijing), an indirect non-wholly owned subsidiary of the Company (as a limited partner), entered into the Partnership Agreement with the General Partner for the establishment of the Partnership as a limited partnership.

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THE PARTNERSHIP AGREEMENT

Key terms of the Partnership Agreement are summarized as follows:

Date:

7 September 2023

Parties:

(1) LYGR (Beijing) (as limited partner); and

(2) ALAN AMC (as General Partner, executive partner and fund manager).

Name of the Partnership:

Wuhu Langya Lianyang No.1 Investment Fund Partnership (Limited Partnership)* (蕪湖朗亞聯洋一號投資基金合夥企業(有限合夥))

Capital contribution to the Partnership and payment method:

Under the Partnership Agreement, the capital contribution payable by each of the partners is set forth below:

Partners	**Amount of capital contribution** *(RMB'000)*	**Proportion of capital contribution**
LYGR (Beijing)	80,000	98.77%
General Partner	1,000	1.23%
Total	**81,000**	**100.00%**

The size of the Partnership and the capital contribution of each of the partners are determined after arm's length negotiations between the General Partner and LYGR (Beijing) with reference to the anticipated capital requirements of the Partnership and the proportionate interests among the partners therein. The Company had financed its share of the capital contribution amount with its internal source of fund.

During the year ended 31 December 2023, the Group contributed RMB80,000,000, representing equity interest of approximately 98.77%, into the Partnership. The Partnership is accounted for as a financial asset measured at fair value through profit or loss of the Company and the financial results of the Partnership will not be consolidated by the Group.

Duration of the Partnership:

The business term stated in the business license of the Partnership is twenty years, commencing from the date of its establishment.

The date of establishment of the Partnership is 12 October 2023, being the date of issuance of the Private Equity Fund Filing Certificate (私募投資基金備案證明) by the Asset Management Association of China (中國證券投資基金業協會).

The duration period of the Partnership shall be seven years, ending on the seventh anniversary of its establishment (the "**Duration Period**"). The investment period of the Partnership shall commence from the date when the fund is established and end on the fifth anniversary of the date when the fund is established (the "**Investment Period**"). The exit period of the Partnership shall be from the day immediately after the expiration of the Investment Period to the expiration of the Duration Period (the "**Exit Period**").

Upon expiry, the Duration Period may be extended with the unanimous consent of all partners by way of amending the Partnership Agreement.

Investment return:

None of the General Partner, the executive partner, the Fund Manager and the Partnership has made any undertakings to the limited partner in respect of its return on investment or compensation for investment losses.

Increase in capital contribution to the Partnership:

During the Duration Period, the Partnership may raise additional funds by admission of new limited partners or increase of capital contribution from the existing limited partners, subject to satisfaction of all the following conditions:

(1) the Partnership have completed filing with the Asset Management Association of China (the "**Filing**");

(2) the Partnership remains under the custody of a legally established custodian with fund custody qualification;

(3) the Partnership operates within the Investment Period stipulated in the Partnership Agreement;

(4) the Partnership makes portfolio investments, and the funds invested in a single target do not exceed 50% of the ultimate total subscribed capital of the Partnership; and

(5) all partners give unanimous consent.

Investment scope:

The Partnership mainly invests in the unlisted companies through direct or indirect equity investment, as well as demand bank deposits, treasury bonds, central bank bills, and money market funds.

By investing in non-listed companies, the Partnership has the opportunity to obtain investment returns which is above the market average. Non-listed companies may contain huge growth potential and value. Once these companies are successfully listed or acquired, the Partnership may be able to generate high returns from investments in those companies.

The Partnership will carry out the following due diligence works and risk control measures to mitigate the higher risk exposures from investment in non-listed companies:

(1). the Fund Manager will carefully study key elements of the target unlisted company such as the business model, market prospects, management team, financial status and competitive advantages. Through communication with the company's management, employees, customers and suppliers, as well as on-site inspections, the Fund Manager will gain a more comprehensive understanding of the company's operating conditions and growth potential, so as to make appropriate investment decisions;

(2). the Fund Manager will adopt a strategy of diversified investment to reduce risks. By investing the funds in multiple unlisted companies, it will reduce the risk associated with investing in a single company. In addition, the Fund Manager will consider investing in different industries, geographies and market stages to further disperse risks;

(3). the Fund Manager will actively communicate with the management and shareholders of the target unlisted company to ensure that it can keep abreast of the company's latest developments and important events. In addition, it will establish connections with investors in the same industry or related fields for information and resources sharing, which would also help to better grasp market trends and risk points;

(4). due to the low liquidity of unlisted companies, the Fund Manager will appropriately mismatch the investment periods and consider various exit methods at the appropriate time. Exit strategies may include, among others, equity transfers, IPO and management buybacks. The Fund Manager will select the exit methods flexibly depending on the market environment and conditions of the company; and

(5). the Fund Manager has established a set of risk management system, covering identification, assessment, monitoring and reporting of risks. By regularly assessing the risk level of the investment portfolio, potential risks could be identified and addressed in a timely manner to ensure the stability and sustainability of investment returns.

Although investing in unlisted companies bears higher risk and return potential, the Fund Manager will mitigate potential risk exposure and balance investment returns through due diligence, diversification of investments, close investor relationships, reasonable investment periods and exit strategies and strengthening risk management systems. This will help the Partnership ensure the stability and security of its investment portfolio while pursuing high returns.

Prior to the completion of the Filing, the Partnership may invest its cash assets in cash management instruments recognized by the China Securities Regulatory Commission, such as demand bank deposits, treasury bills, central bank bill and money market funds for the purpose of cash management.

Based on the quarterly investment report issued by the Partnership, as at 31 March 2024, the Partnership invested in trading financial assets (included monetary fund products) of approximately RMB32,876,000 and directed equity investment of RMB39,000,000 in an unlisted company (the "**Investee**"), which mainly engaged in big data industry. The Investee is an information technology service company located in Shanghai with a focus on the research, development and application of big data analysis and data security technology. It has established close cooperation with a number of official data source units, and possesses compliant data sources and flexible and fast service capabilities.

Investment strategies:

The Partnership will make direct or indirect equity investments.

Through equity investment, the Partnership will invest in the equity of unlisted companies that are in line with national strategies with breakthroughs in key core technologies and high market recognition, or invest in, among others, asset management products and private equity funds that invest in the equity of the aforesaid unlisted companies. The specific areas include strategic emerging industries such as the Internet, big data, cloud computing, artificial intelligence and other high-tech industries. It may also invest in cash management instruments recognized by the China Securities Regulatory Commission, such as demand bank deposits, treasury bills, central bank bill and money market funds for the purpose of cash management.

The investment strategies and details of the industries to be invested by the Partnership are as follows:

The Partnership mainly invests in the Internet, big data, cloud computing and artificial intelligence industries, which have recently demonstrated significant investment advantages. These advantages are not only reflected in the promotion of technological innovation, but also cover a variety of aspects such as market demand, business models and policy support. The details of the current situation of different industries are as follows:

(1). Landscape of Internet industry

Market size and growth: the Internet industry continues to maintain a smooth growth momentum. With the improvement of network infrastructure and the penetration of mobile devices such as smartphones, the number of Internet users continues to grow with the market scale continuously expanding. For example, according to the latest data, the number of Internet users in China is close to 1.1 billion, accounting for nearly 80% of total population, and the number of Internet users in rural areas is also increasing.

Technological innovation: the Internet industry has always maintained the vitality of technological innovation. With the gradual popularization of new generation communication technologies such as 5G and 6G, the technology development of cloud computing and edge computing has brought new development opportunities for the Internet industry. The development of these technologies has not only improved network speed and stability, but also provided more efficient and convenient services for enterprises and individuals.

Reformation of business models: the business model of the Internet industry is undergoing reform. On the one hand, with the rapid development of online advertising, e-commerce and other businesses, the profitability model of Internet enterprises has become increasingly diversified. On the other hand, with the emergence of new models such as sharing economy and social commerce, the competitive landscape of the Internet industry is also evolving.

Data security and privacy protection: with the popularity of the Internet, data security and privacy protection issues have become increasingly prominent. Internet enterprises need to adopt effective technical means and management measures to protect users' data security and privacy rights and interests. Meanwhile, the government also makes great efforts in strengthening the supervision of data security and privacy protection to promote the healthy development of the Internet industry.

Market competition and concentration: the Internet industry is a highly competitive market, but market concentration is gradually increasing. Some large Internet enterprises are gradually dominating the market by leveraging on their advantages in technology, brand and user scale. Meanwhile, as market competition is becoming fierce, some Internet enterprises of smaller size and weaker capacity are facing greater challenges.

Policies, regulations and supervision: the impact of policies and regulations on the Internet industry cannot be overlooked. The government has issued a series of policies and regulations to regulate the operation and development of the Internet industry. These policies and regulations cover information security management, market access, intellectual property protection, etc. so as to promote the healthy development of the Internet industry.

Cross-border integration and digital transformation: the Internet industry is deeply integrating with all walks of life to promote digital transformation. For example, intelligent manufacturing, intelligent medical treatment, online education and other fields are actively applying Internet technology to improve efficiency and service quality. At the same time, Internet enterprises are also actively expanding new business areas to achieve diversified development.

Generally speaking, the current situation of the Internet industry is characterised by the continuous expansion of market scale, active technological innovation, changes in business models, prominent issues of data security and privacy protection, fierce market competition but gradually increasing concentration, rigorous policies, regulations and supervision, as well as cross-border integration and digital transformation.

(2). Landscape of big data industry:

Market size continues to expand: In recent years, the size of big data industry has achieved rapid growth. According to the "Research Report on the Prospect of the Construction and Development of China's Big Data Center from 2024 to 2029" released by the China Business Industry Research Institute (中商產業研究院), the size of China's big data industry reached RMB 1.57 trillion in 2022, a year-on-year increase of 18%, becoming a significant force for driving the development of the digital economy. The industry size is expected to increase to RMB 2.4 trillion in 2024.

Technical strength has become the core of competition: for big data industry, technical strength is the core factor that determines the competitiveness of enterprises. With the rapid development of big data processing technologies such as Hadoop and MPP, a large number of big data enterprises with big data platforms and software products as the core emerged. These enterprises organically integrated enterprise data, business, and big data technology through big data algorithm models, and provided key support for various industries to release the potential of data elements, create the value of data, and realize data-empowered business and digital transformation.

Increased policy support: the development of big data industry received strong policy support from governments at all levels and relevant departments. These policies are designed to promote the innovation and development of big data industry and promote the digital transformation of the economy and society. Policy support includes financial support, tax incentives, talent introduction, etc., providing a favorable policy environment for the development of big data industry.

Application scenarios continue to expand: big data industry has been widely used in finance, medical care, retail, logistics and other fields. With the advancement of technology and the deepening of application, big data provides better business insights, refined operations and personalized services for various industries. For example, in financial field, big data is used in risk assessment, anti-fraud, artificial advisory, etc.; in medical field, big data is used in disease prediction, personalized treatment, etc.

Acceleration of data infrastructure construction: digital infrastructure construction and industrial digital ecology will be further integrated, and the construction of cloud computing, blockchain, and artificial intelligence infrastructure for the data element market and enterprise digital scenarios is accelerating. Computing infrastructure such as cloud computing has begun to fully support the movement of enterprise assets to the cloud, industrial chains to the cloud, and industrial clusters to the cloud, laying the foundation for industrial clusters to achieve collaboration. At the same time, data infrastructure such as blockchain will be fully constructed in some developed cities to support the establishment of local digital credit systems, thereby promoting the development of local economies with a highly credible digital business environment.

Data analysis technology continues to develop: data analysis has become the core technology of big data industry. The patterns and values behind the data can be discovered through collection, cleaning, storage and analysis of data. At the same time, as the amount of data continues to grow and technology advances, big data analysis will become more accurate and in-depth, providing more valuable decision support and business insights for enterprises and individuals.

Data security issues are becoming increasingly exposed: with the rapid development of big data, data security issues are becoming increasingly exposed. A large amount of data flows on the Internet and is vulnerable to risks such as leaks and hacker attacks. Therefore, strengthening data security management, protecting user privacy and data security has become one of the important tasks of big data industry.

To sum up, big data industry is currently in a stage of rapid development. The market size continues to expand, technical strength has become the core of competition, policy support has increased, application scenarios continue to expand, the construction of data infrastructure accelerates, and data analysis technology continues to develop. However, at the same time, it also faces challenges such as data security.

(3). Landscape of cloud computing industry

Market size and growth: the market size of cloud computing industry continues to expand, with steady growth. According to statistical data, the market size of China's cloud computing reached RMB 455 billion in 2022, an increase of 40.91% compared with 2021. It is expected that the market size of China's overall cloud computing will exceed one trillion yuan by 2025. At the same time, cloud computing industry has also maintained a high growth rate in the global market and is expected to continue to expand in the next few years.

Technological innovation and integration: the cross-integration of cloud computing technology and digital technologies such as big data and artificial intelligence has been further enhanced. The consumption of cloud computing resources by accelerated iteration and in-depth applications of large models is growing rapidly. In addition, cloud computing is also promoting the development of emerging technologies such as edge computing, providing more efficient and flexible computing resources.

Industry application and expansion: cloud computing is accelerating the integration and penetration into manufacturing, government affairs, finance, medical care, transportation, energy and other industries, promoting the digital transformation of these industries. With the popularization of cloud computing technology, more and more enterprises are beginning to adopt cloud services to improve operational efficiency and reduce costs.

Growth of public cloud market: for cloud computing market, the contribution of public cloud market continues to grow. In 2022, the domestic public cloud market accounted for 71.56% of the national cloud computing market, an increase of 19.89% from 2019. The growth of public cloud market is mainly due to its flexibility and scalability, as well as lower cost advantages.

Improvement of security: with the development of cloud computing technology, cloud security issues have also received more attention. Cloud computing providers are ensuring the security of user data by strengthening security technology research and development and improving security defense capabilities. At the same time, technologies such as AI-enhanced network security are also being applied in the field of cloud computing security, providing users with more powerful threat detection and response capabilities.

Multi-cloud environment trend: as enterprises are diversifying their cloud computing needs, multi-cloud environments become a trend. Instead of relying on a single cloud service provider, many enterprises are choosing to deploy and manage across multiple cloud service providers. This multi-cloud environment can improve reliability and resiliency and reduce risk.

Policy support: cloud computing industry receives great attention from governments at all levels and is supported by national industrial policies. The government issued a series of policies and measures, such as the "Guidelines for the Construction of a Comprehensive Standardization System for Cloud Computing"(《雲計算綜合標準化體

系建設指南》), which provide clear and broad market prospect for the development of the cloud computing industry and create good production and operating environment for enterprises.

To sum up, the landscape of cloud computing industry is characterised by the continued market growth, enhanced technological innovation and integration, accelerated industry application and expansion, significant growth of the public cloud market, improved security, multi-cloud environment trends, and policy support. These characteristics have laid the solid foundation and provided broad space for the development of cloud computing industry.

(4). Landscape of artificial intelligence industry

Rapid technological development: the artificial intelligence industry is in a stage of rapid technological development. Generative AI has become a new hot spot in the industry, especially in areas such as image generation, natural language processing, and speech recognition, where significant progress has been made. Models such as ChatGPT and Sora released by OpenAI demonstrate the powerful ability of AI in generating content. At the same time, multi-modal deep learning is also constantly evolving, allowing AI to process information from different modalities, such as text, images, audio and video and etc.

Expanding market size: as technology continues to mature and application scenarios continue to expand, the market size of the artificial intelligence industry continues to expand. According to data from IDC and other institutions, the total scale of global artificial intelligence IT investment grows constantly, and the scale of China's core artificial intelligence industry has reached hundreds of billions in terms of RMB. Especially in the field of large models, the market size has been growing at the fastest rate and is expected to continue to maintain rapid growth in the next few years.

Extensive application scenarios: artificial intelligence has been widely used in various fields, including, among others, smart manufacturing, smart homes, smart healthcare and smart transportation. In the field of intelligent manufacturing, artificial intelligence can facilitate automated production, optimize supply chain management, and improve product quality for enterprises. In the field of smart homes, artificial intelligence can realize intelligent control, information enquiry and other functions through devices such as the voice assistant. In the medical field, artificial intelligence can assist doctors in disease diagnosis and formulation of treatment plan and etc.

Increasing competition among players: as the artificial intelligence market continues to expand, competition among enterprises has become increasingly fierce. Technology giants such as Microsoft, OpenAI, Amazon, and Apple are actively deploying in the field of artificial intelligence and have launched a series of new products and services. In addition, some start-ups are also seeking to stand out in the market through technological innovation and differentiated competition.

Policy support: governments attach great importance to and support the development of artificial intelligence. Governments around the world have introduced a series of policies and measures to promote the research, development and application of artificial intelligence technologies. For example, the Chinese government has listed artificial intelligence as one of the country's strategic emerging industries and has introduced a series of policies and measures to support its development. These policies cover financial support, tax incentives, talent introduction, and etc., providing a favourable policy environment for the development of the artificial intelligence industry.

Ethical and privacy issues: with the widespread application of artificial intelligence technology, ethical and privacy issues have become increasingly prominent. Major challenges facing the industry include how to ensure the fairness, justice and transparency of artificial intelligence technology, and how to protect user privacy and data security. Some enterprises and organizations have started to explore the formulation of relevant ethical norms and standards to promote the healthy development of artificial intelligence technologies.

To sum up, the artificial intelligence industry is currently in a stage of rapid development with expanding market size, extensive application scenarios, increasing competition among players and favourable policy environment, but it is also facing challenges such as ethics and privacy. In the future, with the continuous advancement of technology and the continuous expansion of application scenarios, the artificial intelligence industry will continue to maintain the momentum of rapid growth.

The Partnership targets to invest in the above industries taking into account the following factors:

(1). Industry growth potential: industries such as the Internet, artificial intelligence, big data, and cloud computing enjoy huge growth potential and market prospects, and investing in outstanding companies in these industries is expected to yield good returns.

(2). Driven by technological innovation: these industries are driven by technological innovation. Investing in these companies can share the benefits and growth brought about by their technological innovation. In addition, technological innovation also helps these companies maintain competitive advantages and market share.

(3). To diversify the investment portfolio: it could diversify the investment portfolio and reduce investment risks. Meanwhile, these companies often have unique technological advantages and market positions that can bring additional income and growth momentum to the investment portfolio.

The Partnership will select the investment targets taking into account various factors as follows:

(1). Technical strength and innovation ability

The Partnership will obtain a detailed understanding of the intellectual property rights held by the target companies, such as technology patents and software copyrights, as well as the actual application and commercialization prospects of these patents and copyrights.

R&D team and innovation capabilities: the Partnership will examine the professional background and innovation capabilities of the target company's R&D team, as well as its investment and output in technological innovation, and understand whether the company has sustainable technological innovation capabilities and R&D capabilities.

Technical cooperation and ecology: the Partnership will obtain information about whether the target company has established technical cooperation relationships with other companies in the industry, research institutions or universities, and the role of these cooperative relationships in promoting its technological innovation and product research and development.

(2). Market prospects and business model

Target customers and market needs: the Partnership will obtain in-depth understanding of the target company's target customer groups and market needs, and whether the company's products or services can meet these needs, and assess the company's competitive position and market share in target markets.

Business model and profitability: the Partnership will obtain a detailed understanding of the target company's business model and profit-making method, and whether these models are sustainable and competitive, and evaluate its profitability and cost control capabilities.

Market expansion and growth strategies: Understand the target company's market expansion plans and growth strategies, and whether these plans are in line with its overall strategy, and evaluate whether it has sufficient resources and capabilities to implement these plans.

(3). Financial status and risk management

Financial statements and financial indicators: make in-depth analysis of the target company's financial statements and financial indicators, including revenue, profit, cash flow, asset-liability ratio, etc., and assess whether its financial status and profitability is healthy.

Risk management mechanism: understand whether the target company has established a sound risk management mechanism and internal control system, and whether these mechanisms and systems can effectively address potential risks.

Financing and investment activities: examine the target company's financing and investment activities to understand its source and use of funds, and evaluate whether the company has sufficient capital to support its business development and expansion plans.

(4). Management team and corporate culture

Background of the management team: understand the background, experience and professional capabilities of the management team, and whether they have the ability and calibres to lead the company's development.

Corporate culture and values: obtain in-depth understanding of the target company's corporate culture and values, and whether these cultures and values could contribute to its long-term development, and assess employees' sense of identification and belonging to the company.

Employee motivation and training: understand whether the target company has established a sound employee motivation and training mechanism, and whether these mechanisms can stimulate employees' enthusiasm and creativity.

(5). Other factors

Compliance and moral risks: evaluate whether the target company complies with national laws, regulations and industry norms during its operations, and whether there are moral risks.

Industry trends and policy environment: understand the development trends and policy environment of the industry in which the target company operates, as well as the impact on and opportunities for the company arising from these trends and environments.

Social responsibility and environmental sustainability: examine whether the target company actively fulfills its social responsibilities with attention paid to environmental sustainability, and the impact on the company's long-term reputation and image.

The Partnership will also consider one or more of the following quantitative factors in the assessment of the investment targets:

(1) the P/E ratio of the investee company is not higher than 20. The P/E ratio of the investee company shall not be too high, as a high P/E ratio could signal that the share price of the investee company is high relative to its earnings and may be overvalued;

(2) the annual revenue growth rate of the investee company is higher than 30%. Sustained and stable revenue growth is an important indicator of the investee company's healthy development, reflecting the company's market expansion capabilities and the market competitiveness of its products or services; and

(3) with respect to investee company which is a technology company, the annual research and development expenses incurred by the investee company shall be not less than 20% of the total annual expenses of the investee company. For technology companies, R&D investment is the key to maintaining technological leadership and innovation capabilities. Higher expenditure on R&D investment may mean a company is more likely to achieve innovation in its products and services portfolio and maintain a competitive advantage in the future.

Investment decisions:

The Fund Manager shall be responsible for screening, due diligence, analysis of and making investment recommendations on the investment projects (and their exit), and the day-to-day post-investment management of invested projects.

The Partnership establishes an investment decision-making committee, which is fully responsible for the review of investment projects (and their exit). The investment decision-making committee consists of three members, all of whom shall be appointed by the Fund Manager. Replacement of members of the investment decision-making committee shall be subject to the approval by a resolution passed at the partners' meeting.

The resolutions of the investment decision-making committee in respect of the investment matters of the Partnership shall be passed by the approval of not less than two-thirds of the members of the committee. The investment matters to be resolved include but are not limited to the following matters:

(1) to consider and decide on matters relating to the Partnership's investment in target projects and investment arrangements, including the investment plan, investment projects, investment amount, investment purpose, investment method, investment exit time, investment exit method, etc.;

(2) to formulate and amend investment agreements and supplemental agreements for the Partnership's external investments;

(3) to consider and approve the documents of the shareholders' meeting and board of directors' meeting of the investee (including, but not limited to, budgets, plans for operational objectives, etc.); and

(4) such other powers as may be conferred by the Partnership Agreement or the partners' meeting.

Restrictions on investment:

The Partnership may not make the following investments:

(1) non-private fund investment activities such as borrowing (deposits) and guarantees, save for loans and guarantees provided by the fund (the Partnership) to the investee for the purpose of equity investment for a term of less than one year in accordance with the contract, provided that the expiration date of aforementioned loan or guarantee shall not be later than the exit date of the equity investment, and the balance of the loan or guarantee shall not exceed 20% of the paid-in capital contribution of the Partnership, unless otherwise stipulated by the China Securities Regulatory Commission;

(2) investment in credit assets such as factoring assets, financial leasing assets and pawn assets, or their equity or rights to receive benefits;

(3) engaging in investments that expose the Partnership to unlimited liability; and

(4) making external investments in violation of legal provisions.

Management fees:

The management fee of the Partnership shall be calculated as follows, payable by the Partnership to the Fund Manager:

Within the first three years of the Duration Period of the Partnership, the Partnership shall pay a management fee of 1% per year to the Fund Manager. Starting from the date of establishment, the management fee shall accrue on daily basis based on the actual paid-in scale of the fund and shall be paid once on 20 December of each fiscal year. The annual management fee charged for each paid-in capital contribution is calculated as $H = E \times R \times N / 365$:

H: the amount of management fees that should be charged;

E: the total principal amount of assets under custody (for the avoidance of doubt, the total principal amount of assets under custody refers to the actual paid-in capital contribution of the Partnership as delivered to the custody account, which amount does not change due to any gains or cash distribution);

R: management fee rate of 1% / year; and

N: the number of days in the current fiscal year after each paid-in capital contribution of the Partnership is delivered to the custody account. The management fee should accrue for each capital contribution separately in case of multiple paid-in contributions.

For the payment of the management fee, the Fund Manager will send a transfer instruction to the custodian, and the custodian will deduct the management fee from the Partnership's custody property after receiving the instruction.

The Fund Manager shall charge management fees for the first three years of the Duration Period of the Partnership, and no management fees shall be charged for the remaining Duration Period or the extension period (if any) following the expiration of the Duration Period.

Profits distribution:

The distributable cash income of the Partnership shall be distributed in the following order after deducting the fees, reserved expenses and related taxes on the part of the Partnership:

(1) the investment capital of the partners: first, distribute to all partners in proportion to the partnership share corresponding to each partner's paid-in capital contribution, until the distribution amount received by all partners in this round is equal to their respective paid-in capital amount in the Partnership;

(2) payment of preferred annualized return to partners: after completing the distribution in item (1) above, if there is any surplus, it will be distributed to the partners in accordance with the proportion of each partner's paid-in capital contribution (this distribution is called "**preferred annualized return**"), until each partner's paid-in capital achieves a preferred annualized rate of return of 15% (simple interest), and when

calculating the preferred rate of return, the calculation period is from the date (inclusive) when the custody account receives each partner's paid-in capital to the date (exclusive) when the paid-in principal is recovered; and

(3) 80/20 distribution: after completing the distribution in item (2) above, if there is any surplus, 80% of the surplus shall belong to each limited partner in proportion to the paid-in capital of each limited partner; and the remaining 20% shall belong to the Fund Manager as performance-based compensation.

Losses sharing:

The loss-sharing principle of the Partnership:

(1) the losses of the Partnership shall be borne by all partners in proportion to their respective actual paid-in capital contribution; and

(2) in case the asset of the Partnership is insufficient to pay off the debts of the Partnership, the General Partner shall bear joint and several liability for the debts of the Partnership, and the limited partners shall bear liability for the debts of the Partnership to the extent of their subscribed capital contributions.

Partners' meeting:

A resolution on matters discussed at the partners' meeting shall be subject to the approval of the executive partner, and other partners representing more than two-thirds of the total paid-in capital contribution of the partners present at the meeting.

Matters to be decided by the partners' meeting:

(1) to decide on change of name, registered address and business scope of the Partnership;

(2) to amend the Partnership Agreement;

(3) to decide on the transfer, admission and withdrawal of limited partners;

(4) to provide guarantees for others in the name of the Partnership;

(5) to decide on those investments of the Partnership which are inconsistent with the investment scope, investment objective and investment restrictions set out in the Partnership Agreement (for the avoidance of doubt, investments for cash management purposes shall not be regarded as inconsistent with the investment scope, which shall be decided by the executive partner at its discretion within the scope of the Partnership Agreement), and exemption from the investment restrictions stipulated in the Partnership Agreement or changes to the investment scope and investment objectives subject to compliance with applicable laws;

(6) merger, division or change of organizational form of the Partnership, save as otherwise agreed in the Partnership Agreement;

(7) increase in the rate of fees to be borne by the Partnership such as management fee, custodian fee, administrative service fee, post-investment management fee (if any);

(8) to consent to the admission and withdrawal of general partners from the Partnership;

(9) to consent to the transfer of a general partner's share of the Partnership's property;

(10) to decide on the replacement of the members of the investment decision-making committee;

(11) to decide on the removal and replacement of the general partner and the executive partner;

(12) dissolution and liquidation of the Partnership;

(13) exemptions from investment restrictions of the Partnership that need to be resolved by a partners' meeting; and

(14) any other matters provided for in the Partnership Agreement or put forward by the partners to the partners' meeting for consideration.

With respect to item (5) above to allow the Partnership to deviate from the original investment plan and scope, such clause is made taking into account the following factors:

(1). Market changes: the internal and external environment facing the Partnership's investment is in dynamic change, and market conditions may change rapidly, including macroeconomic fluctuations, industry development trends, technological advances, etc. These factors may make the investment plan and investment scope contemplated at the time of the establishment of the Partnership no longer suitable for the current market conditions, and changes should be made to adapt to the new environment.

(2). Investment opportunities: new investment opportunities may arise. These opportunities may not be completely consistent with the original investment plan, but they may have higher potential returns and are beneficial to the Partnership and its partners.

(3). Legal and regulatory requirements: changes in the legal or regulatory environment may require the Partnership to adjust its investment strategy to ensure compliance.

The Company will inform the Shareholders by way of supplemental announcement if there is material change to the Partnership, including but not limited to the original investment plan and scope.

REASONS AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

The Partnership will mainly be engaged in, among other things, investments primarily in strategic emerging industries such as internet, big data, cloud computing and artificial intelligence. The Directors are of the view that, through the Partnership, the Group will be able to benefit from attractive investment opportunities in these industries. Investing in the Partnership allows the Group to maximise the use of its funds with the aim of obtaining satisfactory returns.

Based on the above, the Board is of the view that the terms of the Partnership Agreement are on normal commercial terms after arm's length negotiations among the parties to the Partnership Agreement, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and LYGR (Beijing)

The Company is an investment holding company. The Group is principally engaged in provision of big data services and provision of third-party payment services.

LYGR (Beijing) is an indirect non-wholly owned subsidiary of the Company and is principally engaged in provision of information and data services.

The General Partner and the fund manager

ALAN AMC is a company established in the PRC with limited liability in 2016 and is principally engaged in alternative asset investment opportunities, and currently has business segments such as equity investment, mezzanine and credit investment, real estate and infrastructure investment, and quantitative investment. Headquartered in Beijing, ALAN AMC has set up branches in Shanghai and Hong Kong.

To the best of the knowledge, information and belief of the Directors, ALAN AMC has been registered with the Asset Management Association of China as a private equity and venture capital fund manager. In December 2018, ALAN AMC was awarded the "Membership Certificate of Insurance Asset Management Association of China" by the Insurance Asset Management Association of China, and officially became a joint member of the Insurance Asset Management Association of China. In July 2020, ALAN AMC became the president unit of the Special Assets Professional Committee (特殊資產專業委員會) of the Beijing Private Equity Association. In March 2020, ALAN AMC's Hong Kong company obtained the licenses to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities approved by the Hong Kong Securities and Futures Commission. In July 2021, it became an ordinary member of the Asset Management Association of China.

ALAN AMC has a cumulative asset management scale of RMB53.9 billion and an ongoing asset management scale of RMB16.2 billion. The core management team of ALAN AMC has long held senior management positions in financial institutions such as state-owned investment companies and large securities firms, and has extensive industrial resources, a global investment perspective and rich experience in institutional operation and management.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after making all reasonable inquiries, ALAN AMC and its ultimate beneficial owners are Independent Third Parties. The substantial shareholder of the General Partner is Wuhu De Zhen Rui Yuan Investment Partnership (Limited Partnership) (蕪湖德臻睿遠投資合夥企業(有限合夥)), and its ultimate beneficial owner is Shen Dong Ri (申東日).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios with reference to the total capital commitment to the Partnership by LYGR (Beijing) under the Partnership Agreement are more than 5% but less than 25%, the entering into of the Partnership Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REASONS FOR THE BREACH OF THE LISTING RULES AND REMEDIAL ACTIONS

As mentioned in the section headed "LISTING RULES IMPLICATIONS" above, the entering into of the Partnership Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company have not timely published the announcement for the entering of the Partnership Agreement under Chapter 14 of the Listing Rules.

The Company submitted that the breach was inadvertent and was mainly due to oversight of the PRC staffs of the subsidiary of the Group who handled the Partnership Agreement. The relevant staff is not familiar with the requirement of the Listing Rules and mistakenly believed that the Partnership Agreement is an ordinary investment activities (which does not involve any acquisition or disposal of assets) of the Company and therefore not subject to the size test calculation.

In order to prevent the reoccurrence of such non-compliance incident in the future, the Board had adopted the following remedial measures:

(a). passed and issued the relevant guidance under Listing Rules, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable and connected transactions under the Listing Rules, to the senior management members of all the PRC subsidiaries of the Group in order to strengthen and refresh their knowledge with respect to notifiable and connected transactions;

(b). if requested by any directors, senior management or finance staff, the Company will also arrange additional training session on the classification and compliance requirements for notifiable transactions and connected transactions under the Listing Rules; and

(c). further strengthen the Company's internal control measures over its subsidiaries, in which the subsidiaries are required to submit all the contracts which are outside the ordinary course of business of the Group, regardless of the size and transaction amount of the contracts, to the Board for review and assessment of their size test implications under the Listing Rules. This measure aims to further restrict the approval power of the subsidiaries of the Company to only contracts which are in the ordinary and usual course of business of the Company from which there is no implications under Chapter 14 of the Listing Rules.

The Company would like to stress that the Company will endeavor to carry out necessary measures and appropriate actions for the full compliance with the Listing Rules on an on-going basis.

DEFINITIONS

In this announcement, the following words and phrases have the following meanings:

"Board"	the board of Directors of the Company
"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)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"General Partner" or "ALAN AMC" or "Fund Manager"	Beijing Alan Asset Management Co., Ltd. (北京朗姿韓亞資產管理有限公司), a company established in the PRC with limited liability and an Independent Third Party
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	third party or parties independent of the Company and the Company's connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LYGR (Beijing)"	Lian Yang Guo Rong (Beijing) Science and Technology Co. Ltd.* (聯洋國融(北京)科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
"Partnership"	Wuhu Langya Lianyang No.1 Investment Fund Partnership (Limited Partnership)* (蕪湖朗亞聯洋一號投資基金合夥企業(有限合夥)), a limited partnership established and registered under the laws of the PRC pursuant to the Partnership Agreement
"Partnership Agreement"	the partnership agreement dated 7 September 2023 and entered into between LYGR (Beijing) and the General Partner for the establishment of the Partnership
"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 Taiwan

* *For identification purposes only*

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
Pan Asia Data Holdings Inc.
Gu Zhongli
Chairman

Hong Kong, 31 May 2024

At the date of this announcement, the Board comprises Mr. Gu Zhongli (Chairman), Dr. Wang Bangyi and Mr. Jin Peiyi as executive Directors; Dr. Dong Liuhuan as non-executive Director and Mr. Li Gong, Dr. Shi Ping and Ms. Xu Yanqiong as independent non-executive Directors.