



ZW Data Action Technologies Inc. Announces Planned Acquisition of Henan Baodun, Expanding to Short Videos Ecommerce

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BEIJING, Sept. 15, 2022 (GLOBE NEWSWIRE) -- ZW Data Action Technologies, Inc. (Nasdaq: CNET) ("ZW Data" or the "Company"), an integrated online advertising, precision marketing, data analytics, and other value-added services company, today announced that it has signed a letter of intent ("LOI"), and has formally proposed an acquisition offer to Henan Baodun Information Technology Co., Ltd ("Baodun"). Pursuant to the LOI, the offer price and terms will be negotiated and determined upon completion of due diligence, and the completion of the transaction is envisaged in the fourth quarter of 2022. Upon the completion of the acquisition, Baodun will become a wholly-owned subsidiary of the Company, and will remain its independency in operation to provide one-stop eCommerce marketing service solutions and full agency operation services for customers.

Baodun is a full-service internet marketing company integrating content marketing, advertising effect optimization and brand marketing. Baodun has the comprehensive agency qualification like ByteDance and Kuaishou, and can provide internet advertising and marketing resources on multiple client side product platforms, including but not limited to toutiao.com, ixigua.com, TikTok and Kuaishou. Its major cooperating clients include SF Express, Belle, and Tongrentang. Baodun generated approximately \$50 million in annualized revenue in 2021 and expects to continue growing with a double digit's growth rate this year.

The strategic acquisition of Baodun is intended to enhance ZW Data's competitiveness within the industry and especially in the short video platform market. The addition of Baodun, together with the Company's current expertise in advertising, would significantly improve the Company's strengths in short video advertising, merchandising and promotion business areas, and expand the social eCommerce business to onboard a new growth point. The Company expects that this acquisition will drive a meaningful increase in short and long-term ZW Data's revenue.

"We are excited to announce this planned acquisition of Baodun. The short video market has expansive development prospect, and nowadays, social media platforms such as TikTok and Kuaishou have billions of users domestically and internationally. The elite veterans of Baodun are primarily located in Zhengzhou, Henan Province and Guangzhou, Guangdong Province. We are extremely thrilled that the founder of Baodun, Ms. Ning Lv, as one of the most experienced ECommerce operators in China, will join the Company with the management team upon the completion of the transaction. The addition of the new team will accelerate the development of our short video merchandising capabilities and reinforce our commitment to building a leading merchandising enterprise in China. We believe that this acquisition will drive the diversification of our business, form a new profit growth point, and enhance the profitability to bring near and long-term values for shareholders," commented Handong Cheng, Chairman and Chief Executive Officer of ZW Data.

About ZW Data Action Technologies Inc.

Established in 2003 and headquartered in Beijing, China, ZW Data Action Technologies Inc. (the "Company") offers online advertising, precision marketing, data analytics and other value-added services for enterprise clients. Leveraging its fully integrated services platform, proprietary database, and cutting-edge algorithms, ZW Data Action Technologies delivers customized, result-driven business solutions for small and medium-sized enterprise clients in China. The Company also develops blockchain and artificial intelligence enabled web/mobile applications and software solutions for the general public, enterprise clients, and government agencies. More information about the Company can be found at: <http://www.zdat.com/>.

Safe Harbor Statement

This release contains certain "forward-looking statements" relating to the business of ZW Data Action Technologies Inc., which can be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "estimates" or similar expressions. Such forward-looking statements involve known and unknown risks and uncertainties, including business uncertainties relating to government regulation of our industry, market demand, reliance on key personnel, future capital requirements, competition in general and other factors that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. Certain of these risks and uncertainties are or will be described in greater detail in our filings with the Securities and Exchange Commission. These forward-looking statements are based on ZW Data Action Technologies Inc.'s current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting ZW Data Action Technologies Inc. will be those anticipated by ZW Data Action Technologies Inc. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the Company) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. ZW Data Action Technologies Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

For more information, please contact:

Sherry Zheng
Weitian Group LLC
Email: shunyu.zheng@weitian-ir.com
Phone: +1 718-213-7386

