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**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)**

**(1) DISCLOSEABLE TRANSACTION: ACQUISITION OF EQUITY INTEREST IN A NON WHOLLY-OWNED SUBSIDIARY**

**(2) SETTLEMENT OF DISPUTE AND DISMISSAL OF ARBITRATION**

**THE ACQUISITION**

The Board is pleased to announce that on 16 November 2023, the Purchaser (a wholly-owned subsidiary of the Company) and the Seller entered into the Equity Transfer Agreement pursuant to which the Purchaser agreed to acquire, and the Seller agreed to sell, the Equity Interest for the cash consideration of RMB10,500,000 (equivalent to approximately HK\$11,647,000). Completion of the Acquisition took place on the same date.

**SETTLEMENT OF DISPUTE AND DISMISSAL OF ARBITRATION**

Reference is made to the annual report of the Company for the year ended 31 December 2022 and the 2023 interim report of the Company in relation to the claim of and the arbitration proceedings commenced by the Seller. On 16 November 2023, the Purchaser and the Seller entered into a settlement agreement to resolve all their disputes in relation to the repurchase of the Equity Interest. On 22 November 2023, SHIAC dismissed the arbitration commenced by the Seller.

**LISTING RULES IMPLICATIONS**

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

The Seller was a substantial shareholder of Manfield Changzhou and hence was a connected person of the Company at the subsidiary level. The Acquisition therefore constitutes a connected transaction for the Company. As the Board has approved the Acquisition and the transactions contemplated thereunder and the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Acquisition are fair and reasonable and on normal commercial terms and are in the interest of the Company and the Shareholders as a whole, the Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## THE ACQUISITION

On 16 November 2023, the Purchaser (a wholly-owned subsidiary of the Company) and the Seller entered into the Equity Transfer Agreement pursuant to which the Purchaser agreed to acquire, and the Seller agreed to sell, the Equity Interest for the consideration of RMB10,500,000 (equivalent to approximately HK\$11,647,000).

## THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

**Date:** 16 November 2023

**Parties:** The Purchaser: Manfield Chemical Limited

The Seller: Teknos Group Oy

**Consideration:** RMB10,500,000, which shall be paid in Euro determined in agreed exchange rate by bank transfer.

The consideration was determined after arm's length negotiations between the Seller and the Purchaser on normal commercial terms with reference to, among other things, (i) the net asset value of Manfield Changzhou; (ii) the business prospects of Manfield Changzhou; (iii) the prevailing market conditions; (iv) the opportunity to obtain absolute control of Manfield Changzhou; and (v) other reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below.

The Directors (including the independent non-executive Directors) consider that the consideration to be fair and reasons and on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

**Completion:** Completion took place on 16 November 2023. The consideration in the sum of EUR1,370,181.20 was paid to the Seller by way of bank transfer.

## **SETTLEMENT OF DISPUTE AND DISMISSAL OF ARBITRATION**

Reference is made to the annual report of the Company for the year ended 31 December 2022 and the 2023 interim report of the Company in relation to the claim of and the arbitration proceedings commenced by the Seller.

On 16 November 2023, the Purchaser and the Seller entered into a settlement agreement to resolve all their disputes in relation to the repurchase of the Equity Interest. The Acquisition forms part of the settlement between the parties.

On 22 November 2023, SHIAC issued a decision on dismissal to dismiss the arbitration commenced by the Seller.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The reasons for and benefits of the Acquisition are as follows:

### **1. Settlement of long-standing dispute**

With reference to the announcements of the Company dated 29 September 2018 and 21 July 2021, the annual report of the Company for the year ended 31 December 2022, and the 2023 interim report of the Company, the sale and acquisition of the equity interest in Manfield Changzhou has been the subject matter of a dispute between the parties tracing back to 2017, which led to an arbitration commenced by the Group in 2018 (“**First Arbitration**”). SHIAC issued an arbitral award in June 2021 in relation to the First Arbitration. However, the arbitral decision did not fully resolve the dispute between the parties.

In 2022, the Seller submitted a request for arbitration with SHIAC (“**Second Arbitration**”) in relation to the intended exercise of its right to dispose of the Equity Interest in Manfield Changzhou to the Group. In April 2023, the Group received an arbitration notice issued by SHIAC in relation to the Second Arbitration.

The Acquisition forms part of the settlement between the parties, which will allow the Group to resolve the long-standing dispute with the Seller in relation to Manfield Changzhou and dismiss the Second Arbitration.

### **2. Avoiding protracted arbitration and uncertain outcome**

The Acquisition is intended to avoid a potentially protracted arbitration process and its associated costs and uncertainties. Arbitration can often be a long, drawn-out process that can consume significant resources, both in terms of managerial time and money. Furthermore, the outcome of arbitration is always uncertain and could potentially be unfavorable to the Group.

As part of the settlement, the Acquisition will provide a definitive resolution to the dispute. It will not only preclude the need for further arbitration but also eliminate the risk of an adverse arbitral decision. This settlement also allows the Group to focus its resources on its core operations instead of legal disputes.

### **3. Obtaining absolute control of Manfield Changzhou**

The Acquisition also brings the added benefit of obtaining absolute control over Manfield Changzhou. With this absolute control, the Group will have the power to direct the operations and management of Manfield Changzhou, aligning it more closely with the Group's objectives.

Moreover, obtaining absolute control will allow for more streamlined decision-making and operational efficiency, as the Group will no longer need to negotiate or confer with the Seller. This could lead to improved decision making and management and enhanced overall performance for Manfield Changzhou. It also provides the Group with the ability to fully integrate Manfield Changzhou into its overall portfolio, potentially unlocking synergies and creating value for stakeholders.

In view of the above, the directors (including the independent non-executive Directors) believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Company is an investment holding company. The Company's principal subsidiaries are engaged in the development of big data mining, modelling and analytics in general, and the provision of digital risk management and other digital services, third-party payment services and manufacturing and trading of liquid coatings and powder coatings.

### **The Purchaser**

The Purchaser is a wholly owned subsidiary of the Company and is principally engaged in investment holding, trading and manufacturing of coatings.

### **The Seller**

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Purchaser is a company incorporated under the laws of Finland. It is principally engaged in manufacturing and trading of coating products. The Seller held 40% equity interest in Manfield Changzhou. Therefore, the Seller was a substantial shareholder of Manfield Changzhou and a connected person of the Company at the subsidiary level under the Listing Rules.

## INFORMATION ON MANFIELD CHANGZHOU

Manfield Changzhou is a wholly foreign-owned enterprise established under the laws of PRC. It is principally engaged in manufacturing and trading of coating products.

Set out below is the financial information of Manfield Changzhou for the financial years ended 31 December 2021 and 2022 which were prepared in accordance with Hong Kong accounting standards:

	<b>For the year ended 31 December 2021 <i>HK\$'000</i> (Audited)</b>	<b>For the year ended 31 December 2022 <i>HK\$'000</i> (Audited)</b>
Loss before tax	9,717,000	5,180,000
Loss after tax	9,717,000	5,180,000
Net assets	12,977,000	6,915,000

## IMPLICATIONS UNDER THE LISTING RULES

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

The Purchaser was a substantial shareholder of Manfield Changzhou and hence was a connected person of the Company at the subsidiary level. The Acquisition therefore constitutes a connected transaction for the Company. As the Board has approved the Acquisition and the transactions contemplated thereunder and the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Acquisition are fair and reasonable and on normal commercial terms and are in the interest of the Company and the Shareholders as a whole, the Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## DELAY IN PUBLICATION OF ANNOUNCEMENT

The Company deeply regrets that there has been a delay to the publication of an announcement in relation to the Acquisition. The delay in publication was due to an inadvertent oversight. The Company understands the importance of timely disclosures under the Listing Rules including Rule 14.34. The unforeseen oversight was an isolated incident, and upon recognizing the oversight, our management team immediately took action to rectify the delay. The Company has reminded all the personnel concerned of the requirements of timely disclosure under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Acquisition”	the acquisition of the Equity Interest pursuant to the terms of the Equity Transfer Agreement
“Board”	the board of Directors
“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 Acquisition in accordance with the terms of the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Interest”	40% of the equity interest in Manfield Changzhou owned by the Seller
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Purchaser and the Seller on 16 November 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manfield Changzhou”	Manfield Teknos (Changzhou) Chemical Company Limited* (萬輝泰克諾斯(常州)化工有限公司), a wholly foreign-owned enterprise established under the laws of PRC and owned as to 60% by the Purchaser and 40% by the Seller prior to the completion of the Acquisition
“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
“Purchaser”	Manfield Chemical Limited, an indirect wholly-owned subsidiary of the Company

“Seller”	Teknos Group Oy, a company organized and existing under the laws of Finland
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“SHIAC”	Shanghai International Arbitration Center
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

\* *for identification only*

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

Hong Kong, 5 December 2023

*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 a non-executive Director; and Mr. Li Gong, Dr. Shi Ping and Ms. Xu Yanqiong as independent non-executive Directors.*