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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)

**SUPPLEMENTAL ANNOUNCEMENT:
ACQUISITION OF EQUITY INTEREST
LETTER OF DEMAND UNDER LOAN AGREEMENT**

Reference is made to the announcements of Pan Asia Data Holdings Inc. (the “**Company**”) dated 15 November 2023, 20 November 2023, 26 November 2023, 4 December 2023 and 5 December 2023 (the “**Announcements**”). Unless the context requires, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board would like to clarify and provide the following supplemental information in respect of the Acquisition and the Loan:

- (a) Manfield Changzhou is a subsidiary of the Borrower, whose shares have already been registered in the name of the Lender’s nominee. In the circumstances, Manfield Changzhou is **no** longer a subsidiary of the Company as of the date of this announcement. Please refer to the Announcements relating to the Loan.
- (b) To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Seller is a family-owned company whose ultimate beneficial owners are Paula Salastie and other members of Kiikka family.
- (c) The financial information of Manfield Changzhou for the financial years ended 31 December 2021 and 2022 should be as follows:

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

- (d) The Board would like to elaborate how, taking into account of the net asset value of Manfield Changzhou, the consideration of RMB10.5 million is fair and reasonable and in the interests of the Shareholders as a whole as follows:
- (i) The value and benefits of the Acquisition lie not only on the net asset value of Manfield Changzhou, but also on the saving of time and costs arising from the Dismissal of the Second Arbitration.
 - (ii) In terms of cost savings, the Seller had lodged a claim in the Second Arbitration against the Purchaser, pursuant to which the Seller requested the Purchaser to repurchase the 40% equity interests of Manfield Changzhou pursuant to the terms of the shareholders' agreement entered into between the Purchaser and the Seller in December 2013. The consideration of the said repurchase is HK\$32,830,324. Irrespective of the merits and strength of the Purchaser's case, it is important to note that the outcome of the arbitration is uncertain and could result in an adverse decision against the Purchaser. In the event of an adverse decision against the Purchaser, the Purchaser will likely be required to pay to the Seller a sum far greater than the consideration, and possibly over HK\$36 million, comprising the acquisition cost of HK\$32,830,324 for 40% equity interest of Manfield Changzhou and other legal costs and arbitration fees in relation to the Second Arbitration. As advised by the Company's PRC legal advisers, there was uncertainty on the success of the Purchaser in the Second Arbitration. The Acquisition (1) represents an opportunity for the Group to settle the Second Arbitration and avoid the possibility to pay the higher repurchase cost in the event of an adverse arbitration decision against the Purchaser, which is expected to be much higher than the difference between the net asset value of Manfield Changzhou and the consideration for the Acquisition; and (2) enables the Group to save additional legal costs and expenses for the continuance of the Second Arbitration.

In view of the above, notwithstanding that the net asset value of Manfield Changzhou is less than the consideration amount, the Board cogently believes that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

- (e) As a result of the transfer of the issued shares of the Borrower to the Lender's nominee, the Group ceases to hold any shareholding in the Borrower and its financial results would cease to be consolidated into that of the Group as of the date of this announcement. The Company will continue to negotiate with the Lender and seek other funding options to resolve the matter, and strive to discuss with the Lender on a settlement proposal (including but not limited to loan extension) so as to enable the Group to regain its shareholding of the Borrower.

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

Hong Kong, 7 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.