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Suoxinda Holdings Limited

索信达控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3680)

PROFIT WARNING

This announcement is made by Suoxinda Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management account of the Group for the year ended 31 December 2020 and the information currently available to the Board, despite an increase of the Group’s revenue, there had been a significant increase in the Group’s operating costs compared to that of the year ended 31 December 2019, driving the net loss attributable to owners of the Company to not less than RMB8 million for the year ended 31 December 2020 compared to a net profit for the year ended 31 December 2019.

Based on the information currently available, the expected loss for the year ended 31 December 2020 is mainly attributable to the combined effects of, among others: (i) recruitment of research and development technicians and expansion of its team, resulting in an increase in research and development costs and staff costs; (ii) establishment of new offices in Southern, Northern and Eastern China leading to an increase in administrative expenses; (iii) increase in provision for impairment of trade receivables and contract assets; and (iv) increase in staff costs due to the expansion of the marketing team.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management account of the Group for the year ended 31 December 2020 and information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the Company's auditor. Figures and information are in the course of being considered and checked and are therefore subject to adjustments. The shareholders and potential investors of the Company should refer to the Group's final results announcement for the year ended 31 December 2020, which is expected to be published by the end of March 2021, for details of the performance of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Suoxinda Holdings Limited
Song Hongtao
Chairman of the Board

Hong Kong, 18 March 2021

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Song Hongtao, Mr. Wu Xiaohua, Mr. Lam Chun Hung Stanley and Ms. Wang Jing; and three independent non-executive directors, namely Mr. Tu Xinchun, Ms. Zhang Yahan and Dr. Qiao Zhonghua.