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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO DEEMED DISPOSAL OF EQUITY INTEREST IN A WHOLLY OWNED SUBSIDIARY**

#### **THE INVESTMENT AND THE DEEMED DISPOSAL**

On 19 April 2022, Suoxinda Beijing, an indirect wholly owned subsidiary of the Company, entered into the Investment Agreement with the Investor, Suoxinda Shenzhen and Mr. Song, pursuant to which, the Investor agreed to make an investment in Suoxinda Beijing which comprises two stages, namely, (i) provision of Convertible Loan to Suoxinda Beijing; and (ii) the conversion of Convertible Loan into Conversion Capital and/or the subscription of Additional Capital, in accordance with the terms and conditions of the Investment Agreement.

During the first stage of the Investment, subject to the fulfilment of the Conditions Precedent, the Investor agreed to provide the Convertible Loan to Suoxinda Beijing in a principal amount of RMB100,000,000 at an interest rate of 8% per annum.

During the second stage of the Investment, subject to either (i) all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022; or (ii) not all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022 but subsequently been satisfied or waived by the Investor before the Investor issues the written repayment notice of the Convertible Loan to Suoxinda Beijing (such repayment notice shall be issued no later than 31 December 2023), the Investor has the right to convert the Convertible Loan into Conversion Capital. The Conversion Price shall be determined by reference to asset appraisal of Suoxinda Beijing to be conducted by third party valuer at the time of the conversion. Further, the Investor may choose to subscribe Additional Capital in Suoxinda Beijing for cash or by other means as agreed by the parties based on the Conversion Price. However, the equity interest of Suoxinda Beijing to be held by the Investor upon full conversion of Convertible Loan and the subscription of Additional Capital shall be not less than 10% and not more than 20%.

Assuming the Investor will hold 20% of equity interest immediately upon full conversion of the Convertible Loan and the subscription of Additional Capital, Suoxinda Shenzhen's equity interest in Suoxinda Beijing will be reduced from 100% to 80% and Suoxinda Beijing will remain as a non-wholly owned indirect subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

Assuming the Investor will hold 20% of equity interest immediately upon full conversion of Convertible Loan and the subscription of Additional Capital, Suoxinda Shenzhen's equity interest in Suoxinda Beijing will be reduced to 80%. Accordingly, the transactions contemplated under the Investment Agreement will constitute deemed disposal of the Company under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Investment Agreements exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **INTRODUCTION**

The Board announces that on 19 April 2022, Suoxinda Beijing, an indirect wholly owned subsidiary of the Company, entered into the Investment Agreement with the Investor, Suoxinda Shenzhen and Mr. Song, pursuant to which, the Investor agreed to make an investment in Suoxinda Beijing which comprises two stages, namely, (i) provision of Convertible Loan to Suoxinda Beijing; and (ii) the conversion of Convertible Loan into Conversion Capital and/or the subscription of Additional Capital, in accordance with the terms and conditions of the Investment Agreement.

During the first stage of the Investment, subject to the fulfilment of the Conditions Precedent, the Investor agreed to provide the Convertible Loan to Suoxinda Beijing in a principal amount of RMB100,000,000 at an interest rate of 8% per annum.

During the second stage of the Investment, subject to either (i) all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022; or (ii) not all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022 but subsequently been satisfied or waived by the Investor before the Investor issues the written repayment notice of the Convertible Loan to Suoxinda Beijing (such repayment notice shall be issued no later than 31 December 2023), the Investor has the right to convert the Convertible Loan into Conversion Capital. The Conversion Price shall be determined by reference to asset appraisal of Suoxinda Beijing to be conducted by third party valuer at the time of the conversion. Further, the Investor may choose to subscribe Additional Capital in Suoxinda Beijing for cash or by other means as agreed by the parties based on the Conversion Price. However, the equity interest of Suoxinda Beijing to be held by the Investor upon full conversion of Convertible Loan and the subscription of Additional Capital shall be not less than 10% and not more than 20%.

Assuming the Investor will hold 20% of equity interest immediately upon full conversion of the Convertible Loan and the subscription of Additional Capital, Suoxinda Shenzhen's equity interest in Suoxinda Beijing will be reduced from 100% to 80% and Suoxinda Beijing will remain as a non-wholly owned indirect subsidiary of the Company.

## **THE INVESTMENT AGREEMENT**

The principal terms of the Investment Agreement are summarised below:

Date: 19 April 2022

Parties: (i) the Investor;  
(ii) Suoxinda Beijing;  
(iii) Suoxinda Shenzhen; and  
(iv) Mr. Song

Investment: The Investment by the Investor in Suoxinda Beijing comprises two stages, namely (i) provision of Convertible Loan to Suoxinda Beijing; and (ii) the conversion of Convertible Loan into Conversion Capital and/or the subscription of Additional Capital.

### **The Convertible Loan**

During the first stage of the Investment, subject to the fulfilment of the Conditions Precedent, the Investor agreed to make the Convertible Loan to Suoxinda Beijing, the principal terms of which are summarised below:

Principal amount: RMB100,000,000

Maturity date: (i) If all Conversion Conditions have not been fully satisfied on or before 31 December 2022, the Investor may issue a written repayment notice to Suoxinda Beijing at any time on or after 1 January 2023 and in no event later than 31 December 2023, the Convertible Loan shall be expired upon the date of the written repayment notice.

- (ii) If all the Conversion Conditions have been fully satisfied on or before 31 December 2022, the Investor has the right to convert the Convertible Loan into Conversion Capital at any time during the period from 1 January 2023 to 31 December 2023. The Convertible Loan shall be expired on the Conversion Completion (in the case where the Investor has exercised the right to convert the Convertible Loan), or upon the date of the written repayment notice to be issued by the Investor (in the case where the Investor has not exercised the right to convert the Convertible Loan).
- (iii) If any Conversion Conditions has not been fully satisfied on or before 31 December 2022 but all the Conversion Conditions subsequently been fully satisfied or waived by the Investor before the Investor issues the written repayment notice of the Convertible Loan to Suoxinda Beijing (such repayment notice shall be issued no later than 31 December 2023). The Convertible Loan shall be expired on the Conversion Completion (in the case where the Investor has exercised the right to convert the Convertible Loan), or upon the date of the written repayment notice to be issued by the Investor (in the case where the Investor has not exercised the right to convert the Convertible Loan).

Interest rate: 8% per annum, accrued daily based on 360 days a year from the date of withdrawal of the Convertible Loan until the date of actual repayment in full or the date of the Conversion Completion (as the case may be) and payable annually.

If Suoxinda Beijing defaults in the payment of any sum due and payable under the Convertible Loan, Suoxinda Beijing shall pay default interest at the rate of 0.05% per day on arrears from the due date to the date of actual repayment in full.

Repayment date: Suoxinda Beijing shall repay the principal, interests and other amounts due and payable under the Convertible Loan within five Business Days from the maturity date.

Use of the Convertible Loan: The Convertible Loan shall and shall only be used by Suoxinda Beijing for technology development, market expansion and acquisition of high-quality fintech and big data companies.

Conditions Precedent: The provision of the Convertible Loan shall be subject to and conditional upon:

- (i) the obtaining of all consent and passing of all resolutions by all the parties to the Investment Agreement in connection with the execution and performance of all relevant transaction documents (including but not limited to consents and approvals from competent government authorities or other entities as required under the articles of the companies, agreement, relevant laws and regulations and rules of the Stock Exchange);
- (ii) all relevant transaction documents having been duly executed by the parties and becoming effective;
- (iii) the execution of the First Share Charge Deed, the completion of the registration and disclosure procedures regarding the share charge under the First Share Charge Deed and the obtaining of the relevant security interest under the First Share Charge Deed by the Investor;
- (iv) the performance and completion of all necessary procedures, the passing of all necessary resolutions by Suoxinda Shenzhen as required under the relevant laws, the articles of Suoxinda Shenzhen, agreements and any other legal documents, in connection with the execution and performance of the Investment Agreement, the Convertible Loan Agreement, the Guarantee Agreement (including but not limited to the shareholders' resolution and board resolution of Suoxinda Shenzhen relating to the Guarantee Agreement during the first stage of the Investment and the repurchase obligation during the second stage of the Investment);
- (v) the passing of shareholders' resolution by Suoxinda Shenzhen to change the executive director and legal representative of Suoxinda Beijing to Dr. Wu and the completion of the registration procedures regarding such change; and
- (vi) there is no events, facts, conditions, changes or other situations which may have material adverse effect on the assets, financial conditions, liabilities; technologies, financial prospects and normal operations of Suoxinda Beijing, Suoxinda Shenzhen and the Company.

Early repayment:

The Investor may request for early repayment of the Convertible Loan by giving written notice to Suoxinda Beijing upon the occurrence of any events below:

- (i) the change of shareholding structure of Suoxinda Beijing without prior written consent from the Investor;
- (ii) Suoxinda Beijing or any Guarantor is involved in the litigation or arbitration and fails to notify such litigation or arbitration to the Investor in a timely manner, or major bank accounts and material properties of Suoxinda Beijing or any Guarantor have been judicially seized or frozen;
- (iii) Suoxinda Shenzhen fails to fully pay up the registered capital of Suoxinda Beijing within 30 days after the withdrawal of the Convertible Loan;
- (iv) disturbance or suspension of the operation of Suoxinda Beijing, Suoxinda Shenzhen or the Company and/or the occurrence of material adverse changes;
- (v) Suoxinda Beijing, any Guarantor, or any of their respective substantial shareholders, the controllers, legal representatives, or Dr. Wu is suspected of criminal offences and subject to compulsory measures;
- (vi) Suoxinda Beijing fails to repay the interest or principal of the Convertible Loan on the due date;
- (vii) the Investor reasonably believe that Suoxinda Beijing is incapable or unwilling to fully repay the Convertible Loan when it is due;
- (viii) Suoxinda Beijing or any Guarantor provides financial information that is false or has omitted important facts, or conceal material financial and operation activities;
- (ix) Suoxinda Being fails to provide certain bank accounts information, loan information and guarantee information to the Investor in accordance with the provisions of the Investment Agreement;
- (x) Suoxinda Beijing and the Guarantors refuse to accept the supervision by the Investor on the usage of the Convertible Loan, or refuse to accept the supervision and inspections by the Investor regarding the manufacture, operation and financial activities of Suoxinda Beijing and the Guarantors;

- (xi) fails to use the Convertible Loan for the purposes prescribed in the Investment Agreement and/or other material breach of the Investment Agreement or other Debt Investment Documents;
- (xii) Dr. Wu resigns, has been dismissed by Suoxinda Shenzhen or Suoxinda Beijing, has any labour/employment dispute with Suoxinda Beijing and/or Suoxinda Shenzhen or has other dispute which adversely affect Dr. Wu's fulfilment of duties in Suoxinda Beijing, unable to work or death caused by long-term or permanent disabilities or serious illness, retirement, commit an offence, or leave Suoxinda Shenzhen or Suoxinda Beijing for any other reasons;
- (xiii) any one or more Debt Investment Documents have been dissolved, terminated, revoked, ineffective or invalidated, save as the Investor has given prior written consent;
- (xiv) the security measure under the First Share Charge Deed has been dissolved, terminated, revoked, ineffective or invalidated and other events which cause or may cause the loss of relevant security interest, save as the Investor has given prior written consent; or
- (xv) any one or more situations which are deemed by the Investor as violations of relevant provisions under the Investment Agreement relating to the creation of charge under the First Share Charge Deed and provision of financial and operation information.

Guarantee: Mr. Song and Suoxinda Shenzhen have agreed to act as the Guarantors and provide guarantee in favour of the Investor to secure the repayment obligations of Suoxinda Beijing under the Investment Agreement relating to the first stage of the Investment and all the obligations of Suoxinda Beijing under the Convertible Loan Agreement.

Security: Mr. Song agrees to charge, by way of executing the First Share Charge Deed, a total of 46,080,000 Shares held by himself and the entity directly controlled by him (representing approximately 11.30% of the total issued share capital of the Company as at the date hereof) in favour of the Investor to secure the repayment obligations of Suoxinda Beijing under the Investment Agreement relating to the first stage of the Investment and all the obligations of Suoxinda Beijing under the Convertible Loan Agreement.

During the first stage of the Investment, if the aggregate market value of the charged Shares is less than RMB160 million (being 1.6 times of the principal of the Convertible Loan), Mr. Song shall provide additional security by charging additional Shares directly or indirectly held by him until the total market value of the charged Shares reaches RMB200 million (being 2 times of the principal of the Convertible Loan). In any event, the charged Shares shall not be accounted for 30% or more (or such other percentage which may trigger any mandatory offer obligation under the Takeovers Code in effect from time to time) of the total issued share capital of the Company.

### **The conversion of Convertible Loan and the subscription of Additional Capital**

During the second stage of the Investment, subject to either (i) all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022; or (ii) not all the Conversion Conditions have been fully satisfied or waived by the Investor on or before 31 December 2022 but subsequently been fully satisfied or waived by the Investor before the Investor issues the written repayment notice of the Convertible Loan to Suoxinda Beijing (such repayment notice shall be issued no later than 31 December 2023), the Investor has the right to convert the Convertible Loan into Conversion Capital. Further, the Investor may choose to subscribe Additional Capital in Suoxinda Beijing for cash or by other means as agreed by the parties based on the Conversion Price. The principal terms of the conversion of Convertible Loan to Conversion Capital and the subscription of Additional Capital are summarised below:

**Conversion:** Subject to the fulfilment or waiver of all Conversion Conditions, the Investor shall have the right, exercisable until 31 December 2023, to convert the whole of the Convertible Loan into the Conversion Capital of Suoxinda Beijing as will be determined by dividing the principal amount of the Convertible Loan by the Conversion Price.

**Conversion Price:** The Conversion Price shall be determined by reference to asset appraisal of Suoxinda Beijing to be conducted by third party valuer at the time of the conversion.

The Conversion Price shall be no more than 70% of the subscription price paid by third party investors in cash for the registered capital of Suoxinda Beijing during the last round of financing conducted by Suoxinda Beijing before the conversion. Further, the pre-money valuation of Suoxinda Beijing shall not be more than RMB900 million.

Conversion  
Conditions:

The Investor's right to convert the Convertible Loan into Conversion Capital shall be subject to the following conditions:

- (i) as confirmed by the audited report to be issued by third party auditor as agreed by the Investor (Suoxinda Beijing, Suoxinda Shenzhen and Mr. Song shall fully cooperate with the audit works and make sure the audited report will be issued before 31 March 2023), the revenue of Suoxinda Beijing for 2022 is not less than RMB200 million and the annual growth rate of Suoxinda Beijing's revenue for each of 2021 and 2022 is not less than 50%;
- (ii) Suoxinda Shenzhen has fully paid up the registered capital of Suoxinda Beijing;
- (iii) Suoxinda Beijing is independent in term of business, personnel, assets and internal management, which is confirmed by the financial due diligence report and legal due diligence report to be issued by the third part auditor and legal adviser as appointed by the investor and to the satisfaction of the Investor;
- (iv) Suoxinda Shenzhen has assigned or licensed the use of intellectual property rights which are relevant to Suoxinda Beijing's principal business to Suoxinda Beijing, has executed all necessary assignment or license agreement and completed the relevant registration;
- (v) the transactions between Suoxinda Shenzhen and Suoxinda Beijing are at fair and reasonable prices and there are no connected transactions which have adversely affected the interest of Suoxinda Beijing; and
- (vi) Suoxinda Beijing has completed at least one round of financing with third party investor subscribing the additional registered capital of Suoxinda Beijing in cash and the pre-money valuation of Suoxinda Beijing for such financing shall be not less than RMB500 million.

Subscription of Additional Capital:	If the Investor has exercised its right to convert the Convertible Loan into Conversion Capital and proceeded with the second stage of the Investment, the Investor has the right to subscribe for Additional Capital of Suoxinda Beijing for cash or by other means as agreed by the parties based on the Conversion Price.
Shareholding structure of Suoxinda Beijing after the conversion:	The equity interest of Suoxinda Beijing to be held by the Investor upon full conversion of the Convertible Loan and the subscription of Additional Capital shall be not less than 10% and not more than 20%.
Investor's special rights:	<p>After conversion of the Convertible Loan into Conversion Capital, the Investor will be entitled to certain customary special rights in respect of its equity interest in Suoxinda Beijing, including:</p> <ul style="list-style-type: none"> <li>(i) the right to appoint one director to the board of Suoxinda Beijing;</li> <li>(ii) the right to appoint a supervisor of Suoxinda Beijing;</li> <li>(iii) veto rights exercisable by the director appointed by the Investor for certain corporate matters of Suoxinda Beijing that may be detrimental to the interests of the Investor or likely to cause damages which exceed 5% of Suoxinda Beijing's net assets;</li> <li>(iv) certain matters of Suoxinda Beijing must be approved by the director appointed by the Investor; and</li> <li>(v) customary right of anti-dilution, first refusal, tag-along right, pre-emptive right, drag-along right, information right and the most favourable treatment.</li> </ul>
Repurchase of the Investor's equity interest in Suoxinda Beijing:	<p>So long as the Investor hold any equity interest in Suoxinda Beijing, the Investor shall have the right to require Mr. Song and/or Suoxinda Shenzhen to repurchase all equity interest of Suoxinda Beijing held by the Investor upon the occurrence of any events below:</p> <ul style="list-style-type: none"> <li>(i) Dr. Wu resigns, has been dismissed by Suoxinda Shenzhen or Suoxinda Beijing, has any labour/employment dispute with Suoxinda Beijing and/or Suoxinda Shenzhen or has other dispute which adversely affect Dr. Wu's fulfilment of duties in Suoxinda Beijing, unable to work or death caused by long-term or permanent disabilities or serious illness, retirement, commit an offence, or leave Suoxinda Shenzhen or Suoxinda Beijing for any other reason; and</li> </ul>

- (ii) other shareholders of Suoxinda Beijing requesting Suoxinda Beijing, Suoxinda Shenzhen or Mr. Song to repurchase their equity interests in Suoxinda Beijing.

The repurchase price of the equity interest of Suoxinda Beijing held by the Investor shall be the total investment amounts paid by the Investor to Suoxinda Beijing (i.e. the total capital contributions made by the Investor to Suoxinda Beijing) plus fixed return of 8% per annum which accrued from the date of Conversion Completion until the date of actual payment of the repurchase price.

Mr. Song and/or Suoxinda Shenzhen shall repurchase the equity interest of Suoxinda Beijing held by the Investor within 90 days after receipt of the written notice from the Investor requesting the repurchase. If Mr. Song and/or Suoxinda Shenzhen fail to complete the repurchase within the aforesaid period, they shall pay default interest at the rate of 0.05% per day on the repurchase price, and the Investor can choose to sell any or all of its equity interest in Suoxinda Beijing to any third parties. If the selling price to third parties is lower than the repurchase price, Mr. Song and/or Suoxinda Shenzhen shall compensate the shortfall.

Security:

Mr. Song agrees, by way of executing the Second Share Charge Deed, to charge certain Shares held by himself and the entity directly controlled by him in favour of the Investor to secure Suoxinda Shenzhen's and/or his obligations to repurchase the equity interest of Suoxinda Beijing held by the Investor.

The Second Share Charge Deed will be executed before the Conversion Completion and the number of the Shares charged under the Second Share Charge Deed shall be determined at that time. Upon the execution of the Second Share Charge Deed, the aggregate market value of the Shares charged shall be not less than two times of the Investor's total investment amounts (i.e. the total capital contributions made by the Investor to Suoxinda Beijing).

During the second stage of the Investment, if the aggregate market value of the charged Shares is less than 1.6 times of the total investment amount of the Investor, Mr. Song shall provide additional security by charging additional Shares directly or indirectly held by him until the total market value of the charged Shares reaches 2 times of the total investment amounts of the Investor. In any event, the charged Shares shall not be accounted for 30% or more (or such other percentage which may trigger the mandatory offer obligation under the Takeovers Code in effect from time to time) of the total issued share capital of the Company.

Apart from the Investment Agreement, the parties have also separately entered or will enter into the Convertible Loan Agreement, the Guarantee Agreement, the First Share Charge Deed, the Capital Increase Agreement, the Second Share Charge Deed and other documents in relation to the Investment. The terms of these agreements are generally consistent with the principles, terms and conditions as set out in the Investment Agreement.

## **INFORMATION OF THE PARTIES**

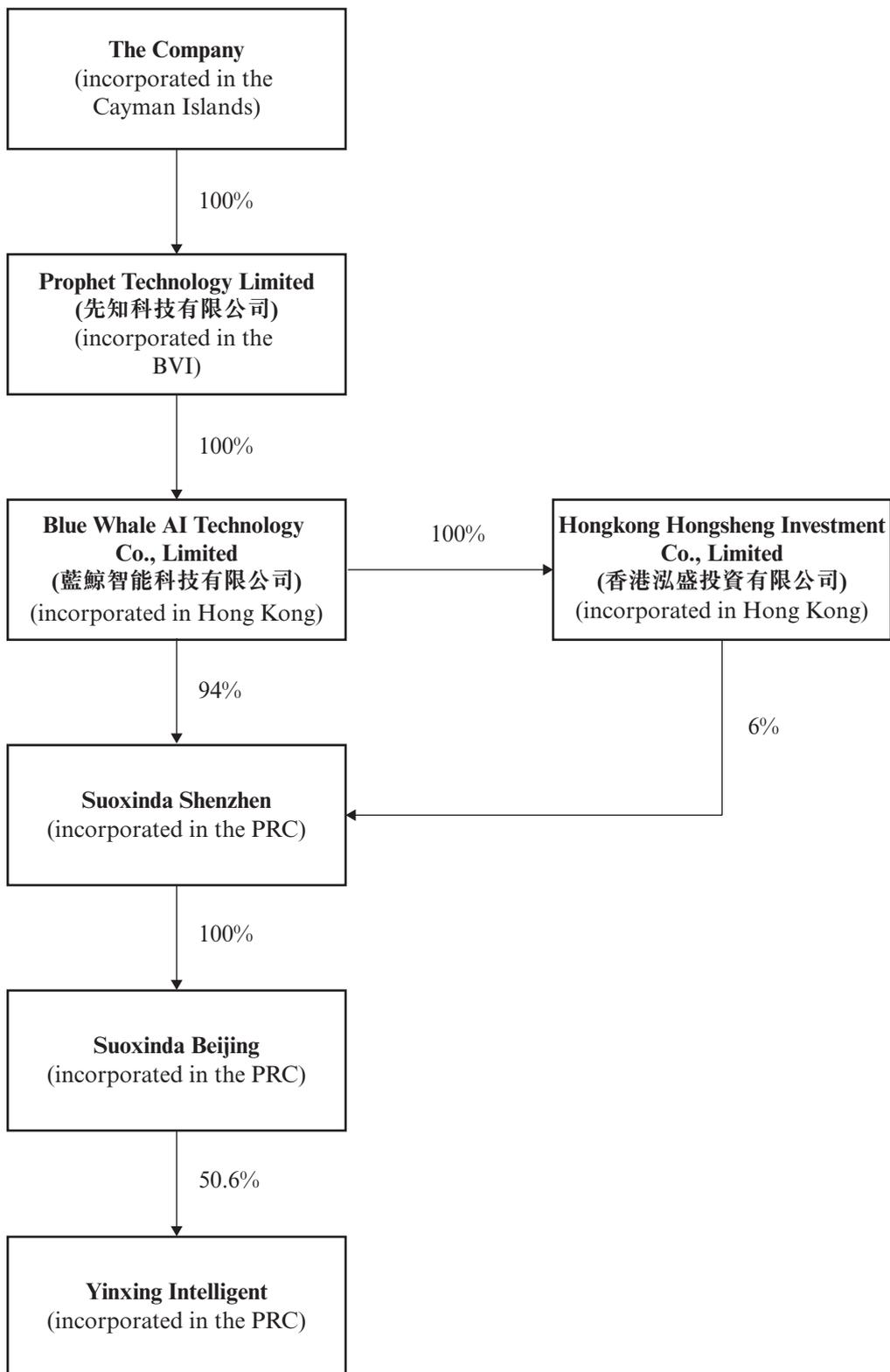
### **Suoxinda Shenzhen**

Suoxinda Shenzhen is a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company, which principally engages in the business of provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services.

### **Suoxinda Beijing**

Suoxinda Beijing is a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company, which is a financial big data services provider that is mainly focused on IT, regulatory reporting and marketing. Suoxinda Beijing also holds approximately 50.6% equity interest in Yinxing Intelligent, a leading Hadoop-based platform provider in the PRC.

The shareholding structure of Suoxinda Beijing as at the date of this announcement is set out below:



Set out below is the consolidated financial information of Suoxinda Beijing prepared in accordance with the relevant PRC accounting standards for the two financial years ended 31 December 2020 and 31 December 2021:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	111,356.3	61,839.7
Profit/(Loss) before tax	(29,953.4)	1,450.1
Profit/(Loss) after tax	(29,971.1)	1,733.1

As at 31 December 2021, the unaudited consolidated net asset value of Suoxinda Beijing was approximately RMB14 million.

### **The Investor**

The Investor is a company incorporated in the PRC with limited liability in March 2012. It is wholly owned by the State-owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing Municipality and is the only state-owned capital operating company in Xicheng District, Beijing. With the mission of promoting the high-quality regional economic and social development, the Investor is aim to build a mission-driven value symbiosis platform, which has achieved positive results in various areas such as promoting the optimisation of the distribution and structure of state-owned capital, fostering strategic emerging industries and moving forward the deepened reforms on state-owned assets and enterprises. This effectively enhances the capability of state-owned capital to boost regional economic and social development.

To the best knowledge of the Directors, having made reasonable enquiry, each of the Investor and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL AND USE OF PROCEEDS**

The proceeds from the Convertible Loan were RMB100,000,000. Pursuant to the Investment Agreement, Suoxinda Beijing shall and shall only apply such proceeds towards technology development, market expansion and acquisition of high-quality fintech and big data companies.

The Board believes that the Investment and the Deemed Disposal would provide an additional source of funding for Suoxinda Beijing to enhance its research and development capabilities and to further develop and expand its existing business. The Investment and the Deemed Disposal will also improve the financial position of the Group as well as broaden the shareholder base of Suoxinda Beijing. Although the Deemed Disposal will reduce the Company's interest in Suoxinda Beijing, the Company still has majority shareholding and maintain the de facto control over Suoxinda Beijing after the Conversion Completion.

In addition, the Investor is a professional state-owned capital marketisation platform of the State-owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing Municipality. The finance big data intelligent business that the Group focuses on is fully in line with the strategic development direction of the Investor in guiding the investment and cultivating industries, and is the strategic emerging industry in which the Investor actively makes presence. Therefore, the Board believes that the cooperation and transaction between the two parties can bring various related resources and supports from the Investor to the Group, which will generate significant growth momentum for the Group's future business expansion and capital market development. Moreover, according to the terms on the use of proceeds in the Investment Agreement, the Investment will provide the Group with critical funds to finance its technology development, market expansion, future strategic acquisitions and so forth. The cooperation and transaction with the Investor, a leading state-owned capital operation platform, will also be conducive to the Group to attract more capital investment and obtain financing from financial institutions.

In light of the aforesaid, the Directors are of the view that the Deemed Disposal is on normal commercial terms, and is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **FINANCIAL IMPACTS OF THE DEEMED DISPOSAL**

Assuming the Investor will hold 20% of equity interest immediately upon full conversion of the Convertible Loan and the subscription of Additional Capital, Suoxinda Shenzhen's equity interest in Suoxinda Beijing will be reduced from 100% to 80% and Suoxinda Beijing will remain as a non-wholly owned indirect subsidiary of the Company.

## LISTING RULES IMPLICATIONS

Assuming the Investor will hold 20% of equity interest immediately upon full conversion of Convertible Loan and the subscription of Additional Capital, Suoxinda Shenzhen's equity interest in Suoxinda Beijing will be reduced to 80%. Accordingly, the transactions contemplated under the Investment Agreement will constitute deemed disposal of the Company under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Additional Capital”	the additional registered capital of Suoxinda Beijing to be subscribed by the Investor in cash or by other manners as agreed by parties during the second stage of the Investment
“Board”	the board of Directors
“Business Day”	any day other than the national statutory holidays as promulgated by laws, regulations and the State Council of the PRC
“BVI”	the British Virgin Islands
“Capital Increase Agreement”	the capital increase agreement to be entered into among Suoxinda Beijing, the Investor, Mr. Song, Suoxinda Shenzhen and other shareholders of Suoxinda Beijing (if any) upon the conversion of the Convertible Loan
“China” or “the PRC”	the People's Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China, and Taiwan
“Company”	Suoxinda Holdings Limited (索信达控股有限公司), 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: 3680)

“Conditions Precedent”	the conditions precedent as set out in the Investment Agreement in respect of the provision of the Convertible Loan
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Capital”	the registered capital of Suoxinda Beijing to be subscribed by the Investor upon exercise of the conversion rights attaching to the Convertible Loan
“Conversion Completion”	the completion of the conversion of Convertible Loan to Conversion Capital
“Conversion Condition(s)”	the conditions precedent as set out in the Investment Agreement in respect of the Investor’s right to convert the Convertible Loan into Conversion Capital
“Conversion Investment Documents”	the Investment Agreement, the Capital Increase Agreement, the Second Share Charge Deed and other document signed by the parties in relation to the second stage of the Investment
“Conversion Price”	the subscription price to be paid by the Investors for RMB1.00 each in registered capital of Suoxinda Beijing upon the conversion of the Convertible Loan
“Convertible Loan”	the loan to be provided by the Investor to Suoxinda Beijing pursuant to the Investment Agreement, which shall be subject to the Investor’s right to convert such loan into Conversion Capital upon fulfilment of the Conversion Conditions
“Convertible Loan Agreement”	the convertible loan agreement dated 19 April 2022 entered into among the Investor, Suoxinda Beijing, Suoxinda Shenzhen and Mr. Song regarding the provision of the Convertible Loan
“Debt Investment Documents”	the Investment Agreement, the Convertible Loan Agreement, the Guarantee Agreement, the First Share Charge Deed and other document signed by the parties in relation to the first stage of the Investment

“Deemed Disposal”	the deemed disposal of Suoxinda Shenzhen’s interest of approximately 20% in Suoxinda Beijing as a result of the full conversion of Convertible Loan to Conversion Capital and/or the subscription of Additional Capital under Rule 14.29 of the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Wu”	Dr. Wu Fu-Shea (吳輔世), an executive Director and the chief executive officer of the Company
“First Share Charge Deed”	a share charge deed dated 19 April 2022 entered into among the Investor (as the chargee), Mr. Song and Mindas Touch (as the chargors), Suoxinda Beijing and the Company in relation to charging a total of 46,080,000 Shares held by Mr. Song and Mindas Touch (representing 11.30% of the total issued share capital of the Company as at the date hereof) in favour of the Investor in relation to the first stage of the Investment
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 19 April 2022 entered into among Mr. Song and Suoxinda Shenzhen as the Guarantors, Suoxinda Beijing and the Investor
“Guarantors”	Mr. Song and Suoxinda Shenzhen
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Investment”	the investment by the Investor in Suoxinda Beijing pursuant to the Investment Agreement which comprises two stages, namely, (i) the provision of the Convertible Loan; and (ii) the conversion of the Convertible Loan to Conversion Capital and/or the subscription of Additional Capital
“Investment Agreement”	the investment agreement dated 19 April 2022 entered into among Suoxinda Shenzhen, Suoxinda Beijing, Mr. Song and the Investor in relation to the Investment

“Investor”	Beijing Financial Street Capital Operation Holding Company Limited* (北京金融街資本運營集團有限公司), a company incorporated in the PRC with limited liability and the investor under the Investment Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Mindas Touch”	Mindas Touch Global Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Song, a substantial shareholder of the Company
“Mr. Song”	Mr. Song Hongtao (宋洪濤), chairman of the Board, a non-executive Director and a substantial shareholder of the Company
“RMB”	Renminbi, the lawful currency of China
“Second Share Charge Deed”	a share charge deed to be entered into among the Investor (as the chargee), Mr. Song and Mindas Touch (as the chargors), Suoxinda Beijing and the Company in relation to charging of certain Shares held by Mr. Song and Mindas Touch in favour of the Investor in relation to the second stage of the Investment
“SFC”	Securities and Futures Commission
“Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed thereto under the Listing Rules
“Suoxinda Beijing”	Suoxinda (Beijing) Data Technology Co., Ltd.* (索信达(北京)數據技術有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company
“Suoxinda Shenzhen”	Shenzhen Suoxinda Data Technology Co., Ltd* (深圳索信达數據技術有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company

“Yinxing Intelligent”	Shenzhen Yinxing Intelligent Data Co., Ltd. (深圳銀興智能數據有限公司), a company incorporated in the PRC with limited liability, which was held as to approximately 50.6% by Suoxinda Beijing
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“%”	per cent.

By Order of the Board  
**Suoxinda Holdings Limited**  
**Song Hongtao**  
*Chairman of the Board*

Hong Kong, 19 April 2022

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chen Zhenping, Dr. Wu Fu-Shea, Mr. Wu Xiaohua; three non-executive Directors, namely, Mr. Song Hongtao, Dr. Mo Keqi and Mr. Jiang Senlin; and three independent non-executive Directors, namely, Mr. Tu Xinchun, Ms. Fan Wenxian and Dr. Chen Wei.*

\* *For identification purposes only*