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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)

SUBSCRIPTIONS OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that, on 15 July 2022, the Company (as issuer) entered into Subscription Agreements with 45 Subscribers in respect of the subscription of an aggregate of 20,000,000 Subscription Shares at the Subscription Price of HK\$1.24 per Share.

The Subscribers are either the management or the key technical personnel of the Group. All of the Subscribers are independent individual investors. The Directors believe the Subscription fully demonstrates the Subscribers' confidence in the overall development prospects and growth potential of the Company.

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

The principal terms of the Subscription Agreements are as follows:

Date: 15 July 2022

Parties to the Subscription Agreements:

- (1) the Company, as the issuer; and
- (2) the Subscribers.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

Subscription Shares

The 20,000,000 Subscription Shares in aggregate represent (i) approximately 4.89% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$200,000.

Rights of the Subscription Shares

The Subscription Shares will be fully paid and rank pari passu with all other issued Shares in all respects as at the date of issue.

The Subscription Price

The Subscription Price is HK\$1.24 per Share, which represents:

- (i) a discount of approximately 16.22% over the closing price of HK\$1.48 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 19.79% to the average of the closing prices of approximately HK\$1.546 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived after arm's length negotiations between the Company and each of the Subscribers and was determined with reference to the recent market prices of the Shares and the prevailing market conditions.

The Payment of the Total Subscription Price

The Total Subscription Price will be paid in three instalments according to the following schedule:

- (i) the first instalment representing 30% of the Total Subscription Price will be paid on or before 31 July 2022 (or such other date as the parties thereto may agree);
- (ii) the second instalment representing 30% of the Total Subscription Price will be paid on or before 20 August 2022 (or such other date as the parties thereto may agree); and
- (iii) the third instalment representing 40% of the Total Subscription Price will be paid on or before 20 September 2022 (or such other date as the parties thereto may agree).

Condition Precedent for the Subscription

Completion is conditional upon the fulfilment or waiver of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (ii) (if applicable) obtaining all necessary approvals from and making all necessary filings with any government, regulatory authority or any other person in connection with the entering into and performing the obligations under the Subscription Agreements by the Company (including the issue and allotment of the Subscription Shares);
- (iii) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the Completion Date and the Company having fully performed its obligations under the Subscription Agreements prior to and on the Completion Date; and
- (iv) the listing of the Shares of the Company has not been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt or suspension pending the publication of any announcement in respect of the Subscription).

If the above conditions are not fulfilled or waived (the conditions (i) to (ii) above cannot be waived and the conditions (iii) to (iv) can only be waived by the Subscribers only) after 270 days of the date of the Subscription Agreements (or such other date as may be agreed in writing between the Company and the Subscribers), the Subscribers' obligation to subscribe for and the Company's obligation to issue, allot and deliver the Subscription Shares shall terminate and any amounts paid by the Subscribers under the Subscription Agreements shall be refunded to the Subscribers without interest and the Subscription Agreements shall be terminated and lapsed.

Completion

Subject to the fulfilment or waiver (where applicable) of the conditions precedent, the Completion shall take place on the third Business Days after the payment of the third instalment of the Total Subscription Price by the Subscribers (or such other date as the parties thereto may agree). For the avoidance of doubt, Completion by a Subscriber is not inter-conditional upon Completion by the other Subscribers.

Lock-up undertakings

The Subscribers unconditionally and irrevocably undertake to the Company that:

- (i) the Subscribers shall not, without the prior written consent of the Company, at any time during the period of six (6) months from the Completion Date directly or indirectly, dispose of any Subscription Shares or dispose of any interest in any company or entity holding any Subscription Shares in any manner whatsoever or publicly announce any intention or enter into any transaction with the same economic effect, directly or indirectly; and
- (ii) if the Subscribers dispose of any Subscription Shares at any time after a period of six (6) months from the Completion Date, the Subscribers shall ensure that such disposal complies with all applicable laws (including the Listing Rules) and will use its best endeavours to ensure that any such disposal will not create a disorderly or false market in the Shares.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorized to issue is 81,772,287 Shares, representing 20% of the number of issued Shares as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and it is an investment holding company. The Group is principally engaged in the provision of data solutions, sales of hardware and software and related services as an integrated service, and information technology maintenance and support services.

INFORMATION ON THE SUBSCRIBERS

The Subscribers are either the management or the key technical personnel of the Group. All of the Subscribers are independent individual investors.

As at the date of this Announcement, the Subscribers in aggregate hold 6,321,868 Shares (including 1,583,868 Restricted Shares granted under the Share Award Scheme) and 490,697 Share Options granted under the Share Option Scheme. Saved as disclosed, the Subscribers do not have other interests in the Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of Subscription Shares, is as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Mr. Song Hongtao (<i>Note 1</i>)	75,003,840	18.34%	75,003,840	17.49%
Ms. Xia Liping (<i>Note 2</i>)	69,550,000	17.01%	69,550,000	16.22%
Mr. Chen Zhenping (<i>Note 3</i>)	64,276,160	15.72%	64,276,160	14.99%
Mr. Wu Xiaohua (<i>Note 4</i>)	29,590,000	7.24%	29,590,000	6.90%
Subscribers (<i>Note 5</i>)	6,321,868	1.55%	26,321,868	6.14%
Other Shareholders	164,119,570	40.14%	164,119,570	38.27%
Total	408,861,438	100%	428,861,438	100%

Notes:

- (1) Mr. Song Hongtao is an executive Director and chairman of the Board. The Shares held by Mr. Song Hongtao consisted of (i) 70,003,840 Shares held by Mindas Touch Global Limited, which was wholly owned by Mr. Song Hongtao and accordingly Mr. Song Hongtao was deemed to be interested in these Shares pursuant to Part XV of the SFO; and (ii) 5,000,000 Shares directly held by Mr. Song Hongtao.

- (2) The Shares held by Ms. Xia Liping consisted of (i) 60,550,000 Shares held by Benefit Ocean Holdings Limited, which was wholly owned by Ms. Xia Liping and accordingly Ms. Xia Liping was deemed to be interested in these Shares pursuant to Part XV of the SFO; and (ii) 9,000,000 Shares directly held by Ms. Xia Liping.
- (3) Mr. Chen Zhenping is an executive Director.
- (4) Mr. Wu Xiaohua is an executive Director. Mr. Wu Xiaohua's shareholding in the Company is held through Ideal Treasure Holdings Limited, which was wholly owned by Mr. Wu Xiaohua. Accordingly, Mr. Wu Xiaohua was deemed to be interested in these Shares pursuant to Part XV of the SFO.
- (5) As at the date of this Announcement, the Subscribers in aggregate hold 6,321,868 Shares (including 1,583,868 Restricted Shares granted under the Share Award Scheme) and 490,697 Share Options granted under the Share Option Scheme.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company considers that the Subscription will provide the Subscribers with a direct economic interest in attaining the long-term business objectives of the Company and will reinforce the commitment of the Subscribers to the Group by aligning their interests to the Shareholders through ownership of the Shares and their continuing support would be beneficial to the long-term business development and increasing the value of the Group. The Directors also consider that the Subscription represents an opportunity for the Group to broaden the capital base and Shareholder base of the Company. The Directors believe the Subscription fully demonstrates the Subscribers' confidence in the overall development prospects and growth potential of the Company.

The gross proceeds of the Subscription is expected to be HK\$24,800,000. After deducting related fees and expenses, the net proceeds of the Subscription will amount to approximately HK\$24,670,000, representing a net Subscription Price of approximately HK\$1.23 per Subscription Share. The Company intends to utilise the aforesaid net proceeds from the Subscription for working capital and general corporate purposes.

The Board believes that the Subscription Agreements (including the Subscription Price) are made on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“AGM”	the annual general meeting of the Company held on 23 June 2022
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday, or other public holidays in Hong Kong, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in the PRC and Hong Kong are open for business
“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)
“Completion”	completion of the Subscription
“Completion Date”	the date of the Completion
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then number of the issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	party(ies) which is independent of and not connected with the Company and its connected persons (as defined under the Listing Rules) and not otherwise a connected person of the Company
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Restricted Shares”	any Share(s) that may be offered by the Company to any selected participants under the Share Award Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Award Scheme”	the share award scheme adopted by the Company on 8 June 2020
“Share Options”	the share options to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 8 June 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	the subscribers under the Subscription Agreements
“Subscription Agreements”	the Subscription Agreements dated 15 July 2022 and entered into between the Company (as issuer) and the Subscribers
“Subscription Price”	HK\$1.24 per Subscription Share
“Subscription Shares”	an aggregate of 20,000,000 new Shares to be subscribed by the Subscribers under the Subscription Agreements

“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Total Subscription Price”	the total subscription price for the Shares to be subscribed by each of the Subscribers under each of the Subscription Agreements
“%”	per cent.

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

Hong Kong, 15 July 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Song Hongtao, Mr. Chen Zhenping, Dr. Wu Fu-Shea and Mr. Wu Xiaohua, and two independent non-executive Directors, namely, Mr. Tu Xinchun and Dr. Chen Wei.