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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Suoxinda Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Suoxinda Holdings Limited.

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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)**

**(1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;  
(2) CONNECTED TRANSACTIONS IN RELATION TO PROPOSED ISSUE  
OF NEW SHARES UNDER SPECIFIC MANDATE;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
溢博資本有限公司

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Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed "Definitions" in this circular unless the context requires otherwise.

A notice convening the EGM to be held at 1801, Microprofit Building, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the PRC on Monday, 24 October 2022 at 3 p.m. is set out on pages 50 to 53 of this circular. A proxy form for use at the EGM is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.datamargin.com](http://www.datamargin.com)).

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 3 p.m. on Saturday, 22 October 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish. If you attend and vote at the EGM, the proxy form will be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

1 October 2022

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 23 June 2022
“Announcement”	the announcement of the Company dated 1 September 2022 in relation to, among others, the proposed issue and allotment of 37,750,000 Specific Mandate Subscription Shares to Mr. Shi and the Connected Subscribers
“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 of the Subscription
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Connected Subscriber(s)”	Dr. Wu and Ms. Wang, being the Subscriber(s) who are connected person(s) of the Company
“Connected Subscription Shares”	an aggregate of 5,750,000 Subscription Shares to be subscribed by the Connected Subscribers under the connected Subscription Agreements
“Connected Subscription Agreement(s)”	the Subscription Agreement(s) dated 1 September 2022 and entered into between the Company (as issuer) and the Connected Subscriber(s)
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Dr. Wu”	Dr. Wu Fu-Shea (吳輔世), an executive Director and chief executive officer of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 1801, Microprofit Building, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the PRC on Monday, 24 October 2022 at 3 p.m. for Shareholders to consider and, if thought fit, approve resolutions in relation to the proposed issue and allotment of the Specific Mandate Subscription Shares to Mr. Shi and the Connected Subscribers, the Specific Mandate and the transactions contemplated thereunder which are contained in the notice of the meeting which is set out on pages 50 to 53 of this circular, or any adjournment thereof
“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
“General Mandate Subscribers”	the Subscribers who have conditionally agreed to subscribe the General Mandate Subscription Shares under the Subscription Agreements
“General Mandate Subscription Shares”	an aggregate of 31,575,598 new Shares to be subscribed by the General Mandate Subscribers under the Subscription Agreements and to be issued under the General Mandate
“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
“Hong Kong Branch Share Registrar”	The Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited
“Independent Board Committee”	an independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder

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## DEFINITIONS

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“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM
“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
“Last Trading Day”	1 September 2022, being the last trading day prior to the signing of the Specific Mandate Subscription Agreements
“Latest Practicable Date”	27 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Shi”	Mr. Shi Banchao (石班超)
“Ms. Wang”	Ms. Wang Jing (王靜), a former executive Director who resigned on 1 March 2022 and currently acts as the vice president of the Group
“PRC”	the People’s Republic of China, which for the purpose of this circular 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

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## DEFINITIONS

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“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
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM to grant the authority to the Board for the proposed allotment and issue of the Specific Mandate Subscription Shares
“Specific Mandate Subscribers”	Mr. Shi and the Connected Subscribers
“Specific Mandate Subscription”	the subscription of the Specific Mandate Subscription Shares by the Specific Mandate Subscribers pursuant to the terms and conditions of the Specific Mandate Subscription Agreements
“Specific Mandate Subscription Agreement(s)”	the Subscription Agreement(s) dated 1 September 2022 and entered into between the Company (as issuer) and the Specific Mandate Subscribers
“Specific Mandate Subscription Shares”	an aggregate of 37,750,000 new Shares to be subscribed by the Specific Mandate Subscribers under the Specific Mandate Subscription Agreement(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	the General Mandate Subscribers and the Specific Mandate Subscribers

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## DEFINITIONS

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“Subscription Agreement(s)”	the Subscription Agreement(s) dated 1 September 2022 and entered into between the Company (as issuer) and the Subscriber(s)
“Subscription Price”	HK\$1.045 per Subscription Share
“Subscription Shares”	an aggregate of 69,325,598 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.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Song Hongtao *(Chairman of the Board)*

Mr. Chen Zhenping

Dr. Wu Fu-Shea *(Chief Executive Officer)*

Mr. Wu Xiaohua

*Independent non-executive Directors:*

Mr. Tu Xinchun

Dr. Chen Wei

Mr. Yang Haifeng

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Principal place of*

*business in the PRC:*

Room 4101, 41st Floor, Building 2

Euro-American Financial City

Cangqian Street, Yuhang District

Hangzhou City, Zhejiang Province

the PRC

*Principal place of*

*business in Hong Kong:*

5/F, Manulife Place

348 Kwun Tong Road

Kowloon, Hong Kong

1 October 2022

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;  
(2) CONNECTED TRANSACTIONS IN RELATION TO PROPOSED ISSUE  
OF NEW SHARES UNDER SPECIFIC MANDATE;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**



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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

Reference is made to the Announcement of the Company dated 1 September 2022 in relation to the Subscription Agreements entered into between the Company (as issuer) and 38 General Mandate Subscribers, Mr. Shi and 2 Connected Subscribers, pursuant to which the Company has conditionally agreed to issue, and the General Mandate Subscribers, Mr. Shi and the Connected Subscribers have conditionally agreed to subscribe for 31,575,598, 32,000,000 and 5,750,000 Subscription Shares at the Subscription Price of HK\$1.045 per Share, respectively. The issue of the General Mandate Subscription Shares to the General Mandate Subscribers will not be subject to the approval by the Shareholders and the General Mandate Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. The proposed issue of the Specific Mandate Subscription Shares to Mr. Shi and the Connected Subscribers will be allotted and issued under the Specific Mandate to be obtained from the Shareholders at the EGM.

The purpose of this circular is to provide you with among others, (i) further details of the Specific Mandate Subscription, the Specific Mandate and the transactions contemplated thereunder, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers; (iv) a notice of convening the EGM, and (v) other information as required under the Listing Rules.

Rainbow Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder.

### 2. PRINCIPAL TERMS OF THE SPECIFIC MANDATE SUBSCRIPTION AGREEMENTS

Save for the number of Specific Mandate Subscription Shares to be subscribed for and the identity of the Specific Mandate Subscribers, the terms and conditions of the Specific Mandate Subscription Agreements are identical in all material respects. The principal terms of the Specific Mandate Subscription Agreements are as follows:

Date: 1 September 2022

Parties to the Specific Mandate Subscription Agreements:

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

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## LETTER FROM THE BOARD

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### The Subscription

Pursuant to the Specific Mandate Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Specific Mandate Subscribers have conditionally agreed to subscribe for an aggregate of 37,750,000 Specific Mandate Subscription Shares at the Subscription Price of HK\$1.045 per Shares on the Completion Date of the Specific Mandate Subscription Agreements, the breakdown of which is as follows:

Specific Mandate Subscribers	Number of Specific Mandate Subscription Shares	Total Subscription Price payable HK\$
(i) Mr. Shi Connected Subscribers:	32,000,000	33,440,000
(ii) Dr. Wu	5,450,000	5,695,250
(iii) Ms. Wang	<u>300,000</u>	<u>313,500</u>
<b>Total</b>	<b><u>37,750,000</u></b>	<b><u>39,448,750</u></b>

### The Specific Mandate Subscription Shares

The 37,750,000 Specific Mandate Subscription Shares in aggregate represent (i) approximately 9.23 % of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 8.45% of the total issued share capital of the Company as enlarged by the allotment and issue of the Specific Mandate Subscription Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the issue of the Specific Mandate Subscription Shares). The aggregate nominal value of the Specific Mandate Subscription Shares will be approximately HK\$377,500.

### Rights of the Specific Mandate Subscription Shares

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

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## LETTER FROM THE BOARD

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### The Subscription Price

The Subscription Price is HK\$1.045 per Share, which represents:

- (i) a discount of approximately 19.62% over the closing price of HK\$1.300 per Share as quoted on the Stock Exchange on the date of the Specific Mandate Subscription Agreements;
- (ii) a discount of approximately 6.03% to the average of the closing prices of approximately HK\$1.144 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Specific Mandate Subscription;
- (iii) a discount of approximately 2.70 % to the average closing price of approximately HK\$1.074 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 5.86% over the closing price of HK\$1.110 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 177.19% over the unaudited net asset value per Share of approximately HK\$0.377 per Share based on (a) the unaudited net assets of approximately RMB131.6 million as at 30 June 2022; (b) 408,861,438 issued Shares as at the Latest Practicable Date; and (c) the exchange rate of RMB1: HK\$1.1714 as at 30 June 2022 as extracted from Bloomberg.

The Subscription Price was arrived after arm's length negotiations between the Company and each of the Specific Mandate Subscribers and was determined with reference to the recent market prices of the Shares which exhibited a general downward trend since January 2022 and fluctuated to HK\$1.300 per Share on the date of the Specific Mandate Subscription Agreements and the prevailing market conditions where the stock market has been trading at low sentiment due to the impacts of the COVID-19 pandemic as well as the possible increase in interest rate by the Federal Reserve of the United States.

The Specific Mandate Subscription will result in a theoretical dilution effect of approximately 1.66% represented by the theoretical diluted price of approximately HK\$1.278 per Share to the benchmarked price of HK\$1.300 per Share, taking into account the closing price of HK\$1.300 per Share on the date of the Specific Mandate Subscription Agreements and the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Specific Mandate Subscription of approximately HK\$1.144 per Share.

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## LETTER FROM THE BOARD

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### **The payment of the Subscription Price**

The Total Subscription Price will be paid on or before 30 September 2022 (or such other date as the parties thereto may agree).

### **Conditions precedent**

The Completion of the Specific Mandate Subscription is conditional upon the fulfilment or waiver of the following conditions:

- (i) the approval by the Shareholders at the EGM in respect of the issue of the Specific Mandate Subscription Shares, the grant of the Specific Mandate and the transactions contemplated thereunder;
- (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Specific Mandate Subscription Shares;
- (iii) (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 Specific Mandate Subscription Agreements by the Company (including but not limited to the issue and allotment of the Specific Mandate Subscription Shares);
- (iv) the representations and warranties of the Company under the Specific Mandate Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Specific Mandate Subscription Agreements and the Completion Date and the Company having fully performed its obligations under the Specific Mandate Subscription Agreements prior to and on the Completion Date; and
- (v) 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 Specific Mandate Subscription).

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## LETTER FROM THE BOARD

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If the above conditions are not fulfilled or waived (the conditions (i) to (iii) above cannot be waived and the conditions (iv) to (v) can only be waived by the Specific Mandate Subscribers only) after 180 days of the date of the Specific Mandate Subscription Agreements (or such other date as may be agreed in writing between the Company and the Specific Mandate Subscribers), the Specific Mandate Subscribers' obligation to subscribe for and the Company's obligation to issue, allot and deliver the Specific Mandate Subscription Shares shall terminate and any amounts paid by the Specific Mandate Subscribers under the Specific Mandate Subscription Agreements shall be refunded to the Specific Mandate Subscribers without interest and the Specific Mandate Subscription Agreements shall be terminated and lapsed.

### **Completion**

Subject to the fulfilment or waiver (where applicable) of the conditions precedent, the Completion of the Specific Mandate Subscription shall take place on the third Business Day (or such other date as the parties thereto may agree in writing) after the date on which the last of the conditions precedent is satisfied or waived (if applicable).

For the avoidance of doubt, Completion by a Specific Mandate Subscriber is not inter-conditional upon Completion by the other Specific Mandate Subscribers.

### **Lock-up undertakings**

The Specific Mandate Subscribers unconditionally and irrevocably undertake to the Company that:

- (i) the Specific Mandate 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 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 Specific Mandate Subscribers dispose of any Subscription Shares at any time after a period of six (6) months from the Completion Date, the Specific Mandate Subscribers shall ensure that such disposal complies with all applicable laws (including the Listing Rules) and will use their best endeavours to ensure that any such disposal will not create a disorderly or false market in the Shares.

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## LETTER FROM THE BOARD

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### **THE SPECIFIC MANDATE TO ISSUE THE SPECIFIC MANDATE SUBSCRIPTION SHARES**

The Specific Mandate Subscriptions Shares proposed to be issued to Mr. Shi and the Connected Subscribers will be allotted and issued under the Specific Mandate to be obtained from the Shareholders at the EGM. The issue of Specific Mandate Subscription Shares will be subject to the approval by the Shareholders.

### **APPLICATION FOR LISTING**

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Specific Mandate 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 SPECIFIC MANDATE SUBSCRIBERS**

Mr. Shi is an employee of the Group. He currently acts as the vice president and general manager of southern China region of the Group and is responsible for the business operation in the southern China region of the Group. To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, Mr. Shi is an Independent Third Party.

The Connected Subscribers include Dr. Wu who is an executive Director and chief executive officer of the Company and is responsible for the management of business and operation of the Group and Ms. Wang who is a former executive Director resigned on 1 March 2022 and currently acts as the vice president of the Group and is responsible for the overall operation and human resource management of the Group.

As at the Latest Practicable Date, the Specific Mandate Subscribers in aggregate hold 8,332,835 Shares (including 295,835 Restricted Shares granted under the Share Award Scheme), representing approximately 2.04% of total Shares in issue as at the Latest Practicable Date and 25,644 Share Options granted under the Share Option Scheme. Saved as disclosed, the Specific Mandate Subscribers do not have other interests in the Shares.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

The Connected Subscribers, being the Director or the former Director in the last 12 months, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement, circular and, the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The theoretical diluted price, the benchmarked price and theoretical dilution effect for the Specific Mandate Subscription are approximately HK\$1.278 per Share, HK\$1.300 per Share and 1.66%, respectively. The Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the date of the Announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period as part of such rights issues, open offers and/or specific mandate placings. The Specific Mandate Subscription will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Specific Mandate Subscription is in compliance with Rule 7.27B of the Listing Rules.

## LETTER FROM THE BOARD

### 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 Latest Practicable Date; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the issue of Subscription Shares, is as follows:

	As at the		Immediately after Completion	
	Latest Practicable Date		Approximate %	
	Number of Shares held	Approximate % of total Shares in issue	Number of Shares held	Approximate % of total Shares in issue
Mr. Song Hongtao (Note 1)	75,003,840	18.34%	75,003,840	15.69%
Ms. Xia Liping (Note 2)	69,450,000	16.99%	69,450,000	14.52%
Mr. Chen Zhenping (Note 3)	64,276,160	15.72%	64,276,160	13.44%
Mr. Wu Xiaohua (Note 4)	29,590,000	7.24%	29,590,000	6.19%
Subscribers (Note 5)				
(a) 38 General Mandate Subscribers	5,772,537	1.41%	37,348,135	7.81%
(b) 3 Specific Mandate Subscribers:	8,332,835	2.04%	46,082,835	9.64%
(i) Mr. Shi	825,835	0.20%	32,825,835	6.87%
Connected Subscribers:	7,507,000	1.84%	13,257,000	2.77%
(ii) Dr. Wu	6,000,000	1.47%	11,450,000	2.39%
(iii) Ms. Wang	1,507,000	0.37%	1,807,000	0.38%
Subtotal of the Subscribers	14,105,372	3.45%	83,430,970	17.45%
Other Shareholders	<u>156,436,066</u>	<u>38.26%</u>	<u>156,436,066</u>	<u>32.71%</u>
Total	<u>408,861,438</u>	<u>100%</u>	<u>478,187,036</u>	<u>100%</u>

*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 the Shares held by Mindas Touch Global Limited 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 the Shares held by Benefit Ocean Holdings Limited pursuant to Part XV of the SFO; and (ii) 8,900,000 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 Latest Practicable Date, the Subscribers in aggregate holds 14,105,372 Shares (including 1,628,372 Restricted Shares granted under the Share Award Scheme) and 575,731 Share Options granted under the Share Option Scheme.



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## LETTER FROM THE BOARD

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### **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save for the subscriptions of new Shares under the General Mandate as disclosed in the announcement of the Company dated 15 July 2022, which was terminated on 30 August 2022, the Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date.

### **REASONS FOR THE SPECIFIC MANDATE SUBSCRIPTION AND USE OF PROCEEDS**

The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. Taking into account the recent market conditions where the impact of the COVID-19 pandemic and the possible increase in interest rate by the Federal Reserve of the United States has resulted in low sentiment in the global stock markets trading, the Board is of the view that there is uncertainty in the amount of funds which could be raised under a rights issue or an open offer as Shareholders and potential investors may be unwilling to invest under such market conditions.

In addition, the Directors consider that raising funds by way of allotment and issue of the Subscription Shares would enable the Company to continue to obtain funds at a lower cost, as compared to other alternative fundraising methods, considering (i) debt financing may incur additional financial costs such as interest expenses on the Group, which may affect the financial performance of the Group in the future; and (ii) rights issue or open offer will involve additional costs such as underwriting commission, costs for engagement of reporting accountants, financial advisers and/or brokerage agent(s) and costs in relation to the issue of listing documents and other application and administrative procedures as compared to the equity financing by way of allotment and issue of new Shares under the General Mandate and the Specific Mandate.

In view of the roles and responsibilities of the Specific Mandate Subscribers in the Group, the Company considers that the Specific Mandate Subscription will provide the Specific Mandate Subscribers with a direct economic interest in attaining the long-term business objectives of the Company and will reinforce the commitment of the Specific Mandate 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 Specific Mandate Subscription represents an opportunity for the Group to broaden the capital base of the Company. The Directors believe the Specific Mandate Subscription fully demonstrates the Specific Mandate Subscribers' confidence in the overall development prospects and growth potential of the Company.

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## LETTER FROM THE BOARD

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The gross proceeds of the Specific Mandate Subscription is expected to be approximately HK\$39,448,750. After deducting related fees and expenses, the net proceeds of the Specific Mandate Subscription will amount to approximately HK\$39,203,711, representing a net Subscription Price of approximately HK\$1.039 per Specific Mandate Subscription Share. The Company intends to utilise the aforesaid net proceeds from the Specific Mandate Subscription for the following purposes:

- (i) approximately 60.72% of the net proceeds or HK\$23,803,459 will be used for repayment of the debts of the Group, and
- (ii) approximately 39.28% of the net proceeds or HK\$15,400,252 will be used for working capital and general corporate purposes.

Taking into account (i) the Group's cash and cash equivalents of approximately RMB29.9 million as at 30 June 2022; and (ii) the Group's total bank and other borrowings amounted to approximately RMB85.1 million and amount due to Directors of approximately RMB100.7 million as at 30 June 2022, the Board considers the estimated net proceeds from the Subscription (including the Specific Mandate Subscription) of HK\$71,995,250 alone would not be sufficient for the Company's funding need for the 12 months upon completion of the Specific Mandate Subscription. The Company will review its funding needs from time to time and to consider appropriate fund-raising options if necessary, including but not limited to debt financing, subscription of Shares, rights issue or open offers. However, as at the Latest Practicable Date, the Company has no concrete plan to conduct any fund-raising activities in the next 12 months.

Dr. Wu, being an executive Director and the chief executive officer of the Company, is regarded as interested in the proposed issue of the Connected Subscription Shares to himself and has abstained from approving the relevant board resolutions in respect of the proposed issue of the Connected Subscription Shares to himself and the transaction contemplated thereunder. Save as disclosed above, none of the Directors is regarded as having a material interest in the Specific Mandate Subscription or is required to abstain from approving the relevant board resolutions relating to the Specific Mandate Subscription and the transaction contemplated thereunder.

### **3. INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Tu Xinchun, Dr. Chen Wai and Mr. Yang Haifeng has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers. Rainbow Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

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## LETTER FROM THE BOARD

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### 4. EGM

The EGM will be convened and held at 1801, Microprofit Building, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the PRC on Monday, 24 October 2022 at 3 p.m. for the purpose of considering and, if thought fit, approving the proposed allotment and issue of the Specific Mandate Subscription Shares, the grant of the Specific Mandate and the transactions contemplated thereunder.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Among the Specific Mandate Subscribers, Mr. Shi, Dr. Wu and Ms. Wang, holding 825,835 Shares, 6,000,000 Shares and 1,507,000 Shares (among which 59,835 Shares of Mr. Shi and 195,000 Shares of Ms. Wang are unvested Restricted Shares held by the trustee who shall not exercise the voting rights in respect of such unvested Restricted Shares pursuant to the rules of the Share Award Scheme), representing approximately 0.20%, 1.47% and 0.37% of the issued Shares as at the Latest Practicable Date respectively, are required to abstain from voting in respect of the relevant resolutions approving the proposed allotment and issue of Specific Mandate Subscription Shares to himself or herself, the grant of Specific Mandate and the transactions contemplated thereunder. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholders has a material interest in the proposed allotment and issue of the Specific Mandate Shares to the Specific Mandate Subscribers, the grant of the Specific Mandate and the transactions contemplated thereunder as at the Latest Practicable Date and is required to abstain from voting at the EGM on the resolutions to approve the aforesaid matters.

A notice convening the EGM is set out on pages 50 to 53 of this circular. A proxy form is enclosed with this circular. Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. not later than 3 p.m. on Saturday, 22 October 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish. In such event, the proxy form shall be deemed to be revoked.

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## LETTER FROM THE BOARD

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### 5. CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 19 October 2022 to Monday, 24 October 2022 (both days inclusive) during which period no share transfer will be effected. In order to qualify for attending and voting at the EGM, unregistered holders of Shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m., on Tuesday, 18 October 2022.

### 6. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 20 of this circular, which contains its recommendation to the Independent Shareholders as to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers; and (ii) the letter from the Independent Financial Adviser set out on pages 21 to 42 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers, and the principal factors and reasons considered by it in arriving at its opinions.

In view of the reasons for and benefits of the Specific Mandate Subscription as set out in the paragraphs headed "Reasons for the Specific Mandate Subscription and Use of Proceeds" above, in respect of the Subscription by Mr. Shi, the Directors (including the independent non-executive Directors) are of the view that the relevant Subscription Agreement (including the Subscription Price) is made on normal commercial terms, is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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In respect of the Subscription by the Connected Subscribers, the Directors (including the members of the Independent Board Committee whose opinion is set forth in the “Letter from the Independent Board Committee” in this circular after considering the advice of the Independent Financial Adviser) are of the view that the Connected 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. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the proposed allotment and issue of the Subscription Shares to Mr. Shi and the Connected Subscription Shares to the Connected Subscribers, the grant of Specific Mandate and the transactions contemplated thereunder.

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

Yours faithfully,  
By order of the Board  
**Song Hongtao**  
*Chairman of the Board*

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

1 October 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTIONS IN RELATION TO  
PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 1 October 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise the Independent Shareholders in relation to the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder. Rainbow Capital has been appointed by the Company as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 21 to 42 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 43 to 49 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Connected Subscription Agreements and the situation of the Company, the interests of the Independent Shareholders and the advice of the Independent Financial Adviser, we consider that (i) the terms of the Connected Subscription Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Connected Subscription Agreements with the Connected Subscribers is conducted in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders should vote in favor of the resolutions to be proposed at the EGM to approve the Connected Subscription Agreements and the transactions contemplated thereunder.

Yours faithfully

For and on behalf of the

**Independent Board Committee**

**Mr. Tu Xinchun**

*Independent non-executive  
Director*

**Dr. Chen Wei**

*Independent non-executive  
Director*

**Mr. Yang Haifeng**

*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription by the Connected Subscribers, which has been prepared for the purpose of inclusion in this circular.*

**Rainbow Capital (HK) Limited**

1 October 2022

*To the Independent Board Committee and the Independent Shareholders*

Suoxinda Holdings Limited  
5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong

Dear Sir or Madam,

### **CONNECTED TRANSACTIONS IN RELATION TO PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription by the Connected Subscribers (the “**Connected Subscription**”), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 1 October 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 1 September 2022, the Company entered into the Subscription Agreements with 38 General Mandate Subscribers, Mr. Shi and 2 Connected Subscribers, pursuant to which the Company has conditionally agreed to issue, and the General Mandate Subscribers, Mr. Shi and the Connected Subscribers have conditionally agreed to subscribe for 31,575,598, 32,000,000 and 5,750,000 Subscription Shares at the Subscription Price of HK\$1.045 per Share, respectively.

With reference to the Letter from the Board, the Connected Subscribers, being the Director or the former Director in the last 12 months, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the transactions contemplated thereunder shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement, circular and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tu Xinchun, Dr. Chen Wei and Mr. Yang Haifeng, has been formed to advise the Independent Shareholders in respect of the Connected Subscription. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company, the Connected Subscribers or any other parties that could reasonably be regarded as relevant to our independence. We have been engaged to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the issue of shares to connected persons under the share award scheme pursuant to the specific mandate, details of which are set out in the circular of the Company dated 21 January 2022. Other than that, there was no engagement between the Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company or any other parties. Accordingly, we are qualified to give independent advice on the Connected Subscription.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all the statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the Connected Subscription is fair and reasonable so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

#### 1. Business and financial performance of the Group

Established in March 2004 and listed on the Stock Exchange in December 2019, the Group is a market player in the big data and artificial intelligence (“AI”) industry in the PRC providing data solutions, sales of hardware and software and related services as an integrated service, as well as IT maintenance and support services, to corporate customers. The Group has been developing and delivering sophisticated data solutions with a strategic focus on leading banks and financial institutions in the PRC.

As disclosed in the interim report of the Company for the six months ended 30 June 2022 (“6M2022”) (the “2022 Interim Report”), the Group is committed to becoming a leader in data intelligence and marketing technology. The Company will continue to focus on the data intelligence and marketing technology markets to build the No. 1 brand in the market segment. The Company has accumulated extensive experience in product development, implementation services and technology innovation in the field of data intelligence and marketing technology solutions, and has a complete set of integrated industry solutions and numerous successful cases. In the “Market Analysis Report on 2021 Chinese Banking IT Solutions” released by CCID Consulting in July 2022, the Company ranked first in the banking intelligent marketing solutions market with its outstanding performance in the intelligent marketing sector.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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*(i) Financial performance*

Set out below is a summary of the consolidated statements of profit and loss for the year ended 31 December 2020 (“**FY2020**”) and 2021 (“**FY2021**”) as extracted from the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the six months ended 30 June 2021 (“**6M2021**”) and 6M2022 as extracted from the 2022 Interim Report:

	For the year ended		For the six months ended	
	31 December		30 June	
	2021	2020	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
<b>Revenue</b>	<b>397,372</b>	<b>330,290</b>	<b>172,238</b>	<b>144,602</b>
– Data solutions	257,741	196,924	131,136	74,805
– Sales of hardware and software and related services as an integrated service	92,783	97,201	24,589	45,008
– IT maintenance and support services	46,848	36,165	16,513	24,789
Cost of sales	(268,176)	(212,698)	(128,806)	(93,766)
<b>Gross profit</b>	<b>129,196</b>	<b>117,592</b>	<b>43,432</b>	<b>50,836</b>
Selling expenses	(36,092)	(24,798)	(10,344)	(17,233)
Administrative expenses	(90,932)	(56,279)	(52,820)	(34,456)
Research and development expenses	(61,462)	(42,152)	(21,969)	(42,350)
<b>Operating loss</b>	<b>(73,499)</b>	<b>(7,555)</b>	<b>(32,223)</b>	<b>(38,787)</b>
Finance costs, net	(8,302)	(4,250)	(3,969)	(2,682)
Loss before income tax	(79,488)	(11,906)	(37,555)	(41,620)
<b>Loss for the year/period</b>	<b>(75,987)</b>	<b>(12,712)</b>	<b>(37,484)</b>	<b>(41,306)</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Revenue of the Group increased by approximately 20.3% from approximately RMB330.3 million for FY2020 to approximately RMB397.4 million for FY2021 mainly due to the increase in revenue generated from data solutions business from approximately RMB196.9 million for FY2020 to approximately RMB257.7 million for FY2021 as the Group recorded continuous steady growth in orders from the Group's financial banking customers during FY2021. In particular, the Group recorded 100% contract renewal rate with leading banks in FY2021. In line with the increase in revenue, the Group recorded increase in gross profit from approximately RMB117.6 million for FY2020 to approximately RMB129.2 million for FY2021. However, gross profit margin decreased from approximately 35.6% for FY2020 to approximately 32.5 % for FY2021, mainly due to the testing, delivery and training of data systems related to orders from the Group's certain newly acquired customers were prolonged as a result of the containment measures of the COVID-19 pandemic and the Group's operating costs increased.

Despite the increase in gross profit, the Group recorded increase in loss for the year from approximately RMB12.7 million for FY2020 to approximately RMB76.0 million for FY2021, mainly due to the increase in operating costs, including selling expenses, research and development expenses and administrative expenses. The research and development expenses of the Group increased significantly by approximately 45.8%, which was mainly due to the Group's continuous recruitment of sophisticated and skillful research and development technicians to expand its research and development team. Furthermore, due to increases in bank and other borrowings and amount due to Directors, the net finance costs increased from approximately RMB4.3 million for FY2020 to approximately RMB8.3 million for FY2021. Due to the above increases in costs, the Group recorded increases in operating loss and net loss for FY2021.

For 6M2022, the Group continued to recorded growth in its core business, with revenue increased from approximately RMB144.6 million for 6M2021 to approximately RMB172.2 million, in particular revenue generated from data solutions segment increased by approximately 75.3% from approximately RMB74.8 million for 6M2021 to approximately RMB131.1 million for 6M2022. Nonetheless, gross profit of the Group decreased by approximately 14.6%, which was mainly due to successive outbreaks of the COVID-19 pandemic in Shenzhen, Shanghai and Beijing and other cities which caused the prolongment of projects and increase in delivery costs. On the other hand, due to the decrease in research and development expenses as certain research and development results achieved by the Company were transformed into intangible assets during 6M2022, the Group recorded reduction of loss from approximately RMB41.3 million for 6M2021 to approximately RMB37.5 million for 6M2022. Furthermore, if the share-based payment expenses of approximately RMB14.4 million for 6M2022 was excluded, the Group would have recorded net loss of RMB23.1 million, representing a significant reduction in loss of approximately 44.1% as compared to 6M2021.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(ii) Financial position**

Set out below is an extract of the consolidated statements of financial position as at 31 December 2020, 31 December 2021 and 30 June 2022 as extracted from the 2021 Annual Report and the 2022 Interim Report:

	<b>As at 30 June</b>	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)	(audited)
<b>Non-current assets</b>	<b>198,998</b>	<b>196,925</b>	<b>175,599</b>
Intangible assets	97,709	87,051	54,782
<b>Current assets</b>	<b>296,567</b>	<b>276,767</b>	<b>306,142</b>
Pledged bank deposits	221	221	5,359
Cash and cash equivalents	29,916	21,955	74,184
<b>Non-current liabilities</b>	<b>21,909</b>	<b>20,334</b>	<b>35,797</b>
Bank and other borrowings	6,281	617	–
<b>Current liabilities</b>	<b>342,102</b>	<b>299,188</b>	<b>230,297</b>
Amount due to Directors	100,735	51,220	–
Amount due to a substantial shareholder	–	3,000	–
Bank and other borrowings	78,820	49,691	87,323
<b>Net current (liabilities)/assets</b>	<b>(45,535)</b>	<b>(22,421)</b>	<b>75,845</b>
<b>Net assets</b>	<b>131,554</b>	<b>154,170</b>	<b>215,647</b>
<b>Gearing ratio (note)</b>	<b>171.2%</b>	<b>67.8%</b>	<b>40.5%</b>

*Note:*

Calculated based on the aggregate sum of total bank and other borrowings, amount due to a substantial shareholder and amount due to Directors divided by total equity as at the end of the reporting period.

Current assets of the Group decreased from approximately RMB306.1 million as at 31 December 2020 to approximately RMB276.8 million as at 31 December 2021, which was mainly due to the decrease in cash and cash equivalent from approximately RMB74.2 million as at 31 December 2020 to approximately RMB22.0 million as at 31 December 2021 as a result of cash outflow for operations as well as the development of computer software which were capitalised as intangible assets during FY2021. As at 30 June 2022, the current assets of the Group increased to approximately RMB296.6 million, which was mainly attributable to the increase in contract assets due to the increase in projects and project prolongment. Cash position of the Group slightly improved from approximately RMB22.0 million as at 31 December 2021 to approximately RMB29.9 million as at 30 June 2022.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On the other hand, the Group continued to record increase in current liabilities from approximately RMB230.3 million as at 31 December 2020 to approximately RMB299.2 million as at 31 December 2021, and further increased to approximately RMB342.1 million as at 30 June 2022. The increases was mainly due to the increase in amount due to Directors, which carried an interest rate of 4.75% per annum and amounted to approximately RMB51.2 million and RMB100.7 million as at 31 December 2021 and 30 June 2022, respectively. In addition, the Group continued to maintain bank and other borrowings, which amounted to approximately RMB87.3 million, RMB50.3 million and RMB85.1 million as at 31 December 2020, 31 December 2021 and 30 June 2022, respectively. Bank and other borrowings of the Group were secured by, among others, building and equipment of the Group, pledged bank deposits and other deposits, trade receivables and guarantees. For 6M2022, the bank borrowings of the Group had weighted average interest rate of 4.9% per annum and the other borrowings of the Group bear interest rate of 9.2% per annum. As a result of the overall decrease in cash position and the increase in bank and other borrowings, the net current assets of the Group decreased from approximately RMB75.8 million as at 31 December 2020 to net current liabilities of approximately RMB22.4 million as at 31 December 2021, and further decreased to net current liabilities of approximately RMB45.5 million as at 30 June 2022. The gearing ratio also increased from approximately 40.5% as at 31 December 2020 to 67.8% as at 31 December 2021, and further increased to approximately 171.2% as at 30 June 2022.

### ***(iii) Overall comments***

The financial performance of the Group has been gradually improving with the increase in revenue for FY2021 and 6M2022. However, the Group had net current liabilities and the amount of cash and cash equivalents was less than the total bank and other borrowings and amount due to Directors as at 30 June 2022. Nonetheless, as advised by the management of the Group, the fintech, financial digital transformation and the industry in which the Company operates are full of opportunities, and the market demand will continue to show robust growth. While the Group continued to record increase in revenue, the profitability and cashflow of the Group still needed to be improved amidst the adverse impact of the COVID-19 pandemic. As disclosed in the 2022 Interim Report, in order to achieve sustainable growth, the Group plans to seek development in four directions, including market expansion, technological research and development, ecological cooperation, and investment and financing and mergers and acquisitions to drive rapid business growth, develop comprehensive competitiveness, and actively provide quality and innovative products and service solutions to customers.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Information on the Connected Subscribers

With reference to the Letter from the Board, the Connected Subscribers include Dr. Wu Fu-Shea, an executive Director and chief executive officer of the Company who is responsible for the management of business and operation of the Group, and Ms. Wang Jing, a former executive Director resigned on 1 March 2022. As at the Latest Practicable Date, Ms. Wang Jing served as the vice president of the Group primarily responsible for the overall operation and human resources management of the Group. As at the Latest Practicable Date, the Connected Subscribers in aggregate hold 7,507,000 Shares (including 236,000 Restricted Shares granted under the Share Award Scheme). Save as disclosed, the Connected Subscribers do not have other interests in the Shares.

### 3. Principal terms of the Specific Mandate Subscription Agreements

For details of the terms of the Specific Mandate Subscription Agreements, please refer to the section headed “Principal Terms of the Specific Mandate Subscription Agreements” in the Letter from the Board. Set out below are the principal terms of the Specific Mandate Subscription Agreements:

Date	:	1 September 2022
Parties	:	(i) the Company, as issuer; and (ii) the Specific Mandate Subscribers
Subscription Shares	:	37,750,000 Specific Mandate Subscription Shares, with the breakdown as follows:
		<b>Number of Subscription Shares</b>
		<b>Subscribers</b>
		3 Specific Mandate Subscribers:
		(i) Mr. Shi 32,000,000
		Connected Subscribers:
		(ii) Dr. Wu Fu-Shea 5,450,000
		(iii) Ms. Wang Jing 300,000
		<b>Total 37,750,000</b>
Subscription Price	:	HK\$1.045 per Subscription Share

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Lock-up undertakings : The Specific Mandate Subscribers unconditionally and irrevocably undertake to the Company that:

- (i) the Specific Mandate 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 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 Specific Mandate Subscribers dispose of any Subscription Shares at any time after a period of six (6) months from the Completion Date, the Specific Mandate Subscribers shall ensure that such disposal complies with all applicable laws (including the Listing Rules) and will use their best endeavours to ensure that any such disposal will not create a disorderly or false market in the Shares.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the allotment and issue of the Subscription Shares, the 37,750,000 Specific Mandate Subscription Shares represent (a) approximately 9.2% of the existing issued share capital of the Company as at the Latest Practicable Date; and (b) approximately 7.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

#### **4. Reasons for and benefits of the Specific Mandate Subscription**

With reference to the Letter from the Board, in view of the roles and responsibilities of the Specific Mandate Subscribers in the Group, the Company considers that the Specific Mandate Subscription will provide the Specific Mandate Subscribers with a direct economic interest in attaining the long-term business objectives of the Company and will reinforce the commitment of the Specific Mandate 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 Specific Mandate Subscription represents an opportunity for the Group to broaden the capital base of the Company. The Directors believe the Specific Mandate Subscription fully demonstrates the Specific Mandate Subscribers' confidence in the overall development prospects and growth potential of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As stated in the section headed “Business and financial performance of the Group” above, while the financial performance of the Group has been gradually improving, the Group had net current liabilities position as at 30 June 2022. On the other hand, the Directors consider that the fintech, financial digital transformation and the industry in which the Company operates are full of opportunities, and the market demand will continue to show robust growth. As advised by the management of the Group, while the Group had formed a unique competitive edge in the field of financial technology by virtue of, among others, its independent innovative technology capability and deep understanding of data intelligence application scenarios, the Group is required to continue to invest in research and development to meet the ever-changing needs of customers, and thereby maintaining its competitiveness and leading position in the financial technology market. During FY2020 and FY2021, substantial investment had been made in research and development and certain of them had matured during 6M2022. As of 30 June 2022, the Company has applied for 100 patents, including 76 invention patents, and obtained 135 computer software copyrights. The management of the Group expect that such research and development results would laid a solid foundation for the sustainable development of the Group in the future. As the Specific Mandate Subscribers included the key management of the Group, the continual commitment and effort of the Specific Mandate Subscribers are closely linked to the future development and business growth of the Group. Hence, we concur with the Directors that the Specific Mandate Subscription will reinforce and further align the interests of the Specific Mandate Subscribers to the Group, and thereby promote the future business development of the Group.

In addition, as illustrated in the section headed “Business and financial performance of the Group” above, the Group recorded net current liabilities as at 30 June 2022. The cash and equivalents of the Group of approximately RMB29.9 million as at 30 June 2022 was insufficient to cover the current portion of bank and other borrowings which will be due within one year. Accordingly, the Group also has needs for fund raising. Given the above, we concur with the Directors that the Group has a need to raise additional funds to improve its cash position.

For details of the use of proceeds, please refer to the paragraph headed “Use of proceeds of the Specific Mandate Subscription” below.

### ***Suitable source of financing among other fund-raising alternatives***

As stated in the Letter from the Board, the Board has considered other alternative fund raising methods such as debt financing, rights issue or open offer. Taking into account the recent market conditions where the impact of the COVID-19 pandemic and the possible increase in interest rate by the Federal Reserve of the United States has resulted in low sentiment in the global stock markets trading, the Board is of the view that there is uncertainty in the amount of funds which could be raised under a rights issue or an open offer as Shareholders and potential investors may be unwilling to invest under such market conditions.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In addition, the Directors consider that raising funds by way of allotment and issue of the Subscription Shares shall enable the Company to obtain funds at a lower cost, as compared to other alternative fundraising methods, considering (i) debt financing may incur additional financial costs such as interest expenses on the Group, which may affect the financial performance of the Group in the future; and (ii) rights issue or open offer will involve additional costs such as underwriting commission, costs for engagement of reporting accountants, financial advisers and/or brokerage agent(s) and costs in relation to the issue of listing documents with other application and administrative procedures as compared to the equity financing by way of allotment and issue of new Shares under the General Mandate and the Specific Mandate.

In respect of rights issue or open offer, we concur with the Directors that rights issue or open offer may not be desirable for the following reasons:

- (a) additional time would reasonably be required. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange last updated in October 2020, (1) if general meeting is not required, an open offer will take at least 32 business days and a rights issue will take at least 28 business days from the date of announcement of the relevant proposal to the first date of dealings of the offer shares and fully-paid rights shares; and (2) if general meeting is required, both an open offer and a rights issue will take at least 40 business days from the date of announcement of the relevant proposal to the first date of dealings of the offer shares or fully-paid rights shares;
- (b) additional cost would be required for rights issue and open offer, including but not limited to underwriting commission (i.e. usually a percentage to the aggregated subscription price of underwritten shares) and other professional fees, including costs for engagement of reporting accountants, financial advisers and/or brokerage agent(s), as compared to the Subscription (e.g. additional cost for unaudited pro forma financial information on net tangible assets, indebtedness statement, comfort letter on working capital sufficiency of the Group to be prepared by reporting accountants or auditors of the Company); and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (c) in view of the current market conditions where the market has been trading at low sentiment and there were uncertainties on the future macroeconomic condition due to the COVID-19 pandemic as well as the possible increase in interest rate by the Federal Reserve of the United States, there is uncertainty in the amount of funds which could be raised under a rights issue or an open offer as Shareholders and potential investors may be unwilling to invest under such market condition. In particular, in order to encourage Shareholders to participate in the rights issue or open offer, the Company will need to set the offer price or issue price at a deeper discount to the market price as compared to a share placement so as to provide incentives for the Shareholders to further invest in the Company. Nevertheless, some Shareholders may still elect not to participate in the rights issue or open offer given the current market condition. In this circumstances, the deep discount of the offer price or issue price will further deteriorate the value of the Shareholders' holdings in the Company due to the lower theoretical ex-rights price.

In respect of debt financing, it would incur additional finance costs on the Group and may be subject to lengthy due diligence and negotiations with lenders. As mentioned in the section headed "Business and financial performance of the Group" above, the Group had bank and other borrowings of approximately RMB85.1 million as at 30 June 2022 and incurred net finance costs of approximately RMB8.3 million and RMB4.0 million for FY2021 and 6M2022, respectively. Debt financing would result in additional interest burden to the Group and further affect the financial performance of the Group in the future.

Having taken into consideration the above factors, we concur with the Directors that the Subscription is an appropriate fund raising method given the circumstance of the Group and is in the interest of the Company and the Shareholders as a whole.

### ***Use of proceeds of the Specific Mandate Subscription***

The gross proceeds of the Specific Mandate Subscription is expected to be approximately HK\$39,448,750. After deducting related fees and expenses, the net proceeds of the Specific Mandate Subscription will amount to approximately HK\$39.2 million, representing a net Subscription Price of approximately HK\$1.039 per Subscription Share. The Company intends to utilise the aforesaid net proceeds from the Specific Mandate Subscription for the following purposes: (i) as to approximately 60.72% for repayment of the debts of the Group, and (ii) as to approximately 39.28% for working capital and general corporate purposes.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As mentioned in the section headed “Business and financial performance of the Group” above, the Group had net current liabilities position as at 30 June 2022 and the level of cash of the Group was unable to cover the current portion of bank and other borrowings which will be due within one year. Accordingly, it is crucial for the Group to replenish its cash level to cover its liabilities obligations. In addition, the lack of working capital may also hinder the Group to implement its business strategies, including the continual technological research and development, which were essential for the Group to maintain its competitiveness in the financial technology market. Hence, the Specific Mandate Subscription would enable the Company to ease the debt situation and replenish working capital to implement the Company’s business strategy for further development. On the other hand, as the estimated net proceeds from the Subscription alone would not be sufficient for the Company’s funding need for the 12 months upon completion of the Specific Mandate Subscription, the Company will review its funding needs from time to time and to consider appropriate fund-raising options if necessary.

Having considered (i) the reasons for and benefits of the Specific Mandate Subscription as mentioned above; (ii) the Specific Mandate Subscription is an appropriate fund raising method currently available to the Group; and (iii) the proposed use of proceeds is justifiable and in line with the reasons for the Specific Mandate Subscription, we are of the view that the Connected Subscription is a means of obtaining financing for the business operation of the Group and is therefore conducted in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

### 5. Assessment on the Subscription Price

The Subscription Price of HK\$1.045 per Subscription Share represents:

- (i) a discount of approximately 5.86% to the closing price of HK\$1.110 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 19.62% to the closing price of HK\$1.300 per Share as quoted on the Stock Exchange on the date of the Specific Mandate Subscription Agreements (the “**LTD Discount**”);
- (iii) a discount of approximately 8.65% to the average closing price of approximately HK\$1.144 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day (the “**Five Days Discount**”);
- (iv) a discount of approximately 2.70% to the average closing price of approximately HK\$1.074 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day (the “**10 Days Discount**”);

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (v) a discount of approximately 7.90% to the average closing price of approximately HK\$1.135 per Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day (the “**30 Days Discount**”);
- (vi) a discount of approximately 21.37% to the average closing price of approximately HK\$1.329 per Share as quoted on the Stock Exchange for the last sixty (60) trading days up to and including the Last Trading Day (the “**60 Days Discount**”); and
- (vii) a premium of approximately 177.19% over the unaudited net asset value (the “**NAV**”) per Share of approximately HK\$0.377 per Share based on (a) the unaudited net assets of approximately RMB131.6 million as at 30 June 2022; (b) 408,861,438 issued Shares as at the Latest Practicable Date; and (c) the exchange rate of RMB1: HK\$1.1714 as at 30 June 2022 as extracted from Bloomberg.

As disclosed in the Letter from the Board, the Subscription Price was determined after arm’s length negotiations between the Company and each of the Specific Mandate Subscribers and was determined with reference to the recent market prices of the Shares which exhibited a general downward trend since January 2022 and fluctuated to HK\$1.300 per Share on the date of the Specific Mandate Subscription Agreements, and the prevailing market conditions where the stock market has been trading at low sentiment due to the impacts of the COVID-19 pandemic as well as the possible increase in interest rate by the Federal Reserve of the United States.

The Specific Mandate Subscription will result in a theoretical dilution effect of approximately 1.66% represented by the theoretical diluted price of approximately HK\$1.278 per Share to the benchmarked price of HK\$1.300 per Share, taking into account the closing price of HK\$1.300 per Share on the date of the Specific Mandate Subscription Agreements and the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Specific Mandate Subscription of approximately HK\$1.144 per Share.

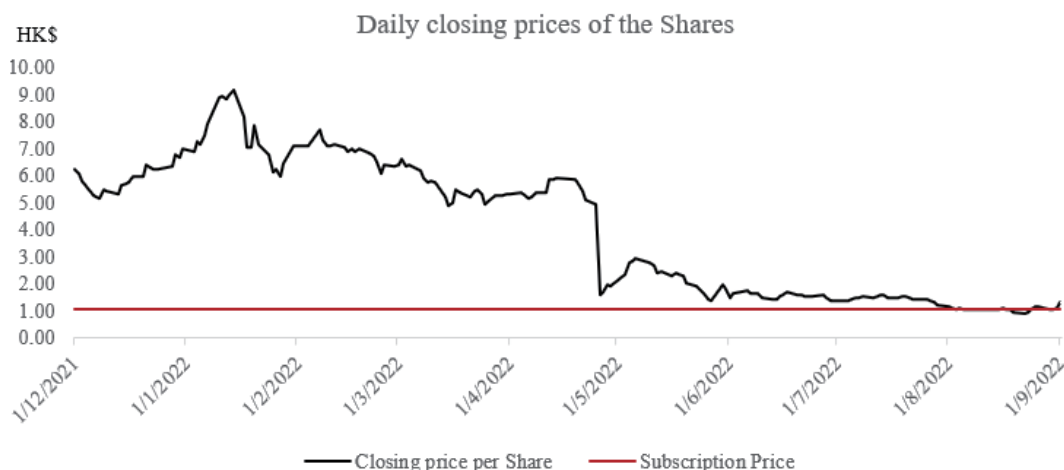
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(i) **Share price performance**

Due to the Company's delay in the publication of its annual results for FY2020, trading in the Shares on the Stock Exchange has been suspended from 1 April 2021 to 30 November 2021. In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices of the Shares during the period from 1 December 2021 (being the date the Shares resumed trading and approximate nine months prior to the Last Trading Day) and up to the Last Trading Day (the "**Review Period**"). We consider the Review Period is adequate to reflect the prevailing market sentiment primarily and illustrate the general trend and level of movement of the daily closing prices of the Shares, which can reflect the correlation between the recent business performance of the Company and the latest market reaction in the Share price.



Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

During the Review Period, the daily closing prices of the Shares ranged from HK\$0.90 per Share (the "**Lowest Closing Price**") recorded on 22 August 2022 to HK\$9.20 per Share (the "**Highest Closing Price**") recorded on 14 January 2022 during the Review Period, with the average closing price of the Shares was approximately HK\$4.04 per Share (the "**Average Closing Price**").

The Subscription Price of HK\$1.045 per Subscription Share represents (a) a premium of approximately 16.11% over the Lowest Closing Price of HK\$0.90 per Share; (b) a discount of approximately 88.64% to the Highest Closing Price of HK\$9.20 per Share; and (c) a discount of approximately 74.13% to the Average Closing Price of approximately HK\$4.04 per Share for the Review Period.

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The Share price generally trended upward from HK\$6.25 per Share on 1 December 2021 to the highest of HK\$9.20 per Share on 14 January 2022. Afterwards, the Share price exhibited a general downward trend and fluctuated to a low of approximately HK\$4.94 per Share on 25 April 2022. On 26 April 2022, the closing price of the Shares declined dramatically to HK\$1.60 per Share. The Share price then continued to fluctuate and trend downward to the lowest of HK\$0.90 per Share on 22 August 2022. The daily closing prices of the Shares were below the Subscription Price in 4 trading days out of 186 trading days (i.e. approximately 2.2% of total trading days) during the Review Period. The Share price closed at HK\$1.011 at the Latest Practicable Date.

### **(ii) Trading volume**

Apart from historical daily closing prices of the Shares, we have also reviewed the average daily trading volume of the Shares for each month during the Review Period, details of which are set out below:

	Approximate average daily trading volume of the Shares (No. of Shares)	Number of trading days	Approximate percentage of average daily trading volume to total number of issued Shares (Note 1)	Approximate percentage of average daily trading volume to total number of issued Shares held by public Shareholders (Note 2)
<b>2021</b>				
December	2,645,556	22	0.65%	1.63%
<b>2022</b>				
January	5,622,000	21	1.38%	3.47%
February	2,701,753	17	0.66%	1.67%
March	3,922,783	23	0.96%	2.42%
April	9,572,497	18	2.34%	5.91%
May	4,594,768	20	1.12%	2.84%
June	2,276,095	21	0.56%	1.41%
July	2,227,300	20	0.54%	1.38%
August	716,609	23	0.18%	0.44%
1 September (i.e the Last Trading Day)	3,990,000	1	0.98%	2.46%

*Notes:*

- Based on the total number of issued Shares of 408,861,438 Shares as at the Latest Practicable Date.
- Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by Mr. Song Hongtao, Ms. Xia Liping, Mr. Chen Zhenping, Mr. Wu Xiaohua, Dr. Wu Fu-Shea and Ms. Wang Jing from the number of total issued Shares, being 161,934,438 Shares as at the Latest Practicable Date.

*Source: the website of the Stock Exchange (www.hkex.com.hk)*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, during the Review Period, the average daily trading volume of the Shares represented approximately 0.18% to 2.34% of the total number of issued Shares, and approximately 0.44% to 5.91% of the total number of issued Shares held by public Shareholders as at the end of the relevant months, indicating generally thin trading liquidity during the Review Period. The higher trading liquidity in April 2022 may be attributable to the sharp decline in price of the Shares in late April 2022 as mentioned above.

Given the low liquidity of the Shares as illustrated above, it is reasonable to set the Subscription Price at a discount to the prevailing market prices of the Shares as a discounted issue price will be more attractive to investor(s).

***(iii) Recent subscription exercises***

In order to further assess the fairness and reasonableness of the terms of the Connected Subscription, we have further identified subscription of new shares (excluding issuance of A shares) under specific mandate for cash consideration as announced by the companies listed on the Stock Exchange for the period from 1 March 2022 to the Last Trading Day (being approximately six months prior to the Last Trading Day and with sufficient number of sample for comparison purpose) and which were not subsequently lapsed or terminated. Based on the aforesaid criteria, we have identified an exhaustive list of 11 transactions (the “**Comparables**”). As subscription exercises represented investment decision by the subscribers and hence the subscription price are primarily determined with reference to the recent market sentiment and practice regardless of the identities of the subscribers, we did not exclude the subscriptions exercises by independent third parties from the Comparables. We consider that the aforesaid review period is sufficient, adequate, appropriate, fair and representative to (a) capture the recent market practice in relation to subscription of shares under the prevailing market conditions, in particular the effect of the recent COVID-19 outbreak which has significantly affected the economic sentiment; and (b) provide a sufficient sample for comparison with the Connected Subscription.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The details of the Comparables are set out below:

Company name (Stock code)	Date of announcement	Connected transaction	Premium/ (Discount) of the subscription price over/to the closing price per share on/prior to the date of the agreement (approximate %)	Premium/ (Discount) of the subscription price over/to the average closing price per share for the last five consecutive trading days prior to/up to and including the date of agreement (approximate %)	Premium/ (Discount) of the subscription price over/to the average closing price per share for the last ten consecutive trading days prior to/up to and including the date of agreement (approximate %)	Premium/ (Discount) of the subscription price over/to the average closing price per share for the last 30 consecutive trading days prior to/up to and including the date of agreement (approximate %)	Premium/ (Discount) of the subscription price over/to the average closing price per share for the last 60 consecutive trading days prior to/up to and including the date of agreement (approximate %)
Standard Development Group Limited (1867.HK)	23 August 2022	Y	(14.81)	(16.06)	(18.44)	(19.16)	(18.15)
HG Semiconductor Limited (6908.HK)	5 August 2022	N	(16.43)	(16.20)	(18.39)	(19.59)	(19.20)
Eminence Enterprise Limited (616.HK)	27 July 2022	N	(12.82)	(19.62)	(21.11)	(23.68)	(29.50)
TOT BIOPHARM International Company Limited (1875.HK)	31 May 2022	Y	0.00	4.79	0.67	0.92	0.66
Flying Financial Service Holdings Limited (8030.HK)	23 May 2022	Y	(20.00) (Note 1)	(43.75) (Note 1)	(44.00) (Note 1)	No information (Note 1)	No information (Note 1)
Longhui International Holdings Limited (1007.HK)	20 May 2022	N	(8.45)	(10.96)	(9.72)	(10.10)	(23.96)
China Hongguan Holdings Limited (8646.HK)	17 May 2022	Y	(13.04)	(5.88)	(11.70)	(7.79)	4.14
Persta Resources Inc. (3395.HK)	6 May 2022	Y	122.22 (Note 2)	122.22 (Note 2)	122.47 (Note 2)	122.88 (Note 2)	118.18 (Note 2)
Jinxin Fertility Group Limited (1951.HK)	13 April 2022	Y	11.30	7.62	5.69	(4.53)	(14.71)
JD Logistics, Inc. (2618.HK)	25 March 2022	Y	(9.96)	(13.74)	(6.26)	(11.97)	(15.62)
Towngas Smart Energy Company Limited (1083.HK)	18 March 2022	Y	(14.39)	(19.85)	(24.00)	(32.23)	(37.42)
	Maximum		11.30	7.62	5.69	0.92	4.14
	Minimum		(16.43)	(19.85)	(24.00)	(32.23)	(37.42)
	Average		(8.73)	(9.99)	(11.47)	(14.24)	(17.08)
	Median		(12.82)	(13.74)	(11.70)	(11.97)	(18.15)
<b>The Company</b>	<b>1 September 2022</b>		<b>(19.62)</b>	<b>(8.65)</b>	<b>(2.70)</b>	<b>(7.90)</b>	<b>(21.37)</b>

**Notes:**

- Information on the 30 and 60 trading days average was not available as trading in the shares of Flying Financial Service Holdings Limited (8030.HK) has been suspended since 29 March 2021 and has been excluded for comparison purpose.
- The information of Persta Resources Inc. (3395.HK) was considered as an outlier due to its exceptionally high premiums and was therefore excluded for comparison purpose.

Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As illustrated in the table above, the subscription prices of the Comparables:

- (a) ranged from a discount of approximately 16.43% to a premium of approximately 11.30%, with an average of a discount of approximately 8.73% and a median of a discount of approximately 12.82%, to/over their respective closing prices on/prior to the date of agreement;
- (b) ranged from a discount of approximately 19.85% to a premium of approximately 7.62%, with an average of a discount of approximately 9.99% and a median of a discount of approximately 13.74%, to/over their respective average closing prices for the five (5) consecutive trading days prior to/up to and including the date of agreement;
- (c) ranged from a discount of approximately 24.00% to a premium of approximately 5.69%, with an average of a discount of approximately 11.47% and a median of a discount of approximately 11.70%, to/over their respective average closing prices for the ten (10) consecutive trading days prior to/up to and including the date of agreement;
- (d) ranged from a discount of approximately 32.23% to a premium of approximately 0.92%, with an average of a discount of approximately 14.24% and a median of a discount of approximately 11.97%, to/over their respective average closing prices for the 30 consecutive trading days prior to/up to and including the date of agreement; and
- (e) ranged from a discount of approximately 37.42% to a premium of approximately 4.14%, with an average of a discount of approximately 17.08% and a median of a discount of approximately 18.15%, to/over their respective average closing prices for the 60 consecutive trading days prior to/up to and including the date of agreement.

When comparing the Subscription Price to the Comparables as shown in the table above, it is noted that the Five Days Discount, the 10 Days Discount, the 30 Days Discount and the 60 Days Discount of approximately 8.65%, 2.70%, 7.90% and 21.37%, respectively, are within the range of those of the Comparables. The Five Days Discount, the 10 Days Discount, the 30 Days Discount also represented lower discounts to those of the Comparables.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Although the daily closing prices of the Shares were below the Subscription Price in 4 trading days out of 186 trading days (i.e. approximately 2.2% of total trading days) during the Review Period and that the LTD Discount represented deeper discount than the Comparables, taking into account that (a) it is common to set the Subscription Price at a discount to the prevailing market prices; (b) the Five Days Discount, the 10 Days Discount, the 30 Days Discount and the 60 Days Discount are within the range of those of the Comparables and that the Five Days Discount, the 10 Days Discount, the 30 Days Discount also represented lower discounts to those of the Comparables; (c) given the low liquidity of the Shares as illustrated above, it is reasonable to set the Subscription Price at a discount to the prevailing market prices of the Share; and (d) the financing needs of the Group, we consider the Subscription Price of HK\$1.045 to be fair and reasonable.

### **6. Dilution effect of the Subscription on shareholding interest**

With reference to the shareholding table in the section headed “Effects on shareholding structure of the Company” of the Letter from the Board, the shareholding interests held by the existing public Shareholders (other than the Subscribers) would be diluted by 5.56 percentage points as a result of the Subscription (assuming there being no other changes to the issued share capital of the Company between the Latest Practicable Date and the Completion Date). In this regard, taking into account (i) the reasons for and benefits of the Subscription; and (ii) the terms of the Connected Subscription being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the existing public Shareholders (other than the Subscribers) as a result of the Subscription (being immaterial) is acceptable.

### **7. Potential financial impacts of the Specific Mandate Subscription**

According to the Letter from the Board, the net proceeds from the Specific Mandate Subscription will be approximately HK\$39.2 million and the Company intends to apply part of the net proceeds for repayment of the debts of the Group, and working capital and general corporate purposes. As such, it is expected that the Specific Mandate Subscription will lead to an increase in the Company’s cash and cash equivalent while its equity base will also be enlarged.

#### ***Gearing ratio***

The gearing ratio of the Group as at 30 June 2022 was approximately 171.2%, calculated based on the aggregate sum of total bank and other borrowings, amount due to a substantial shareholder and amount due to Directors divided by total equity as at the end of the reporting period. As part of the net proceeds will be utilised for the repayment of debts of the Group, the gearing level of the Group is expected to decrease.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Working capital*

The cash and cash equivalents of the Group amounted to approximately RMB29.9 million as at 30 June 2022. Save for the relevant expenses arising from the Subscription and the portion of net proceeds allocated to the repayment of debts, the cash level of the Group will improve by the remaining net proceeds from the Subscription, which will help replenish the general working capital of the Group.

### *Net asset value per Share*

As disclosed in the 2022 Interim Report, the net assets attributable to the Shareholders was approximately RMB115.8 million as at 30 June 2022. Upon completion of the Subscription, total assets and net assets of the Group will increase. Since the Subscription Price of HK\$1.045 per Subscription Share is higher than the NAV per Share of approximately RMB0.2832 (equivalent to approximately HK\$0.3317) as at 30 June 2022, the NAV per Share will increase upon completion of the Subscription.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Company following completion of the Subscription.

## OPINION AND RECOMMENDATION

Having taken into consideration the above principal factors and reasons as stated above, in particular:

- (i) the Group has a need to raise additional fund to improve its cash position such that the Group to meet its liabilities obligations and business operations;
- (ii) as the Specific Mandate Subscribers are the key management of the Group, the Subscription will align their interests to the future development and business growth of the Group;
- (iii) the Subscription is the most preferable financing option which would provide the Group with the necessary amount of fund with certainty and is more cost effective as compared to other financing alternatives;
- (iv) the Share price exhibited a general downward trend and the Subscription Price falls within the price range of the highest and lowest closing prices of the Shares during the Review Period, and it is reasonable to set the Subscription Price at a discount to the prevailing market prices of the Shares;
- (v) the Subscription Price represented a significant premium of approximately 177.19% over the unaudited NAV per Share as at 30 June 2022;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (vi) the Five Days Discount, the 10 Days Discount, the 30 Days Discount and the 60 Days Discount are all within the range of those of the Comparables, and the Five Days Discount, the 10 Days Discount, and the 30 Days Discount also represented lower discounts to those of the Comparables,

we are of the opinion that (i) the terms of the Connected Subscription Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Connected Subscription Agreements with the Connected Subscribers is conducted in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Connected Subscription Agreements and transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Danny Leung**  
*Managing Director*

*Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%) (Note 1)	Long/Short Position
Mr. Song Hongtao (Note 2)	Interest in controlled corporation	70,003,840	17.12	Long position
	Beneficial owner	<u>5,000,000</u>	<u>1.22</u>	Long position
		75,003,840	18.34	
Mr. Chen Zhenping	Beneficial owner	64,276,160	15.72	Long position
Mr. Wu Xiaohua (Note 3)	Interest in controlled corporation	29,590,000	7.24	Long position
Dr. Wu (Note 4)	Beneficial owner	11,450,000	2.80	Long position

*Note:*

1. The approximate percentage of interests held was calculated on the basis of 408,861,438 ordinary shares of the Company in issue as at the Latest Practicable Date.
2. 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 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.
3. The Shares were held by 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.
4. Dr. Wu had personal interest in 6,000,000 Shares, representing approximately 1.47% of total number of issued Shares as at the Latest Practicable Date. Further, as disclosed in this circular, Dr. Wu had entered into a Connected Subscription Agreement with the Company on 1 September 2022 to subscribe for 5,450,000 Shares on and subject to the terms and conditions thereof. Dr. Wu is therefore deemed under the SFO to be interested in such 5,450,000 Shares, representing approximately 1.33 % of the total number of issued Shares at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders' interests and short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO**

So far as is known to the Directors and chief executive of the Company, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%) (Note 1)	Long/Short Position
Mindao Touch Global Limited	Beneficial owner	70,003,840	17.12	Long position
Ms. Huang Liming (Note 2)	Interest of spouse	75,003,840	18.34	Long position
Ms. Wu Xinlan (Note 3)	Interest of spouse	64,276,160	15.72	Long position
Benefit Ocean Holdings Limited	Beneficial owner	60,550,000	14.81	Long position
Ms. Xia Liping (Note 4)	Interest in controlled corporation	69,450,000	16.98	Long position
Mr. Zhu Zhenkui (Note 5)	Interest of spouse	69,450,000	16.86	Long position
Beijing Financial Street Capital Operation Group Co., Ltd	Security interest	46,080,000	11.27	Long position
Ideal Treasure Holdings Limited	Beneficial owner	29,590,000	7.24	Long position
Ms. Chi Xianfang (Note 6)	Interest of spouse	29,590,000	7.24	Long position
Mr. Shi (Note 7)	Beneficial owner	32,825,835	8.03	Long position

*Note:*

- The approximate percentage of interests held was calculated on the basis of 408,861,438 ordinary shares of the Company in issue as at the Latest Practicable Date.
- Ms. Huang Liming is the spouse of Mr. Song Hongtao. Ms. Huang Liming is deemed to be interested in the same number of the Shares in which Mr. Song Hongtao is interested under Part XV of the SFO.
- Ms. Wu Xinlan is the spouse of Mr. Chen Zhenping. Ms. Wu Xinlan is deemed to be interested in the same number of the Shares in which Mr. Chen Zhenping is interested under Part XV of the SFO.
- 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 Ms. Xia Liping was deemed to be interested in these Shares pursuant to Part XV of the SFO; and (ii) 8,900,000 Shares directly held by Ms. Xia Liping.
- Mr. Zhu Zhenkui is the spouse of Ms. Xia Liping. Mr. Zhu Zhenku was therefore deemed to be interested in the same number of Shares in which Ms. Xia Liping were interested pursuant to Part XV of the SFO.

6. Ms. Chi Xianfang is the spouse of Mr. Wu Xiaohua. Ms. Chi Xianfang was therefore deemed to be interested in the same number of Shares in which Mr. Wu Xiaohua were interested pursuant to Part XV of the SFO.
7. Mr. Shi had personal interest in 825,835 Shares, representing approximately 0.20% of total number of issued Shares as at the Latest Practicable Date. Further, as disclosed in this circular, Mr. Shi had entered into a Specific Mandate Subscription Agreement with the Company on 1 September 2022 to subscribe for 32,000,000 Shares on and subject to the terms and conditions thereof. Mr. Shi is therefore deemed under the SFO to be interested in such 32,000,000 Shares, representing approximately 7.83 % of the total number of issued Shares at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Mr. Song Hongtao serves as a director of Mindas Touch Global Limited and Mr. Wu Xiaohua serves as a director of Ideal Treasure Holdings Limited. Apart from the foregoing, no Director or proposed Director of the Company is a director or employee of any substantial shareholder of the Company.

### **3. DIRECTORS' INTERESTS**

#### **(a) Interests in assets**

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2021, being the date to which the latest published consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

#### **(b) Interests in contract or arrangement**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

#### **(c) Interests in competing business**

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) had any interest in any business which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.



#### 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

#### 5. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Group published on 21 September 2022,

- (i) the Group recorded a gross profit of approximately RMB43,432,000 for six months ended 30 June 2022 (the “**Reporting Period**”), representing a decrease of approximately 14.6%, or approximately RMB7,404,000 as compared to that of six months ended 30 June 2021 (the “**1H2021**);
- (ii) for the Reporting Period, the loss for the period attributable to owners of the Company was approximately RMB36,765,000;
- (iii) the Group recorded increase in current liabilities from approximately RMB299,188,000 as at 31 December 2021 to approximately RMB342,102,000 as at 30 June 2022; and
- (iv) the net current liabilities of the Group deteriorated from approximately RMB22,421,000 as at 31 December 2021 to approximately RMB45,535,000 as at 30 June 2022.

As disclosed above, the Group continue to record loss for the Reporting Period and the net current liabilities position of the Group was deteriorated during the Reporting Period. Nonetheless, the Directors are of the view that the fintech, financial digital transformation and the industry in which the Company operates are full of opportunities, and the market demand will continue to show robust growth. In view of the increase in the revenue from approximately RMB144,602,000 for the 1H2021 to RMB172,238,000 for the Reporting Period, and the decrease of the net loss from approximately RMB41,306,000 for the 1H2021 to approximately RMB37,484,000 for the Reporting Period, the Directors consider the prospects of the principal businesses of the Group remain positive.

Save as disclosed, the Directors were not aware of any other material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date.

## 6. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as of the Latest Practicable Date.

## 7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital (HK) Limited	a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As of the Latest Practicable Date, the Independent Financial Adviser did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

## 8. GENERAL

- (a) The authorized share capital of the Company is HK\$20,000,000.
- (b) The principal share registrar and transfer agent of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The Hong Kong Branch Share Registrar is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Yang Juan.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.datamargin.com](http://www.datamargin.com)) from the date of this circular up to and including the date of the EGM:

- (a) Copies of the Specific Mandate Subscription Agreements dated 1 September 2022 and entered into between the Company (as issuer) and the Specific Mandate Subscribers;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 20 of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 21 to 42 of this circular;
- (d) the letter of consent referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix; and
- (e) this circular.

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## NOTICE OF THE EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Suoxinda Holdings Limited (the “**Company**”) will be held at 1801, Microprofit Building, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the People’s Republic of China on Monday, 24 October 2022 at 3 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company.

#### **ORDINARY RESOLUTIONS**

**1. PROPOSED ISSUE OF NEW SHARES UNDER THE SPECIFIC MANDATE TO MR. SHI**

“**THAT**

- (a) the subscription agreement (the “**Subscription Agreement**”) dated 1 September 2022 (a copy of which is tabled at the EGM and marked “A-1” and signed by the chairman of the EGM for identification purpose) entered into between the Company and Mr. Shi Banchao (“**Mr. Shi**”) and the transactions contemplated thereunder, including but not limited to, the allotment and issue of 32,000,000 new shares of the Company (the “**Subscription Shares**”) to Mr. Shi, be and is hereby approved, confirmed and ratified;
- (b) subject to and conditional upon the Listing Committee of Stock Exchange having granted the listing of, and permission to deal in the 32,000,000 Subscription Shares, the directors of the Company (the “**Directors**”) be and are hereby granted the specific mandate (the “**Specific Mandate**”) which shall entitle the Directors to exercise all the powers of the Company to issue and allot 32,000,000 Subscription Shares to Mr. Shi, on and subject to the terms and conditions of the Subscription Agreement entered into between the Company and Mr. Shi, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and

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## NOTICE OF THE EGM

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- (c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things, to sign and execute such documents or agreements or deeds and take all such actions as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement entered into between the Company and Mr. Shi and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of such Director, in the interest of the Company and the Shareholders as a whole.”

### 2. PROPOSED ISSUE OF NEW SHARES UNDER THE SPECIFIC MANDATE TO DR. WU

**“THAT**

- (a) the Subscription Agreement dated 1 September 2022 (a copy of which is tabled at the EGM and marked “A-2” and signed by the chairman of the EGM for identification purpose) entered into between the Company and Dr. Wu Fu-Shea (“**Dr. Wu**”) and the transactions contemplated thereunder, including but not limited to, the allotment and issue of 5,450,000 Subscription Shares to Dr. Wu, be and is hereby approved, confirmed and ratified;
- (b) subject to and conditional upon the Listing Committee of Stock Exchange having granted the listing of, and permission to deal in the 5,450,000 Subscription Shares, the Directors be and are hereby granted the Specific Mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot 5,450,000 Subscription Shares to Dr. Wu, on and subject to the terms and conditions of the Subscription Agreement entered into between the Company and Dr. Wu, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things, to sign and execute such documents or agreements or deeds and take all such actions as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement entered into between the Company and Dr. Wu and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of such Director, in the interest of the Company and the Shareholders as a whole.”

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## NOTICE OF THE EGM

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### 3. PROPOSED ISSUE OF NEW SHARES UNDER THE SPECIFIC MANDATE TO MS. WANG

“THAT

- (a) the Subscription Agreement dated 1 September 2022 (a copy of which is tabled at the EGM and marked “A-3” and signed by the chairman of the EGM for identification purpose) entered into between the Company and Ms. Wang Jing (“**Ms. Wang**”) and the transactions contemplated thereunder, including but not limited to, the allotment and issue of 300,000 Subscription Shares to Ms. Wang, be and is hereby approved, confirmed and ratified;
- (b) subject to and conditional upon the Listing Committee of Stock Exchange having granted the listing of, and permission to deal in the 300,000 Subscription Shares, the Directors be and are hereby granted the Specific Mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot 300,000 Subscription Shares to Ms. Wang, on and subject to the terms and conditions of the Subscription Agreement entered into between the Company and Ms. Wang, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things, to sign and execute such documents or agreements or deeds and take all such actions as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement entered into between the Company and Ms. Wang and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of such Director, in the interest of the Company and the Shareholders as a whole.”

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

Hong Kong, 1 October 2022

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## NOTICE OF THE EGM

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*Notes:*

- a. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- b. In order to be valid, a proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Hong Kong Branch Share Registrar (i.e. Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 3 p.m. on Saturday, 22 October 2022) or any adjournment thereof. Delivery of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the proxy form shall be deemed to be revoked.
- c. To ascertain shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 19 October 2022 to Monday, 24 October 2022 (both days inclusive) during which period no share transfer will be effected. In order to qualify for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited (at its address shown in Note b above), for registration no later than 4:30 p.m., on Tuesday, 18 October 2022.
- d. References to time and dates in this Notice are to Hong Kong time and dates.

*As at the date of this notice, the Board comprises four executive Directors, namely Mr. Song Hongtao, Mr. Chen Zhenping, Dr. Wu Fu-Shea and Mr. Wu Xiaohua; and three independent non-executive Directors, namely Mr. Tu Xinchun, Dr. Chen Wei and Mr. Yang Haifeng.*