
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Solomon Worldwide Holdings Limited (the "Company"), you should at once hand this Prospectus Documents to the purchaser, the transferee or to the bank manager, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, The Stock Exchange of Hong Kong Limited and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Solomon

SOLOMON WORLDWIDE HOLDINGS LIMITED

所羅門環球控股有限公司

(Formerly known as Jete Power Holdings Limited 鑄能控股有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

RIGHTS ISSUE

ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Financial adviser to the Company



Underwriter to the Rights Issue



Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The Rights Issue is only underwritten on a best-effort basis. In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriters (or either of them, whichever shall be appropriate) will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. The Rights Issue is subject to fulfillment or satisfaction of the conditions precedent of the Rights Issue as set out in the section headed "Letter from the Board — Conditions of the Rights Issue and the Underwriting Agreement" in this Prospectus and the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the obligations of the Underwriters thereunder on the occurrence of certain events including force majeure at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Monday, 10 January 2022). If the Underwriting Agreement does not become unconditional or if any of the conditions precedent of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

In the event of under-subscription, the Underwriter has no obligation to and may not subscribe for or procure the subscription of any Rights Share not being taken up by the Qualifying Shareholders.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 7 January 2022. The procedures for acceptance and payment or transfer of the Rights Shares and application and payment for excess Rights Shares are set out on pages 17 to 18 of this Prospectus.

It should be noted that the Shares have been dealt with on an ex-rights basis from Monday, 13 December 2021. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 24 December 2021 to Tuesday, 4 January 2022 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 24 December 2021 to Tuesday, 4 January 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid forms are recommended to consult his/her/its/their own professional advisers.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

* For identification purposes only

22 December 2021

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 20 October 2021 in relation to, among other things, the Share Consolidation, the Change in Board Lot Size, the Change of Company Name and the Rights Issue
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the issued Shares for trading from 20,000 shares before Share Consolidation to 10,000 Shares
“Change of Company Name”	the change of the English name of the Company from “Jete Power Holdings Limited” to “Solomon Worldwide Holdings Limited”, and the adoption and registration of the Chinese name of “所羅門環球控股有限公司” as the dual foreign name of the Company in place of its existing Chinese name of “鑄能控股有限公司” which was used for identification purposes only
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands as consolidated and revised
“Company”	Solomon Worldwide Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8133)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their pro-rata entitlements under the Rights Issue
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and not a connected person (as defined in the GEM Listing Rules) of the Company
“Irrevocable Undertakings”	the irrevocable undertakings by Mr. Fang and Ms. Woo to the Company as set out in the paragraph headed “Irrevocable Undertakings” under the section headed “Letter from the Board” in this Prospectus
“Last Trading Day”	Wednesday, 20 October 2021, being the last full trading day for the Shares immediately prior to the release of the Announcement
“Latest Acceptance Date”	Friday, 7 January 2022, being the last day for acceptance of and payment for the Rights Shares and for application or such other date as the Company and the Underwriter may agree in writing
“Latest Practicable Date”	14 December 2021, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Termination”	Monday, 10 January 2022, or such later time or date as may be agreed between the Company and the Underwriter in writing, which shall be the latest time for termination of the Underwriting Agreement
“Mr. Fang”	Mr. Fang Jinhua, a substantial Shareholder holding 17,741,000 Shares as at the Latest Practicable Date
“Ms. Woo”	Mr. Woo Lan Ying, an executive Director, the Chairman of the Company and a Shareholder holding 10,250,000 Shares as at the Latest Practicable Date
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making due and careful enquiries regarding the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at 5:00 p.m. on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Wednesday, 22 December 2021, or such other date as the Company and the Underwriter may agree in writing, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this prospectus despatched to the Shareholders containing, among other things, details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s) to be issued by the Company
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Tuesday, 21 December 2021 or on such other date as the Company and the Underwriter may agree in writing, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed offer for subscription of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held by the Shareholders on the Record Date and subject to the conditions set out in the paragraph headed “Rights Issue — Conditions of the Rights Issue and the Underwriting Agreement” under the section headed “Letter from the Board” in this Prospectus
“Rights Share(s)”	the Share(s) to be allotted and issued under the Rights Issue, being up to 52,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFC”	the Securities and Futures Commission

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.08 each in the issued and unissued share capital of the Company
“Share Consolidation”	the consolidation of every forty (40) issued and unissued shares of HK\$0.002 each into one (1) Share of HK\$0.08 each, which became effective on Wednesday, 17 November 2021
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.2 per Rights Share
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Undertaking Right Shares”	the aggregate number of Shares to be taken up by Mr. Fang and Ms. Woo pursuant to the Irrevocable Undertakings
“Underwriter”	Lego Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO, being the underwriter
“Underwriting Agreement”	the underwriting agreement dated 20 October 2021 (after trading hours) entered into between the Company and the Underwriter and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 38,004,500 Rights Shares, being the maximum total number of Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Mr. Fang and Ms. Woo pursuant to the Irrevocable Undertakings, to be underwritten by the Underwriter on a best effort basis subject to the terms and conditions of the Underwriting Agreement
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

All time and date references contained in this Prospectus shall refer to Hong Kong local time and dates.

Events	Hong Kong Date and Time
Designated broker starts to stand in the market to provide matching services for odd lot of Shares	Wednesday, 1 December 2021
First day of dealings in nil-paid Rights Share	Friday, 24 December 2021
Latest time for splitting the PAL	4:30 p.m. on Wednesday, 29 December 2021
Last day of dealings in nil-paid Rights Shares	Tuesday, 4 January 2022
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	Friday, 7 January 2022
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:30 p.m. on Monday, 10 January 2022
Announcement of allotment results of the Rights Issue.	Friday, 14 January 2022
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any) for wholly and partially unsuccessful excess applications to be posted	Monday, 17 January 2022
Commencement of dealings in fully-paid Rights Shares.	Tuesday, 18 January 2022
Designated broker ceases to provide matching services for odd lot of Shares	Monday, 31 January 2022

EXPECTED TIMETABLE

Effect of bad weather and/or extreme conditions on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application will be rescheduled to 4:00 p.m. on the following Business Day which does not have any of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares does not take place on or before 4:00 p.m. on Friday, 7 January 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing given to the Company at or prior to the Latest Time for Termination, if:

- (a) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole; or
- (b) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Company as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue,

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Solomon

SOLOMON WORLDWIDE HOLDINGS LIMITED

所羅門環球控股有限公司

(Formerly known as Jete Power Holdings Limited 鑄能控股有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

Executive Directors:

Ms. Woo Lan Ying
Mr. Shang Ruisen
Mr. Luk Chi Shing

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Ms. Leung Shuk Lan
Mr. Tang Yiu Wing
Mr. Wong Ka Shing

*Head office and principal place of
business in Hong Kong:*

Rooms 1703–1704,
World-wide House,
19 Des Voeux Road Central,
Central, Hong Kong

22 December 2021

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Share Consolidation; the Change in Board Lot Size; the Change of Company Name; and the Rights Issue.

Pursuant to the Underwriting Agreement, the Underwritten Shares are underwritten on a best-effort basis by the Underwriter on the terms and subject to the conditions set out therein.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, together with the financial and other general information of the Group.

RIGHTS ISSUE

The Company proposes to raise gross proceeds of approximately HK\$10.4 million, before expenses, by way of the Rights Issue of up to 52,000,000 Rights Shares to the Qualifying Shareholders at a Subscription Price of HK\$0.2 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date.

Subject to the terms and conditions of the Underwriting Agreement, the Underwriter agreed to procure, on a best-effort basis, the subscription (but will not itself subscribe) for up to 38,004,500 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Mr. Fang and Ms. Woo pursuant to the Irrevocable Undertakings. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

The total funds to be raised will not be less than approximately HK\$2.8 million (assuming no change in the number of Shares in issue on or before the Record Date and only the Undertaking Rights Shares will be taken up) and not more than approximately HK\$10.4 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up).

The terms of the Rights Issue are set out below:

Rights Issue statistic

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Shares held by the Shareholders on the Record Date
Subscription Price	: HK\$0.2 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	: 104,000,000 Shares
Number of Rights Shares to be issued under the Rights Issue	: Up to 52,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Undertaking Rights Shares	: 13,995,500 Rights Shares, being the aggregate number of Rights Shares undertaken to be subscribed by Mr. Fang and Ms. Woo under the Irrevocable Undertakings

LETTER FROM THE BOARD

Aggregate nominal value of the Rights Shares	:	Up to approximately HK\$4,160,000 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	Up to 156,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Underwriter	:	Lego Securities Limited
Total funds to be raised (before expenses)	:	Not less than approximately HK\$2.8 million (assuming no change in the number of Shares in issue on or before the Record Date and only the Undertaking Rights Shares will be taken up) and not more than approximately HK\$10.4 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up)

Under the Rights Issue, the maximum 52,000,000 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the number of Shares in issue as at the Latest Practicable Date and approximately 33.3% of the number of Shares in issue as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue).

As at the Latest Practicable Date, the Company has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in the Rights Issue. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Save as disclosed in the section headed “Irrevocable Undertakings” below, the Board has not received any information or irrevocable undertakings from any substantial Shareholder of their intention to take up the securities of the Company to be offered to them under the Rights Issue as at the Latest Practicable Date.

The Rights Issue is only underwritten on a best-effort basis. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. Based on the Irrevocable Undertakings given by Mr. Fang and Ms. Woo, it is anticipated that at least 13,995,500 Rights Shares will be taken up.

LETTER FROM THE BOARD

In the event the Rights Issue is undersubscribed, any Rights Shares not subscribed by the Qualifying Shareholders or transferees of nil-paid Rights Shares and not subscribed by other subscribers procured by the Underwriter pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price of HK\$0.2 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 4.3% to the closing price of HK\$0.209 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 54.5% to the closing price of HK\$0.440 per Share as quoted on the Stock Exchange on the Last Trading Day, assuming Share Consolidation had become effective;
- (iii) a discount of approximately 54.5% to the average closing price per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.440, assuming Share Consolidation had become effective;
- (iv) a discount of approximately 55.8% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.452, assuming Share Consolidation had become effective;
- (v) a discount of approximately 58.6% to the average closing price per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.483, assuming Share Consolidation had become effective;
- (vi) a discount of approximately 44.4% to the theoretical ex-entitlement price of approximately HK\$0.360 per Share based on the closing price of HK\$0.440 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares, assuming the Share Consolidation had become effective;
- (vii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 18.2% represented by the theoretical diluted price of approximately HK\$0.360 to the benchmarked price of approximately HK\$0.440 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.011 per Share and the

LETTER FROM THE BOARD

average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Announcement), assuming the Share Consolidation had become effective; and

- (viii) a discount of approximately 5.66% to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2021 of approximately HK\$0.212 per Share calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$22,034,000 as at 30 June 2021 as set out in the interim report of the Company for the six months ended 30 June 2021 and 104,000,000 Shares in issue as at the date of the Announcement, assuming Share Consolidation had become effective since 30 June 2021.

The Subscription Price was determined with reference to, among other things, (i) the recent market prices of the Shares prior to the Last Trading Day; (ii) the low trading volume and infrequent trading of the Shares; (iii) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the paragraph headed “Reasons for the Rights Issue and the use of proceeds” in this section below; and (iv) the recent volatility of the capital market in Hong Kong during the three months up to and including the Last Trading Day, which may affect investors’ confidence in the market. The Hang Sang Index fluctuated between a high of approximately 28,004.7 at closing on 16 July 2021 and a low of approximately 23,966.5 at closing on 6 October 2021 and closed at approximately 26,136.0 on the Last Trading Day. The Directors consider that the Subscription Price at a discount to the current market price of the Shares and at a price close to the latest net asset value per Share attributable to the Shareholders would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are commercially rational, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e., Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.18 per Rights Share.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares held by the Shareholders as at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker’s cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Acceptance Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment shall be made by completing a PAL and lodging the same with remittance for the Rights Shares accepted with the Registrar by 4:00 p.m. on Friday, 7 January 2022.

LETTER FROM THE BOARD

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker is appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Wednesday, 1 December 2021 to Monday, 31 January 2022 (both days inclusive). Shareholders who wish to take advantage of this service should contact Mr. Kelvin Li of Lego Securities Limited at 3/F, China Building, 29 Queen's Road Central, Hong Kong or at telephone number (852) 3188-8055 during office hours (i.e. 9:00 a.m. to 4:00 p.m.) of such period.

Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) be a Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Tuesday, 14 December 2021.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

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If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, there were three Overseas Shareholders, whose addresses were located in the PRC.

Each of the Overseas Shareholders represents less than 5% of the total issued Shares as at the Latest Practicable Date.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiries regarding the legality and feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the PRC and the requirements of the relevant regulatory bodies or stock exchanges. Taking into account the legal advice provided by the legal adviser engaged by the Company, the Directors are of the opinion that the relevant PRC legal restrictions and requirements of the relevant regulatory body or stock exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses in the PRC from the Rights Issue. Accordingly, the Rights Issue will be offered to the Overseas Shareholders in the PRC.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

The Company will continue to ascertain whether there are any other Overseas Shareholders at the Record Date and will, if necessary, make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholders as at the Record Date. The Company will send the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send any PAL or EAF to them.

Arrangements will be made for the nil-paid Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The net proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Non-Qualifying Shareholder(s) in Hong Kong dollars, at their own risk. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of

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the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Status of the Rights Shares

When allotted and fully paid, each Rights Share will have a nominal value of HK\$0.08. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

Adjustments to entitlements

As the Rights Issue will proceed on a best-effort basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) or EAF(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules. Investors are advised to exercise caution when dealing in the Shares. There is no minimum amount to be raised under the Rights Issue.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s). No odd-lot matching services will be provided by the Company in respect of the Rights Issue.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full

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amount payable on acceptance, with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 7 January 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 043" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Friday, 7 January 2022, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 29 December 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be given in respect of any application monies received.

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If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” below is not fulfilled by the Latest Time for Acceptance, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid forms have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Monday, 17 January 2022.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to, by way of excess application, apply for excess Rights Shares, which comprise (i) any unsold Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholders; (ii) any Rights Shares provisionally allotted to but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of Rights Shares in nil-paid forms; and (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid forms.

Applications for excess Rights Shares may be made only by the Qualifying Shareholders and only by duly completing and signing the EAF (in accordance with the instructions printed thereon) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Friday, 7 January 2022.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis, according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

If the aggregate number of Rights Shares available for excess application is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAFs.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the

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Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 7 January 2022. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 044**" and crossed "**ACCOUNT PAYEE ONLY**". The benefit of any rounding adjustments will be retained by the Company. The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than 4:30 p.m. on Tuesday, 14 December 2021.

The allocation of excess Rights Shares (if any) made to the Qualifying Shareholders will be announced on or before Friday, 14 January 2022. If no excess Rights Shares are allotted to the Qualifying Shareholders, a cheque for the amount tendered on application is expected to be refunded in full on or before Monday, 17 January 2022. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the surplus application monies are also expected to be refunded to them on or before Monday, 17 January 2022.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection of the EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. Completion and return of the EAF with a cheque or a cashier's order will constitute a warranty by the applicant that the cheque or the cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Underwriting Agreement are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be

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returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Monday, 17 January 2022.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Rights Shares in their nil-paid or fully-paid forms and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid forms.

Application for listing

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both the nil-paid Rights Shares and the fully-paid Rights Shares are traded in board lots of 10,000 Shares.

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Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, the Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or before Monday, 17 January 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be sent on or before Monday, 17 January 2022 by ordinary post to the applicants, at their own risk, to their registered addresses.

Irrevocable Undertakings

As at the Latest Practicable Date, Mr. Fang and Ms. Woo are interested in 17,741,000 Shares and 10,250,000 Shares, representing approximately 17.06% and 9.86% of the issued Shares, respectively. Pursuant to the Irrevocable Undertakings, (i) each of Mr. Fang and Ms. Woo has undertaken to the Company that they will subscribe for 8,870,500 Rights Shares and 5,125,000 Rights Shares, which comprise the full acceptance of their provisional entitlement in respect of 17,741,000 Shares and 10,250,000 Shares held by each of them, respectively; and (ii) each of Mr. Fang and Ms. Woo will not dispose of 17,741,000 Shares and 10,250,000 Shares, representing the shareholding in the Company owned by each of them and such Shares will remain beneficially owned by each of them up to and including the date on which completion of the Rights Issue takes place or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier. Mr. Fang and Ms. Woo confirmed that they intend to apply for any excess Rights Shares if there is an undersubscription of the Rights Issue.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

Underwriting arrangement

On 20 October 2021 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue, subject to the terms and conditions set out in the Underwriting Agreement. Subject to the terms and conditions of the Underwriting Agreement, the Underwriter agreed to procure, on a best-effort basis, the subscription (but will not itself subscribe) for up to 38,004,500 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Mr. Fang and Ms. Woo pursuant to the Irrevocable Undertakings.

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In the event of under-subscription, the Underwriter has no obligation to and may not subscribe for or procure the subscription of any Rights Share not being taken up by Qualifying Shareholders.

The total funds to be raised will not be less than approximately HK\$2.8 million (assuming no change in the number of Shares in issue on or before the Record Date and only the Undertaking Rights Shares will be taken up) and not more than approximately HK\$10.4 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up).

Principal terms of the Underwriting Agreement are as follows:

- Date : 20 October 2021 (after trading hours)
- Underwriter : Lego Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, whose usual and ordinary course of business includes underwriting of securities. As such, the Underwriter complies with Rule 10.24A(1) of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

- Number of Rights Shares to be underwritten : Subject to the terms and conditions of the Underwriting Agreement, the Underwriter agreed to procure, on a best-effort basis, the subscription (but will not itself subscribe) for up to 38,004,500 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Mr. Fang and Ms. Woo pursuant to the Irrevocable Undertakings.
- Commission : 1.5% of the sum resulting from multiplying the Subscription Price by the number of Underwritten Shares procured to be subscribed by the Underwriter or its sub-underwriters.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition, the market price of the Shares and the prevailing market rate of

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similar transactions. Albeit on a best-effort basis, the Underwriting Agreement offers an additional channel for the Company to source subscribers for the Rights Shares in the event of under-subscription. The Company has approached various financial institutions to explore interest in underwriting the Rights Issue. Under the uncertain economic atmosphere at the time of planning for the Rights Issue, only the Underwriter expressed its interest in acting as the underwriter of the Rights Issue on a best-effort basis instead of a fully-underwritten basis among all those financial institutions.

The underwriting commission is only payable on the subscription amount in respect of the Rights Shares actually subscribed for through the Underwriter, which is consistent with the pricing basis for other best-effort basis underwritings for other recent rights issues conducted by listed companies on the Stock Exchange. The Company has studied the underwriting commission rates of other recent rights issues underwritten on a best-effort basis and noted that the underwriting commission rate charged by the Underwriter falls toward the lower end of the range of market underwriting commission rates.

Based on the foregoing, the Directors consider that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable and in the interest of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

The Underwriter's obligations to underwrite the Underwritten Shares shall terminate if by the Latest Time for Acceptance either:

- (a) valid PALs in respect of all the Underwritten Shares have been lodged for acceptance in accordance with the terms of the Prospectus Documents; or
- (b) the number of Underwritten Shares applied for under EAFs which shall have been lodged in accordance with the terms of the Prospectus Documents and accepted is equal to or greater than the aggregate of the number of Underwritten Shares which shall not have been accepted; or
- (c) PALs in respect of part of the Underwritten Shares have been lodged for acceptance together with the number of Underwritten Shares applied for under EAFs which have been lodged and accepted are, in aggregate, equal to or greater than the aggregate of the number of Underwritten Shares which shall not have been accepted.

The Company will keep the Underwriter regularly informed of any Shares issued prior to the Record Date and the number of Rights Shares accepted during the period up to the Latest Time for Acceptance. The Company will as soon as possible thereafter and in any event not later than the Latest Time for Termination notify the Underwriter in writing of the total number of the Underwritten Shares not taken up and the Underwriter shall subscribe or procure subscribers to subscribe for, on a best-effort basis, on the terms and conditions and on the basis of the information contained in the Prospectus Documents for the Underwritten Shares not taken up by not later than the Latest Time for Termination and will not later than noon on the Business Day after the Latest Time for Termination pay

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or procure payment to the Company of the Subscription Price for such Underwritten Shares not taken up. Following payment as aforesaid all obligations and liabilities of the Underwriter under the Underwriting Agreement will cease.

The Company is given to understand from the Underwriter that it has not procured any sub-underwriters up to the Latest Practicable Date. The Underwriter advised that it has preliminarily approached certain potential subscribers, but it has not entered into any form of agreement or commitment with such potential subscribers up to the Latest Practicable Date.

Conditions of the Rights Issue and the Underwriting Agreement

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (a) the Share Consolidation becoming effective;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by all the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date and the posting of the Prospectus and a letter to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Posting Date;
- (d) (i) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days (other than any suspension pending clearance of the announcement(s) (if any)); and (ii) no indication being received on the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (e) there being no breach of any provision of the Underwriting Agreement by the Company at all times prior to the Latest Time for Termination;
- (f) the representations and warranties of the Company referred to in the Underwriting Agreement remaining true and accurate and not misleading in all material respects at all times prior to the Latest Time for Termination;

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- (g) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Business Day prior to the first day of their dealings;
- (h) the compliance with and performance of all the undertakings and obligations of Mr. Fang and Ms. Woo or any of their nominee(s), under the Irrevocable Undertakings;
- (i) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (j) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with the terms of the Underwriting Agreement at or before the Latest Time for Termination.

Other than conditions (e) and (f) which can be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent above are incapable of being waived.

As at the date of this Prospectus, conditions (a), (b) and (c) had been satisfied. If the conditions are not fully satisfied by the Latest Time for Termination (or such other date as the Company and the Underwriter may mutually agree in writing) or if the Underwriting Agreement is rescinded or terminated pursuant to the terms thereof, all obligations and liabilities of the parties under the Underwriting Agreement shall forthwith cease and determine and neither party shall have any claim against the other for fees, costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing given to the Company at or prior to the Latest Time for Termination, if:

- (a) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole; or
- (b) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole; or

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- (c) any material adverse change in the business or in the financial or trading position of the Company as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue,

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Reasons for the Rights Issue and use of proceeds

The Group principally engages in trading and manufacturing of metal casting parts and components in the PRC and provision of financial printing services in Hong Kong.

Assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up, the gross proceeds of the Rights Issue will be approximately HK\$10.4 million and the estimated net proceeds of the Rights Issue, after deducting the related expense, will be up to approximately HK\$9.3 million (equivalent to a net price of approximately HK\$0.18 per Rights Share). The Company intends to apply the net proceeds from the Rights Issue for the general working capital of the Group, including (i) approximately 21.5%, or HK\$2.0 million, of the net proceeds from the Rights Issue for staff cost; (ii) approximately 37.6%, or HK\$3.5 million, of the net proceeds from the Rights Issue for rental expenses; (iii) approximately 26.9%, or HK\$2.5 million, of the net proceeds from the Rights Issue for repaying account payables; and (iv) approximately 14.0%, or HK\$1.3 million, of the net proceeds from the Rights Issue for other daily operating expenses of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is undersubscribed, any Rights Shares (excluding those Undertaking Rights Shares) that are not taken up under the PALs and EAFs will be subscribed by subscribers procured by the Underwriter, on a best-effort basis, pursuant to the Underwriting Agreement. Any Rights Shares that are not taken up under the PALs and EAFs and also not subscribed by the subscribers procured by the Underwriter will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding minimum subscription

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levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. Assuming that no Qualifying Shareholders subscribe for the Rights Shares, except for those Rights Shares to be provisionally allotted to Mr. Fang and Ms. Woo and the Underwriter neither subscribes for nor procures subscribers to subscribe for any Rights Shares not taken up by the Qualifying Shareholders, the minimum amount of net proceeds will be approximately HK\$1.8 million. In such event, all of the net proceeds will be used for staff cost of the Group, and the other original usage of proceeds, including rental expenses, payment of account payables and other daily operating expenses will be financed by the internal resources of the Group, including internally generated funds, and/or debt financing.

As at 30 June 2021, the Group had cash and cash equivalents of approximately HK\$6.1 million. Considering that for the year ended 31 December 2020, the Group's revenue, cost of sales and operating expenses (including selling and distribution expenses, administrative expenses, finance costs and income tax) amounted to approximately HK\$85.6 million, HK\$63.7 million and HK\$51.9 million, respectively, the Directors consider that the cash level on hand is thin for the size of the Group's operation. Further, the COVID-19 pandemic has brought additional uncertainties in the Group's operating environment and such unfavourable and uncertain market conditions shall persist for a period of time. In view of the challenging operating environment, the Company considers it appropriate to maintain a healthy cash level to meet the Group's operating requirements and any unforeseen capital requirements from time to time. The Board considers it necessary to conduct fund raising activities to strengthen the financial position of the Group amid challenging market condition.

The Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing and placing of new Shares.

The Board considers that placing of new Shares would be a suboptimal fund-raising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. Moreover, any further debt financing or borrowing may worsen the gearing ratio and incur further interest expenses of the Company. In view of this, the Board has averted debt financing as a source for raising funds in this occasion.

In comparison, the Board considers that the Rights Issue provides a good opportunity for the Group to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

As at the Latest Practicable Date, save for the Rights Issue, the Board has no intention or plan to conduct other equity fund raising activities in the next 12 months. However, if there shall arise any change of the Group's current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming

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financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund raising exercises to support such future developments of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate. In the event that a minimum of approximately HK\$1.8 million net proceeds is raised from the Rights Issue, the Directors are of the opinion that, after taking into account the cash flows generated from the operating activities of the Group and the present financial resources available to the Group, including internally generated funds and the existing borrowings, the Group will have sufficient working capital to fund its needs for at least the next 12 months from the date of this Prospectus in the absence of unforeseen circumstances.

Effects on the Shareholding Structure of the Company

The following table sets out the possible changes in the shareholding structure of the Company arising from the Rights Issue which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iii) immediately after completion of the Rights Issue, assuming nil acceptance by the Shareholders (except the Undertaking Rights Shares); and (iv) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (except the Undertaking Rights Shares) have taken up any entitled Rights Shares and all the unsubscribed Rights Shares under the PALs and EAFs were subscribed for through the Underwriter:

	Immediately after completion of the Rights Issue							
	(i) As at the Latest Practicable Date		(ii) Assuming all Shareholders take up their respective allotment of Rights Shares in full		(iii) Assuming no Shareholders take up any of the Rights Shares (except the Undertaking Rights Shares)		(iv) Assuming none of the Qualifying Shareholders (except the Undertaking Rights Shares) have taken up any entitled Rights Shares and all the unsubscribed Rights Shares under the PALs and EAFs were subscribed for through the Underwriter	
	<i>No. of Shares</i>	<i>Approx. %</i> <i>(Note 3)</i>	<i>No. of Shares</i>	<i>Approx. %</i> <i>(Note 3)</i>	<i>No. of Shares</i>	<i>Approx. %</i> <i>(Note 3)</i>	<i>No. of Shares</i>	<i>Approx. %</i> <i>(Note 3)</i>
Fang Jinhua <i>(Note 1)</i>	17,741,000	17.06%	26,611,500	17.06%	26,611,500	22.55%	26,611,500	17.06%
Woo Lan Ying <i>(Note 1)</i>	10,250,000	9.86%	15,375,000	9.86%	15,375,000	13.03%	15,375,000	9.86%
Underwriter <i>(Note 2)</i>	—	—	—	—	—	—	38,004,500	24.36%
Public Shareholders <i>(Note 4)</i>	<u>76,009,000</u>	<u>73.08%</u>	<u>114,013,500</u>	<u>73.08%</u>	<u>76,009,000</u>	<u>64.42%</u>	<u>76,009,000</u>	<u>48.72%</u>
Total	<u><u>104,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>156,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>117,995,500</u></u>	<u><u>100.00%</u></u>	<u><u>156,000,000</u></u>	<u><u>100.00%</u></u>

Notes:

- Each of Mr. Fang and Ms. Woo has given an undertaking to take up the Rights Shares provisionally allotted to them pursuant to the Irrevocable Undertakings.
- Pursuant to the Underwriting Agreement, the Underwriter undertakes to the Company that the Underwriter shall use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Rights Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any Directors, chief

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executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

3. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
4. The public float requirements under the GEM Listing Rules shall be fulfilled by the Company upon completion of the Rights Issue.

Previous fund-raising exercise involving issue of securities in the prior 12-month period

The Company had not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

RISK FACTORS

The Directors believe that there are certain risks involved in the operations of the Group, including but not limited to the following:

Risks relating to the Group and its businesses

In relation to the metal casting business

(i) Increase competition in the metal casting industry in the PRC

The Group's business and profitability growth are affected by the increase in competition in the industry and the volatility and uncertainty of macro-economic conditions in the PRC, Germany and other global nations. The Group is expected to continue to be affected by the above factors. Any increased competition in the metal casting industry in the PRC could reduce the sales, prices and profit margins, and affect the operating results. Any change in the macro-economic condition may directly or indirectly affect the cost of the production and the demand for the products.

(ii) Title defect risk in the leased property

As at the Latest Practicable Date, the Group has leased a foundry which is located at Qiuchang Town, Huiyang District, Huizhou City ("**Qiuchang Foundry**") as the Group's production base. The owner of the land where the Qiuchang Foundry is located (the "**Owner**") and the landlord of the Qiuchang Foundry (the "**Landlord**") do not possess valid collective land use rights certificates for construction land and building ownership certificates for the Qiuchang Foundry respectively. The Group has continued to actively liaise with the Owner and the Landlord for the progress of the rectification of the title defects for the leased property. However, the Owner and the Landlord are unable to commit to a time frame to complete the rectification by reason that the relevant procedures are subject to approvals and inspections by the relevant authorities, which is not within the control of the Landlord. As a part of the risk management plan of the Group to mitigate the risk arising from the title defect of the leased property in the PRC, the Group has entered into a legally binding memorandum

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of understanding (the “MOU”) with a landlord for a backup plant located at Qingyuan City, Guangdong Province, the PRC. As at the Latest Practicable Date, the Owner is still in the process of applying for the collective land use rights certificates for construction land, being an important and necessary step for applying the building ownership certificate for the Qiuchang Foundry. The Group, the Owner and the Landlord had not received, and the relevant government authorities had not issued, any notice, letter or order, about the title defect of the Qiuchang Foundry. The MOU remains valid and the backup plant was not occupied by any other party.

If the Group is forced to relocate its operations from the Qiuchang Foundry, the Group plans to move to the aforesaid backup plant. However, if the landlord of such backup plant could not deliver vacant possession of the backup plant, the Group and/or the landlord of such backup plant may not be able to identify other alternative production facilities in a timely manner. In such case, the Group may experience longer than expected delays before resuming production at full capacity or at all, and the Group may incur higher than expected loss of revenue and profits as well as further claims due to delay and/or failure to deliver its products to its customers. As such, the Group’s business, operating results and financial condition may be materially and adversely affected.

(iii) Reliance on certification

The Group’s business relies on the certifications from TÜV Rheinland for the European Directive 97/23/EC for Pressure Equipment & AD 2000-Merkblatt W0/TRD100 and/or ISO9001:2015 and/or ISO14001:2015 and/or ISO45001:2018 and expiry of and/or failure to renew any one of these four international certifications would have a material adverse effect on the Group’s operations and financial condition.

In relation to the financial printing business

(i) Majority of the revenue was generated on a project-by-project basis and is non-recurring in nature

In general, services to customers are provided on a project-by-project basis and the Group does not enter into any long-term agreements with its customers. Accordingly, the volume of work the customers engage the Group may vary and they have no obligation to re-engage the Group in future projects. Further, the Group’s success is partly attributable to its ability to retain its existing customers and attract new customers, which depends on a variety of factors such as the effectiveness of its marketing strategies, quality of its services, and competition in the industry. There is no assurance that the Group will be able to do so in the future. Therefore, the Group’s results of operations may fluctuate significantly in the future.

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(ii) Revenue may fluctuate from period to period

The Group's revenue may vary from period to period depending upon the types of services required by its customers. In addition, the progress of the Group's projects, especially for those in relation to listing documents and compliance documents, are subject to various factors such as the clearance from the respective regulators, which are out of the Group's control and will affect its cash flows generated from operations. Any delays in the completion of the Group's projects may defer payments from its customers, and hence, adversely affect its cash flows and results of operations. If the projects cannot be completed after a substantial amount of time and costs have been incurred by the Group, its results of operations and financial position may be adversely affected.

Risks relating to the industries in which the Group operates

In relation to the metal casting industry

The metal casting industry in the PRC is highly competitive and there can be no assurance that the Group will be able to sustain its competitive advantages or to effectively implement its business strategies. The competition factors in metal casting industry include technology level, product quality, delivery time, competitive price, experienced management team and skilled workers and services quality. Increased competition in the metal casting industry in the PRC could reduce the Group's sales, prices and profit margins, and materially and adversely affect the Group's brand image and operating results.

The performance and financial condition of the Group are significantly dependant on the performance of the economy in Germany. Any adverse change in the economic condition in Germany may directly or indirectly affect the demand for the products of the Group, and its business operations and financial condition may also be adversely affected as a result. Should there be an economic downturn or credit crisis in Germany or Europe for any reason, the Group's business, results of operations, financial condition will be affected. Moreover, economic downturn or credit crisis will also affect the customers of the Group, and may in turn reduce the demand for its products or affect the customers' abilities to settle amounts owed to the Group.

In relation to the financial printing industry

The Group's key content outputs, such as listing documents, financial reports, announcements, circulars are subject to the regulatory requirements such as those set out by the Stock Exchange, the Securities and Futures Commission and other applicable authorities. Accordingly, it may be susceptible to any changes in laws and regulations in relation to the requirements of the abovementioned documents and such changes are beyond the Group's control. Any amendments to the existing laws and regulations governing the Group's prospective clients, such as relaxation on laws or regulations requiring the publication of documents or replacing print materials with a

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more environmental-friendly web-based distribution channel, may affect the demand of the Group's financial printing services and hence may significantly affect the Group's business and prospects in the future.

Financial risks of the Group

Foreign exchange risks

The Group mainly sells the products to customers in Germany, Hong Kong, the PRC and the United States. The Group is exposed to foreign currency risks as it receives revenue in Euro from some of its customers in Europe. The Group generally has a surcharge mechanism with its customers to protect the future profitability in certain extent against the (i) fluctuation of the cost of certain raw materials; and (ii) fluctuation of the exchange rate of Euro vs RMB, or Euro vs USD, if the purchase price is to be settled by Euro. However, there is no assurance that such mechanism could protect the Group free from foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Board will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Credit risk and concentration risk

The Group's exposure to credit risk would be due to failure to discharge an obligation by the counterparties on the carrying amounts of the respective financial assets. The Group's credit risk is primarily attributable to cash and cash equivalents, trade and other receivables, and contract assets. Substantially all the Group's cash and cash equivalents are deposited in financial institutions in Hong Kong and the PRC. The credit risk is limited as the majority of counterparties are financial institutions with high credit ratings assigned by international credit rating agencies or stated-controlled financial institutions with good reputations. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which customers operate and therefore significant concentrations of credit risk primarily arise when the significant exposure to individual customers. As at 31 December 2020, the Group has a certain concentration of credit risk as 12% and 39% of the trade debtors was due from the largest customer and the five largest customers respectively.

Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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Interest rate risk

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits, and fair value interest rate risk in relation to fixed-rate lease liabilities and fixed-rate other borrowings. The Group continually assesses and monitors the exposure to interest rate risk.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the paragraph headed “Rights Issue — Termination of the Underwriting Agreement” in this section for further details. Accordingly, the Rights Issue may or may not proceed.

Any dealings in the Shares from the date of this Prospectus up to the date on all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid forms will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid forms are recommended to consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board
SOLOMON WORLDWIDE HOLDINGS LIMITED
Woo Lan Ying
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the financial years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.solomon-worldwide.com>):

- Annual report of the Company for the financial year ended 31 December 2020 (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0331/2021033102490.pdf>)
- Annual report of the Company for the financial year ended 31 December 2019 (<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000856.pdf>)
- Annual report of the Company for the financial year ended 31 December 2018 (<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0329/gln20190329299.pdf>)
- First quarterly report of the Company for the three months ended 31 March 2021 (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0514/2021051400688.pdf>)
- Interim report of the Company for the six months ended 30 June 2021 (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0815/2021081500025.pdf>)
- Third quarterly report of the Company for the nine months ended 30 September 2021 (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/1125/2021112500185.pdf>)

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2021, being the latest practicable date prior to the printing of this Prospectus for the purpose of this statement of indebtedness, the total indebtedness of the Group (other than normal trade payables) amounted to approximately HK\$23.8 million, which comprised of unsecured and unguaranteed borrowing from an independent third party to the Group of approximately HK\$2.2 million, unsecured and unguaranteed borrowing from a director to the Group of approximately HK\$2.0 million and lease liabilities in respect of various equipments, offices and factories of approximately HK\$19.6 million.

Saved as aforesaid and apart from intra-group liabilities, as at the close of business on 31 October 2021, the Group did not have any material debt securities issued and outstanding, or authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or outstanding mortgages or charges, or contingent liabilities or guarantees.

3. WORKING CAPITAL

As at the Latest Practicable Date, the Directors were of the opinion that, after taking into account the effect of the Rights Issue, the cash flows generated from the operating activities of the Group, and the financial resources available to the Group, including internally generated funds, the existing borrowings and in the absence of unforeseeable circumstances, the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT

The Group is principally engaged in trading and manufacturing of metal casting parts and components in the PRC and provision of financial printing services in Hong Kong.

In order to achieve long-term sustainable growth of the Group's businesses, the Group focused on identifying potential investment opportunities to strengthen and widen its business scope. The Board is of view that the acquisition of Solomon Holdings Group Limited in January 2020 provides an opportunity to further diversify the Group's business, which will preserve and enhance the Shareholders' value.

Metal Casting Business

The metal casting products of the Group can be categorised into four main categories: (a) pump components; (b) valve components; (c) filter components; and (d) food machinery components, which are made of stainless steel, carbon steel, bronze and/or grey iron.

Looking ahead, the Group will continue to monitor the development of the COVID-19 epidemic, and to strengthen its cost control and resources management by executing flexible strategies to face the challenges in order to maintain its competitiveness in the market. Meanwhile, the Group will also explore other potential investment opportunities in order to diversify the Group's business and create new source of revenue to the Group.

Financial Printing Business

The Group also engaged in the provision of financial printing services in Hong Kong. For the six months ended 30 June 2021, the revenue from financial printing service increased by approximately 5.10% as compared to the same period of last year. Although the COVID-19 epidemic shows a sign of being under control in Hong Kong and Mainland

China, however, the various restrictions are still imposed on the travelling to and from Hong Kong and this will affect the number of financial printing jobs for initial public offering projects in the second half of the year.

Given the sustainable demand for periodic financial documents for the listed companies, the Group will continue to provide a wide range of financial printing services to meet the customers' demands and requirements of the Group. In addition, the Group will further enhance the quality control and inspection throughout the production process to ensure the quality of financial printing services. The Group will expand the provisions of other related and value-added corporate services to the Group's customers, who are mainly the listed companies in Hong Kong, so as to broaden the Group's income basis in the future.

The information set out in this Appendix does not form part of the Accountants' Report issued by Baker Tilly Hong Kong Limited, the Company's reporting accountants, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with "Financial information of the Group" set out in Appendix I.

**(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company ("**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 30 June 2021.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021, as extracted from the published interim report of the Group for the six months ended 30 June 2021, and is adjusted for the effect of the Rights Issue had taken place on 30 June 2021.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021 or at any future dates immediately after completion of the Rights Issue.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue as at 30 June 2021 <i>HK\$'000</i> <i>(Note 3)</i>
Based on 52,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.2 each	<u>17,729</u>	<u>9,320</u>	<u>27,049</u>
			<i>HK\$</i>
Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2021 before the completion of the Rights Issue <i>(Note 4)</i>			<u>0.1705</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company immediately after completion of the Rights Issue <i>(Note 5)</i>			
Based on 52,000,000 Rights Shares to be issued			<u>0.1734</u>

Notes:

1. It represents the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$22,034,000 less unaudited goodwill of approximately HK\$4,305,000 as at 30 June 2021, which are extracted from the published interim report of the Group for the six months ended 30 June 2021.
2. The estimated net proceeds from the Rights Issue of approximately HK\$9,320,000 are based on 52,000,000 Rights Shares to be issued, based on the number of 104,000,000 Shares in issue as at the Record Date at Subscription Price of HK\$0.2 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,080,000.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue represents the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 plus the estimated net proceeds of the Rights Issue as set out in Note 2 above.
4. The calculation of the unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2021 before the completion of the Rights Issue is based on the unaudited consolidated net tangible assets of HK\$17,729,000 as set out in Note 1 above divided by 104,000,000 Shares (assuming the Share Consolidation taking effect on 30 June 2021) as at 30 June 2021.
5. Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2021 immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue of approximately HK\$27,049,000 set out in Note 3 above, divided by 156,000,000 Shares which represent:
 - (i) 104,000,000 Shares in issue (4,160,000,000 Shares in issue as at 30 June 2021 after the effect of Share Consolidation); and
 - (ii) 52,000,000 Rights Shares to be issued, based on the number of 104,000,000 Shares in issue as at the Record Date.
6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2021.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of a report received from the reporting accountants, Baker Tilly Hong Kong Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this Prospectus.

**Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited Pro
Forma Financial Information**

To the Directors of Solomon Worldwide Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Solomon Worldwide Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2021 as set out on pages II-1 to II-3 of the prospectus issued by the Company dated 22 December 2021 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue (the "**Proposed Transactions**") on the Group's consolidated net tangible assets as at 30 June 2021 as if the Proposed Transactions had taken place at 30 June 2021. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's interim report for the six months ended 30 June 2021, on which no review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 22 December 2021

Tong Wai Hang

Practising certificate number P06231

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regards 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital in the Company as at the Latest Practicable Date and immediately following the allotment and issue of the Rights Shares will be as follows:

(a) As at the Latest Practicable Date

		<i>HK\$</i>
Authorised share capital:		
<u>1,250,000,000</u>	Shares of HK\$0.08 each	<u>100,000,000</u>
Issued and fully paid:		
<u>104,000,000</u>	Shares of HK\$0.08 each	<u>8,320,000</u>

(b) Immediately following the completion of the Rights Issue (assuming (i) no change in the number of issued Shares from the Latest Practicable Date up to the Record Date; and (ii) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)

		<i>HK\$</i>
Authorised share capital:		
<u>1,250,000,000</u>	Shares of HK\$0.08 each	<u>100,000,000</u>
Issued and fully paid:		
104,000,000	Shares of HK\$0.08 each	8,320,000
52,000,000	Rights Shares to be allotted and issued under the Rights Issue	4,160,000
<u>156,000,000</u>	Shares in issue immediately upon completion of the Rights Issue	<u>12,480,000</u>

All of the Shares and the Rights Shares when allotted, issued and fully paid, will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options, warrants or derivatives in issue which conferred any right to subscribe for, convert, or exchange into the Shares and there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in shares and underlying shares

As at the Latest Practicable Date, saved as disclosed below, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) 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 were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Ms. Woo Lan Ying	Personal interest	10,250,000	9.86%

(ii) Substantial Shareholder's Interests and/or Short Position in Shares and Underlying Shares of the Company

As at the Latest Practicable Date, other than the Director and chief executive of the Company, the following person has an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Mr. Fang Jinhua	Personal interest	17,741,000	17.06%

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had any service contracts with the Group other than those which were expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN GROUP'S ASSETS OR CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors had any interest in any assets which had been since 31 December 2020 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

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

6. LITIGATION

As at the Latest Practicable Date, Solomon Financial Press Limited, a non-wholly owned subsidiary of the Company, was claimed by a former business associate for an aggregate amount of approximately HK\$1.9 million in relation to certain outstanding payments and compensations of its services with the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the member of the Group is engaged in any litigation or claim of material importance, and so far as the Directors aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group from 21 October 2019 (being the date falling two years immediately preceding 20 October 2021 (being the date of the Irrevocable Undertakings)) up to and including the Latest Practicable Date:

- (a) the Irrevocable Undertakings; and
- (b) the Underwriting Agreement.

8. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to expenses to be incurred in relation to the Share Consolidation (including without limitation professional fees and printing fees) are estimated to be approximately HK\$1.1 million and are payable by the Company.

9. EXPERT AND CONSENT

The following are the qualifications of the expert who has given its opinions, letters or advice contained in this Prospectus:

Name	Qualifications
Baker Tilly Hong Kong Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2020 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office of the Company	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong of the Company	Rooms 1703–04 World-wide House 19 Des Voeux Road Central Central, Hong Kong
Authorised Representatives of the Company	Ms. Woo Lan Ying Rooms 1703–04 World-wide House 19 Des Voeux Road Central Central, Hong Kong Mr. Luk Chi Shing Rooms 1703–04 World-wide House 19 Des Voeux Road Central Central, Hong Kong
Company Secretary of the Company	Mr. Luk Chi Shing
Auditor/Reporting Accountants of the Company	Baker Tilly Hong Kong Limited 2nd Floor, 625 King's Road North Point, Hong Kong
Principal Banker of the Company	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong

Principal Share Registrar and Transfer Office of the Company	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office of the Company	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Underwriter	Lego Securities Limited Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong
Financial Adviser to the Company	Lego Corporate Finance Limited Room 1601, 16/F, China Building, 29 Queen's Road Central Hong Kong
Legal Advisers to the Company	<i>As to Cayman Islands law</i> Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place Central, Hong Kong

11. PARTICULARS OF DIRECTORS

Executive Directors

Ms. Woo Lan Ying (“**Ms. Woo**”)
Chairman and executive Director

Ms. Woo Lan Ying, aged 53, was appointed as an executive Director on 1 December 2020 and Chairman of the Board on 30 June 2021. Ms. Woo is an entrepreneur operating various businesses, including but not limited to consultancy and entertainment business. Ms. Woo has extensive experience in corporate management and project investments. Ms. Woo also involved in a lot of charitable and community activities and was a member of the Campaign Committee of The Community Chest of Hong Kong for the year of 2018/2019.

Ms. Woo has been an executive director and vice chairman of Hing Ming Holdings Limited (Stock Code: 8425), a company listed on the GEM of the Stock Exchange, since March 2021.

Mr. Shang Ruisen (“**Mr. Shang**”)
Executive Director and Vice Chairman

Mr. Shang Ruisen, aged 55, was appointed as an executive Director and vice Chairman of the Board on 28 October 2021. Mr. Shang is a veteran entrepreneur who has invested in and operated a variety of businesses, involving in (including but not limited to) real estate development, property management and provision of other property related services, building construction and property renovation, corporate management and consulting services, promotion of corporate images and organization of culture related events, advertising design and production, etc. In addition, Mr. Shang has also provided consulting services in the above-mentioned related businesses. Mr. Shang has accumulated nearly 20 years of extensive experience in corporate management and project investments.

Mr. Luk Chi Shing (“**Mr. Luk**”)
Executive Director

Mr. Luk Chi Shing, aged 52, was appointed as an executive Director on 6 July 2021. Mr. Luk is a fellow member of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. Mr. Luk is currently the independent non-executive director of China Financial Leasing Group Limited (Stock Code: 2312), a company listed on the Main Board of the Stock Exchange and an independent non-executive director of Chinese Energy Holdings Limited (Stock Code: 8009), a company listed on GEM of the Stock Exchange. Mr. Luk had been (i) the executive director of China Pioneer Pharma Holdings Limited (Stock Code: 1345), a company listed on the Main Board of the Stock Exchange during the period from December 2019 to December 2020; and (ii) the independent non-executive director of China Saite Group Company Limited (Stock Code: 0153), a company listed on the Main Board of the Stock Exchange during the period from January 2017 to July 2019. Mr. Luk has also worked for an international audit firm and a number of other public listed companies in Hong Kong.

Mr. Luk has accumulated over 20 years of working experience in the fields of auditing, company secretary, financial accounting and management, as well as corporate merger and acquisition.

Independent non-executive Directors

Ms. Leung Shuk Lan (“**Ms. Leung**”)
Independent non-executive Director

Ms. Leung Shuk Lan, aged 63, was appointed as an independent non-executive Director on 10 April 2015. Ms. Leung had been the chairman of the executive committee of the Professional Insurance Brokers Association from 2008 to 2011. Ms. Leung is currently the chief executive of K U M Insurance Brokers Limited and Charter Management Company. Ms. Leung has accumulated over 30 years of experience in the Hong Kong insurance industry. Ms. Leung was also an

independent non-executive director of Long Success International (Holdings) Limited (a company previously listed on the GEM of the Stock Exchange) from October 2013 to February 2017.

Mr. Tang Yiu Wing (“Mr. Tang”)
Independent non-executive Director

Mr. Tang Yiu Wing, aged 54, was appointed as an independent non-executive Director on 10 April 2015. Mr. Tang obtained a Bachelor of Laws in November 1988 and a Postgraduate Certificate in Laws in June 1989 from the University of Hong Kong and a Master of Laws in Chinese and Comparative Law from the City University of Hong Kong in November 1999.

Mr. Tang is a member of the Law Society of Hong Kong and a practicing solicitor in Hong Kong and the founder and partner of Ivan Tang & Co. Mr. Tang was admitted as a solicitor of the Supreme Court of England and Wales in November 1993.

Mr. Tang has been an independent non-executive director of Goldin Financial Holdings Limited (Stock Code: 530), a company listed on the Main Board of the Stock Exchange, since September 2006; and an independent non-executive director of Universe Entertainment and Culture Group Company Limited (Stock Code: 1046), a company listed on the Main Board of the Stock Exchange, since October 2017. Mr. Tang was also an independent non-executive director of China All Nation International Holdings Group Limited (formerly known as KSL Holdings Limited) (Stock Code: 8170) from March 2017 to May 2018 and an independent non-executive director of Zhejiang United Investment Holdings Group Limited (Stock Code: 8366) from July 2017 to June 2019. Mr. Tang was also an independent non-executive director of PF Group Holdings Limited (listed on the Stock Exchange, Stock Code: 8221) from December 2020 to January 2021.

Mr. Wong Ka Shing (“Mr. Wong”)
Independent non-executive Director

Mr. Wong Ka Shing, aged 42, was appointed as an independent non-executive Director on 10 April 2015. Mr. Wong holds a Bachelor of Arts (Hon) degree in Accounting and Finance from The Leeds Metropolitan University. Mr. Wong is a member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. Mr. Wong has been an executive director of Yuk Wing Group Holdings Limited (Stock Code: 1536), a company listed on the Main Board of the Stock Exchange, from January 2019 to January 2021. Mr. Wong has been an independent non-executive director of China Supply Chain Holdings Limited (Stock Code: 3708), a company listed on the Main Board of the Stock Exchange, since October 2021. Mr. Wong was also an independent non-executive director of Long Success International (Holdings) Limited (a company previously listed on the GEM of the Stock Exchange) from October 2013 to February 2017.

Mr. Wong has extensive experience in accounting, auditing and financial management.

Business address of the Directors

The business addresses of all the Directors and chief executive officer are the same as the Company's head office and principal place of business in Hong Kong at Rooms 1703-04, World-wide House, 19 Des Voeux Road Central, Central, Hong Kong.

12. FUNCTIONS OF THE AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee (“**Audit Committee**”) of the Company consists of three independent non-executive Directors, namely Mr. Wong Ka Shing, who serves as the chairman of the Audit Committee, Ms. Leung Shuk Lan and Mr. Tang Yiu Wing. The background of each of the members of the Audit Committee are set out in the section headed “11. Particulars of Directors” in this Appendix.

The primary duties of the Audit Committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, risk management and internal control systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to the paragraph headed “9. Expert and Consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English text of this Prospectus shall prevail over the respective Chinese text in case of inconsistency.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.solomon-worldwide.com) for a period of 14 days from the date of this Prospectus:

- (a) the report from Baker Tilly Hong Kong Limited on the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (b) the material contracts referred to in the paragraph headed “7. Material Contracts” in this Appendix; and
- (c) the written consents referred to in the paragraph headed “9. Expert and Consent” in this Appendix.