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Solomon

SOLOMON WORLDWIDE HOLDINGS LIMITED

所羅門環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

THE SUBSCRIPTION

On 13 January 2023, the Subscriber entered into the Subscription Agreement with the Company, pursuant to which the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue 11,000,000 Subscription Shares at the subscription price of HK\$0.235 per Subscription Share for an aggregate consideration of HK\$2,590,000 under the General Mandate.

The Subscription Shares represent (i) approximately 5.18% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 4.93% of the issued share capital as enlarged by the issue of 11,000,000 Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date save for the issue of such Subscription Shares).

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 13 January 2023, the Subscriber entered into the Subscription Agreement with the Company, pursuant to which The Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue the 11,000,000 Subscription Shares at the subscription price of HK\$0.235 per Subscription Share for an aggregate consideration of HK\$2,590,000 under the General Mandate.

THE SUBSCRIPTION AGREEMENT

Date

13 January 2023

Parties

- (i) The Subscriber; and
- (ii) The Company, as issuer.

As at the date of this announcement, the Subscriber is beneficially interested in 10,000,000 Shares, representing approximately 4.71% of the issued share capital of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscriber and his ultimate beneficial owners are Independent Third Parties. The Subscriber is a Hong Kong merchant.

Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for 11,000,000 Subscription Shares at HK\$0.235 per Subscription Share, representing (i) approximately 5.18% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.93% of the issued share capital as enlarged by the issue of 11,000,000 Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date save for the issue of such Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$880,000.

Subscription Price

The Subscription Price of HK\$0.235 per Subscription Share represents:

- (i) a discount of approximately 16.07% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 13 January 2023, being the date of the Subscription Agreement; and

- (ii) a discount of approximately 14.23% to the average closing price of HK\$0.274 per Share as quoted on the Stock Exchange for the last five trading days up to and including 12 January 2023, being the last trading day immediately prior to the date of the Subscription Agreement.

The aggregate consideration of the Subscription is HK\$2,590,000, which will be paid in cash by the Subscriber to the Company upon Completion. The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Subscription is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to allot and issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the EGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the EGM. Accordingly, the issue of the Subscription Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorized to issue up to 42,432,000 Shares under the General Mandate. Up to the date of this announcement, no Shares has been issued under the General Mandate. Accordingly, the issue of the 11,000,000 Subscription Shares is not subject to the approval of the Shareholders.

Application for listing

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

Conditions precedent

The completion of the Subscription is conditional upon:

- (a) the GEM Listing Committee granting the listing of and permission to deal in Subscription Shares;
- (b) the warranties under the Subscription Agreement remaining true and accurate in all material respects; and

- (c) all necessary consents and approvals as may be required in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained by the Company and the Subscriber.

In the event that the conditions precedent of the Subscription Agreement shall not have been fulfilled in full on or before 5:00 p.m. on the date falling on 3 February 2023 (or such other date as the parties thereto may agree in writing), all rights, obligations and liabilities of the parties to the Subscription Agreement in relation to the Subscription shall cease and terminate and none of the parties shall have any claim against any other in respect of the Subscription save for any antecedent breaches of the Subscription Agreement.

Completion

Completion shall take place not later than the fifth Business Day immediately after the fulfillment of the conditions precedent of the Subscription Agreement (or such other later date as may be agreed between parties to the Subscription Agreement).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The gross proceeds to be raised from the Subscription will be approximately HK\$2,590,000. After taking into account the estimated expenses in relation to the Subscription, the estimated net proceeds from the Subscription will be approximately HK\$2,590,000, representing a net price of HK\$0.235 per Subscription Share. The Group intends to apply HK\$2,300,000 and HK\$290,000 for repayment of borrowings of the Group and for general working capital of the Group respectively.

The Directors consider that the Subscription represent a good opportunity to raise additional funds to meet the Group's funding needs, reduce debt by way of raising funds through equities and strengthen the shareholder base of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The following is the equity fund raising activity conducted by the Group in the past 12 months immediately preceding the date of this announcement:

Date of announcement/ prospectus	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
20 October 2021, 22 December 2021 and 14 January 2022	Rights issue on the basis of one (1) rights share for every two (2) shares held on the record date	Approximately HK\$9.3 million	(i) Approximate HK\$2.0 million for staff cost; (ii) approximately HK\$3.5 million for rental expenses; (iii) approximately HK\$2.5 million for repaying account payables; and (iv) approximately HK\$1.3 million for other daily operating expenses of the Group	Used as intended
8 April 2022	Placing of 20,800,000 new shares under general mandate	Approximately HK\$2.6 million	(i) Approximately HK\$2 million for repayment of the other borrowings of the Group; and (ii) approximately HK\$600,000 for investments in potential new projects to be identified by the Group in the future	(i) Approximately HK\$2 million for repayment of the other borrowings of the Group; and (ii) approximately HK\$600,000 for general working capital of the Group
8 July 2022	Placing of 35,360,000 new shares under general mandate	Approximately HK\$4.1 million	(i) approximately HK\$1.2 million for repayment of borrowings of the Group; and (ii) approximately HK\$2.9 million to be used for general working capital of the Group and/or for investments in potential new projects to be identified by the Group in the future	Used as intended

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Subscription (assuming the Subscription Shares are placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription) are set out as below:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
Mr. Fang Jinhua	26,611,500	12.54	26,611,500	11.92
Ms. Woo Lan Ying (<i>Note 1</i>)	15,375,000	7.25	15,375,000	6.89
Public Shareholders				
The Subscriber	10,000,000	4.71	21,000,000	9.41
Other public Shareholders	<u>160,173,500</u>	<u>75.50</u>	<u>160,173,500</u>	<u>71.78</u>
Total	<u>212,160,000</u>	<u>100</u>	<u>223,160,000</u>	<u>100</u>

Note:

1. Ms. Woo Lan Ying is an executive Director.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors from time to time
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Solomon Worldwide Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8133)
“Completion”	Completion of the subscription of the Subscription Shares
“Completion Date”	the date not later than the fifth Business Day immediately after the fulfillment of the conditions precedent to the Subscription Agreement or such later date as to parties hereto may agree
“Director(s)”	director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company held on 17 November 2022 to approve the General Mandate
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the EGM to allot, issue and deal with up to 42,432,000 new Shares, being 20% of the shares then in issue of the capital of the Company as at the date of the EGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People Republic of China
“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

“Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Li Kwok Fan
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement under the General Mandate
“Subscription Agreement”	the subscription agreement dated 13 January 2023 and entered into between the Subscriber and the Company in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.235 per Subscription Share
“Subscription Shares”	11,000,000 Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent.

By order of the Board
Solomon Worldwide Holdings Limited
Woo Lan Ying
Chairman

Hong Kong, 13 January 2023

As at the date of this announcement, the executive Directors are Ms. Woo Lan Ying and Mr. Shang Ruisen, and the independent non-executive Directors are Ms. Leung Shuk Lan, Ms. Yuen Wai Man and Mr. Au Sui Keung Albert.

This announcement, 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 regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.solomon-worldwide.com.