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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)

DISCLOSEABLE TRANSACTION: DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On 19 May 2023 (after trading hours of the Stock Exchange), the Company entered into the Disposal Agreement with the Purchaser in relation to the Disposal, pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Share, representing the 75% equity interest in the Target Company at a Disposal Consideration of HK\$75,000.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will not be consolidated into the Company's financial statements.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are above 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board wishes to announce that after trading hours on 19 May 2023, the Company and the Purchaser entered into the Disposal Agreement in respect of the Disposal.

The principal terms of the Disposal Agreement are set out below:

THE DISPOSAL AGREEMENT

Date: 19 May 2023

Parties: (i) Purchaser: An individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party. The Purchaser is a merchant.

(ii) Vendor: The Company who currently owns 75% equity interest in the Target Company

Assets to be disposed of

Pursuant to the Disposal Agreement, the Purchaser agreed to purchase and the Company agreed to sell:

(i) the Sale Share, representing the 75% issued share capital of the Target Company, free from all encumbrances and together with all rights and benefits attaching thereto at any time on or after the date of Completion.

Consideration

The Disposal Consideration payable by the Purchaser for the Sale Share is HK\$75,000, which will be settled by the Purchaser to the Company in cash upon signing of the Disposal Agreement (the "**Completion**"). The Group intends to apply the Disposal Consideration for general working capital of the Group.

The Disposal Consideration was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into consideration of various factors, including (i) the financial performance of the Target Group; (ii) the net liabilities position of the Target Group as at 31 March 2023 and (iii) the future prospect of the business of the Target Group.

The Directors consider that the terms and conditions of the Disposal Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

The Disposal Agreement is unconditional and Completion took place simultaneously upon signing of the Disposal Agreement. Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will not be consolidated into the Company's financial statements.

INFORMATION ON THE TARGET GROUP

Immediately before Completion, the Company owned 75% equity interest in the Target Company. The Target Company is incorporated on 12 June 2017 and principally engaged in investment holding. The Target Group is principally engaged in the provision of financial printing services in Hong Kong (the “**Financial Printing Business**”).

Set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2021 and 2022 which has been prepared in accordance with the generally accepted accounting principles in Hong Kong:

Financial Information

	For the year ended 31 December 2021 (unaudited)	For the year ended 31 December 2022 (unaudited)
Revenue	HK\$35,633,000	HK\$12,480,000
Loss before tax for the year	HK\$8,602,000	HK\$7,878,000
Loss after tax for the year	HK\$8,602,000	HK\$7,878,000

The unaudited net liabilities of the Target Group amounted to approximately HK\$8,789,000 as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in the manufacturing of metal casting parts and components in the PRC and provision of financial printing services in Hong Kong.

As disclosed in the Announcement, the Target Group recorded a loss before tax of HK\$8.6 million and HK\$7.9 million for the year ended 31 December 2021 and 31 December 2022, respectively. The revenue of the Target Group dropped from approximately HK\$35.6 million for the year ended 31 December 2021 to approximately HK\$12.5 million for the year ended 31 December 2022, representing a significant decrease of approximately 64.9%. The continuous loss-making position and significant decrease in revenue were mainly attributable to the outbreak of COVID-19 pandemic as various restrictions were imposed on the travelling to and from Hong Kong and this directly affected the number of financial printing jobs for IPO projects of the Financial Printing Business. During the year ended 31 December 2022 in light of the weak performance of the Financial Printing Business, the Group has devoted tremendous management time and efforts on the Financial Printing Business with the hope to turnaround its performance. Despite various cost control measures and strategies have been implemented, no significant improvements were noted

in 2022 and the first quarter of 2023. Although the COVID-19 pandemic started relief in Hong Kong and Mainland China in February 2023, various restrictions were imposed on the travelling to and from Hong Kong were relieved but still affected the market of Financial Printing Business due to the aftermath of COVID-19 pandemic on the macroeconomic environment. The Group expects that such unfavorable and uncertain market conditions in the Financial Printing Business shall persist for a period of time.

Given (i) the continuous loss-making position of the Target Group; (ii) the significant decrease in revenue of the Target Group; (iii) the liabilities of the Target Group exceeded its assets as at 31 March 2023; and (iv) the unfavorable and uncertain market conditions in the Financial Printing Business faced by the Target Group, the Company considers that the Target Group is not likely to change the loss-making position and the Disposal can prevent the Group from suffering further losses and cash outflow for the non-performing Financial Printing Business and it is a good opportunity for the Company to streamline the Group's structure and better utilize the Company's financial resources.

Based on the above, the Directors consider that the terms of the Disposal Agreement (including the Disposal Consideration) are on normal commercial terms, and fair and reasonable, and that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

After taking into account the Disposal Consideration, net carrying amount of the assets and liabilities of the Target Group as at the date of the Disposal Agreement, the related transaction costs, it is estimated that a gain of approximately HK\$6,879,000 will be recorded by the Group. The Directors do not anticipate that the Completion of the Disposal will have a significant effect on the business and performance of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but exempted from Shareholders' approval under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of the Directors
“BVI”	the British Virgin Islands
“Company”	Solomon Worldwide Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of 75% equity interest in the Target Company under the Disposal Agreement
“Disposal Agreement”	the Disposal Agreement dated 19 May 2023 and entered into between the Company and Purchaser in relation to the Disposal
“Disposal Consideration”	the consideration of HK\$75,000 payable by the Purchaser to the Company pursuant to the Disposal Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not Connected Persons of the Company and are third parties independent of the Company and its Connected persons in accordance with the GEM Listing Rules
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Mr. Fok Wai Yin, an individual who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party
“Sale Share”	37,500 shares of US\$2.00 each in the share capital of the Target Company, representing the 75% issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Solomon Holdings Group Limited, an investment holding company incorporated in the British Virgin Island with limited liability, which the Company direct owned 75% equity interest as at the date of this announcement before the Completion
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 19 May 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.