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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)

- (I) PROPOSED SHARE CONSOLIDATION;**
- (II) PROPOSED CHANGE IN BOARD LOT SIZE;**
- (III) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE; AND**
- (IV) MAJOR TRANSACTION IN RELATION TO CAPITAL INCREASE IN JOINT VENTURE COMPANIES**

Financial adviser to the Company

 **Lego Corporate
Finance Limited**
力高企業融資有限公司

Underwriter

 **Lego Securities Limited**
力高證券有限公司

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.08 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.8 each. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,250,000,000 authorised shares of HK\$0.08 each, of which 254,560,000 Existing Shares have been issued and are fully paid or credited as fully-paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no further Shares will be issued or repurchased from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$100,000,000 divided into 125,000,000 Consolidated Shares of HK\$0.8 each, of which 25,456,000 Consolidated Shares (which are fully paid or credited as fully-paid) will be in issue.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. The Board also proposes to change the board lot size for trading from 10,000 Existing Shares to 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

PROPOSED RIGHTS ISSUE

Upon the Share Consolidation becoming effective, the Company proposes to raise gross proceeds of approximately HK\$10.2 million (assuming there is no change in the number of Consolidated Shares in issue on or before the Record Date), before expenses, by way of the Rights Issue of up to 12,728,000 Rights Shares to the Qualifying Shareholders at a Subscription Price of HK\$0.8 per Rights Share on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds from the Rights Issue will be approximately HK\$9.0 million after deduction of all estimated expenses (equivalent to a net price of approximately HK\$0.71 per Rights Share). The Company intends to use the net proceeds from the Rights Issue for (i) capital contribution to the JV Companies; (ii) investments in other business opportunities to be identified by the Group from time to time; and (iii) general working capital of the Group. Details of the use of the net proceeds from the Rights Issue are set out in the section headed “Reasons for the Rights Issue and the use of proceeds” in this announcement.

THE IRREVOCABLE UNDERTAKING

As at the date of this announcement, Ms. Woo is interested in 15,375,000 Existing Shares, representing approximately 6.04% of the issued Existing Shares. Pursuant to the Irrevocable Undertaking, (i) Ms. Woo has undertaken to the Company that she will subscribe for 768,750 Rights Shares, which comprise the full acceptance of her provisional entitlement in respect of 1,537,500 Consolidated Shares held by her (upon effective of the Share Consolidation); and (ii) Ms. Woo will not dispose of 1,537,500 Consolidated Shares (upon effective of the Share Consolidation), representing the shareholding in the Company owned by her and such Consolidated Shares will remain beneficially owned by her 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.

Save for the Irrevocable Undertaking, 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 date of this announcement.

UNDERWRITING ARRANGEMENT

On 5 June 2023 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter has agreed to procure, on a best effort basis, the subscription (but will not itself subscribe) for any unsubscribed Rights Shares (other than the Undertaking Rights Shares to be subscribed by Ms. Woo pursuant to the Irrevocable Undertaking) subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein.

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 Undertaking, it is anticipated that at least 768,750 Rights Shares will be taken up.

In the event that 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 7 July 2023 to Wednesday, 12 July 2023 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

The register of members of the Company will be closed from Wednesday, 19 July 2023 to Tuesday, 25 July 2023 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

CAPITAL INCREASE IN JOINT VENTURE COMPANIES

Reference is made to the voluntary announcement of the Company dated 20 January 2023 in relation to, among others, the formation of JV Companies. The Board is pleased to announce that on 5 June 2023, the Company entered into the Supplemental JV Agreement with the JV Partner in relation to increasing the aggregate capital contribution to the JV Companies from HK\$2,000,000 to HK\$30,000,000.

GEM LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued Shares and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 10.29(1) of the GEM Listing Rules. The Rights Issue does not result in a theoretical dilution effect of 25% or more of its own.

As the JV Agreement and the Supplemental JV Agreement were entered into by the Company and the JV Partner and took place within a 12-month period, the transactions thereunder shall be aggregated as a single series of transactions pursuant to Rule 20.79 of the GEM Listing Rules. As one or more of the percentage ratios (as defined in the GEM Listing Rules) applicable to the Company's commitment exceeds 25% but are all less than 100%, the Capital Increase constitutes, on a standalone basis and upon aggregation with the transactions in respect of formation of JV Companies under the JV Agreement, a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As of the date of this announcement, JV Company I and JV Company II are insignificant subsidiaries of the Company. As the JV Partner holds 49% equity interest in each of JV Company I and JV Company II as of the date of this announcement, he is a substantial shareholder of insignificant subsidiaries of the Company, and therefore notwithstanding the JV Partner's interest in JV Company I and JV Company II, the JV Partner is not regarded as a connected person of the Company pursuant to Rule 20.08 of the GEM Listing Rules. Therefore, the Capital Increase does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules.

Save for aforesaid, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules).

GENERAL

Each of the Share Consolidation and the Capital Increase is conditional upon, among other things, the approval of Shareholders at the EGM.

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation and the Supplemental JV Agreement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolutions in relation to the Share Consolidation and the Supplemental JV Agreement.

The Circular containing, among other things, further details of (i) the Share Consolidation and the Change in Board Lot Size; (ii) the Supplemental JV Agreement; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 27 June 2023.

The Prospectus containing, among other things, details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on the Posting Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. A copy of the Prospectus will also be made available on the websites of the Company (www.solomon-worldwide.com) and the Stock Exchange (www.hkexnews.hk). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Non-Qualifying Shareholders for their information only but will not send any PAL or EAF to them.

WARNING OF THE RISKS OF DEALING IN 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 “Underwriting Arrangement — Termination of the Underwriting Agreement” in this announcement for further details. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 17 July 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 28 July 2023 to Friday, 4 August 2023 (both dates inclusive).

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form 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 form are recommended to consult their professional advisers.

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

Proposed Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.08 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.8 each. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,250,000,000 authorised shares of HK\$0.08 each, of which 254,560,000 Existing Shares have been issued and are fully paid or credited as fully-paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no further Shares will be issued or repurchased from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$100,000,000 divided into 125,000,000 Consolidated Shares of HK\$0.8 each, of which 25,456,000 Consolidated Shares (which are fully paid or credited as fully-paid) will be in issue.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the EGM;
- (b) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on Friday, 14 July 2023, being the third Business Day immediately following the fulfillment of the above conditions.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in the same class in accordance with the Articles of Association. The Share Consolidation will not result in any change in the relative rights or proportionate interests of the holders of shares of the same class. Other than the expenses to be incurred in relation to the Share Consolidation (including without limitation professional fees and printing fees), the implementation thereof will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the holders of shares of the same class, save for any fractional Consolidated Shares which may arise.

Application for listing of the Consolidated Shares

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the approval of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date 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 settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Proposed Change in Board Lot Size

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. The Board also proposes to change the board lot size for trading from 10,000 Existing Shares to 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.101 per Existing Share (equivalent to HK\$1.01 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the board lot value of the existing board lot of 10,000 Existing Shares each is HK\$1,010; and the board lot value of the proposed board lot of 2,000 Consolidated Shares each is HK\$2,020. The Change in Board Lot Size will not, by itself, affect any of the rights of Shareholders.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on Friday, 14 July 2023, the Shareholders may, during a period between Friday, 14 July 2023 and Monday, 21 August 2023 (both dates inclusive), submit existing share certificates for the Existing Shares, which is in purple colour, to the Registrar, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares, which will be in pink colour. It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Thereafter, the existing share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate for the Consolidated Shares to be issued or each existing share certificate for the Existing Shares cancelled, whichever the number of certificates issued or cancelled is higher.

Subject to the Share Consolidation becoming effective, the existing share certificate will only be valid for delivery, trading and settlement purposes for the period up to Monday, 21 August 2023, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificate for the Existing Shares will continue to be good evidence of title to the Consolidated Shares on the basis of ten (10) Existing Shares for one (1) Consolidated Share. Nevertheless, the existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time at the expense of the Shareholders but will not be accepted for delivery, trading and settlement purposes.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

Fractional Consolidated Shares

Fractional Consolidated Shares (if any) arising from the Share Consolidation will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold if possible, for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

Reasons for the Share Consolidation and the Change in Board Lot Size

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, (i) the market price of the shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. As at the date of this announcement, the closing price of each Existing Share was HK\$0.101 and, with a board lot size of 10,000 Existing Shares, the existing board lot value was only HK\$1,010, which was less than HK\$2,000.

It is expected that the Share Consolidation will increase the nominal value of the Existing Shares and would bring about a corresponding upward adjustment in the trading price per Consolidated Share, hence, upon the Share Consolidation becoming effective, the theoretical share price of the Company would be adjusted to HK\$1.01 per Consolidated Share (based on the closing price of HK\$0.101 per Existing Share as at the date of this announcement) and, with a board lot size of 2,000 Consolidated Shares, the new board lot value would be HK\$2,020, which would be more than the required HK\$2,000.

The Company has considered other alternative ratios for the Share Consolidation and the Change in Board Lot Size and has proposed the Share Consolidation ratio (i.e. every 10 Existing Shares into 1 Consolidated Share) and the Change in Board Lot Size after taking into account (i) the recent fluctuation in the trading price of the Shares; (ii) the negative impact arising from the creation of odd lots; and (iii) that the Company aimed to adjust the market price of the Shares to above HK\$1.0 which the Company believes would enhance the corporate image of the Company and make investing in the Shares more attractive to a broader range of investors, particularly the institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus further broadening the shareholder base of the Company and facilitate future fund-raising exercises. Based on the existing board lot size of 10,000 Shares, the board lot value would be HK\$10,100 (based on the adjusted share price of the Company of HK\$1.01, being the closing price of HK\$0.101 per Existing Shares as at the date of this announcement as adjusted by the Share Consolidation), which is considered too high according to market norm. Taking into account of the average closing price per Consolidated 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\$1.438, assuming Share Consolidation has become effective, the Share Consolidation ratio and the Change in Board Lot Size is the smallest ratio that would adjust the trading price of the Shares to above HK\$1.0 and the value of each board lot to above HK\$2,000 while minimising the creation of odd lots. The new size of board lot would make the Shares more marketable and suitable for trading by existing Shareholders and potential investors. Accordingly, the Board considers that the Share Consolidation ratio and the Change in Board Lot Size is an appropriate ratio to facilitate the Company’s future possible fund-raising activities and at the same time to avoid the occurrence of non-compliance with the trading requirements under the GEM Listing Rules.

Furthermore, the Board believes that the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. In addition, despite odd lot shares may be created as a result of the Share Consolidation and the Change in Board Lot Size, the Board considers that it would maintain the trading amount for each board lot at a reasonable level which increases the attractiveness in investing the Shares from a broader range of investors, in particular to institutional investors, whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus would help to further broaden the shareholder base of the Company.

On the above basis, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

PROPOSED RIGHTS ISSUE

Upon the Share Consolidation becoming effective, the Company proposes to raise gross proceeds of approximately HK\$10.2 million, before expenses, by way of the Rights Issue of up to 12,728,000 Rights Shares to the Qualifying Shareholders at a Subscription Price of HK\$0.8 per Rights Share on the basis of one (1) Rights Share for every two (2) Consolidated 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 11,959,250 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Consolidated Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Ms. Woo pursuant to the Irrevocable Undertaking. 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\$0.6 million (assuming no change in the number of Consolidated 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\$10.2 million (assuming no change in the number of Consolidated 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) Consolidated Shares held by the Shareholders on the Record Date
Subscription Price	: HK\$0.8 per Rights Share
Number of Shares in issue as at the date of this announcement	: 254,560,000 Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	: 25,456,000
Number of Rights Shares to be issued under the Rights Issue	: Up to 12,728,000 Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Undertaking Rights Shares	: 768,750 Rights Shares, being the number of Rights Shares undertaken to be subscribed by Ms. Woo under the Irrevocable Undertaking
Aggregate nominal value of the Rights Shares	: Up to HK\$10,182,400 (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Total number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares	: Up to 38,184,000 Consolidated Shares (assuming no change in the number of Consolidated 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\$0.6 million (assuming no change in the number of Consolidated 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\$10.2 million (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and all the Rights Shares will be taken up)

Under the Rights Issue, the maximum 12,728,000 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the number of Consolidated Shares in issue upon the Share Consolidation becomes effective and approximately 33.3% of the number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Consolidated 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 date of this announcement, 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.

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 Undertaking given by Ms. Woo, it is anticipated that at least 768,750 Rights Shares will be taken up. In the event that 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\$0.8 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 20.8% to the closing price of HK\$1.01 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day, assuming Share Consolidation has become effective;
- (ii) a discount of approximately 21.9% to the average closing price per Consolidated Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.024, assuming Share Consolidation has become effective;

- (iii) a discount of approximately 27.7% to the average closing price per Consolidated 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\$1.106, assuming Share Consolidation has become effective;
- (iv) a discount of approximately 44.4% to the average closing price per Consolidated 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\$1.438, assuming Share Consolidation has become effective;
- (v) a discount of approximately 15.8% to the theoretical ex-entitlement price of approximately HK\$0.95 per Share based on the closing price of HK\$1.01 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 7.3% represented by the theoretical diluted price of approximately HK\$0.95 to the benchmarked price of approximately HK\$1.024 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\$0.101 per Share and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of this announcement); and
- (vii) a premium of approximately 66.7% over the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 of approximately HK\$0.48 per Consolidated Share calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$12,161,000 as at 31 December 2022 as set out in the annual report of the Company for the year ended 31 December 2022 and 25,456,000 Consolidated Shares in issue as at the date of this announcement, assuming the Share Consolidation became effective on 31 December 2022.

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; and (iii) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Reasons for the Rights Issue and the use of proceeds” in this announcement. The Directors consider that the Subscription Price at a discount to the current market price of the Shares 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 on commercial terms, 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\$0.71 per Rights Share.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Consolidated 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.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

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 may 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, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Tuesday, 18 July 2023.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Wednesday, 26 July 2023.

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).

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

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 Directors will make enquiries regarding the legality and feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholder(s). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Non-Qualifying Shareholders for their information only on the Posting Date, but will not send any PAL and 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. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of 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.

Based on the register of members of the Company, as at the date of this announcement, there were a total of three Overseas Shareholders, whose addresses were located in the PRC.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries to be made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, such Overseas Shareholders and beneficial owners of the Shares should exercise caution when dealing in the Shares.

Status of the Rights Shares

When allotted and fully paid, each Rights Share will have a nominal value of HK\$0.8. 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.

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 form; and (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form.

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 Wednesday, 9 August 2023.

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.

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owners prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

For those investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) and would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Tuesday, 18 July 2023.

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.

Application for listing

The Company will apply 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 will be traded in board lots of 2,000 Shares.

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, 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 Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Thursday, 17 August 2023. If the Rights Issue does not proceed, refund cheques will be posted on or before Thursday, 17 August 2023 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be despatched on or before Thursday, 17 August 2023 to the applicants without interest at their registered addresses by ordinary post at their own risk.

The Irrevocable Undertaking

As at the date of this announcement, Ms. Woo is interested in 15,375,000 Existing Shares, representing approximately 6.04% of the issued Existing Shares. Pursuant to the Irrevocable Undertaking, (i) Ms. Woo has undertaken to the Company that she will subscribe for 768,750 Rights Shares, which comprise the full acceptance of her provisional entitlement in respect of 1,537,500 Consolidated Shares held by her (upon effective of the Share Consolidation); and (ii) Ms. Woo will not dispose of 1,537,500 Consolidated Shares (upon effective of the Share Consolidation), representing the shareholding in the Company owned by her and such Consolidated Shares will remain beneficially owned by her 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. Ms. Woo confirmed that she intends to apply for excess Rights Shares.

Save for the Irrevocable Undertaking, 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 date of this announcement.

Underwriting Arrangement

On 5 June 2023 (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 11,959,250 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Consolidated Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Ms. Woo pursuant to the Irrevocable Undertaking.

The total funds to be raised will not be less than approximately HK\$0.6 million (assuming no change in the number of Consolidated 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\$10.2 million (assuming no change in the number of Consolidated 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 : 5 June 2023 (after trading hours)

Underwriter : Lego Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO.

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 11,959,250 Rights Shares, being the maximum total number of Rights Shares issuable (assuming no change in the number of Consolidated Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Ms. Woo pursuant to the Irrevocable Undertaking.
- 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 similar transactions. The Directors consider that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable and in the interests 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.

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 two 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 by the Prospectus 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) 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;
- (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 the undertaking and obligation of Ms. Woo or any of her nominee(s), under the Irrevocable Undertaking;
- (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 announcement, none of the conditions has 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 Group 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 Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Group 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.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 19 July 2023 to Tuesday, 25 July 2023 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

Expected Timetable for (i) proposed Share Consolidation; (ii) proposed Change in Board Lot Size; and (iii) proposed Rights Issue

Set out below is the expected timetable:

Events	Hong Kong Date and Time
Publication of this announcement	Monday, 5 June 2023
Expected despatch date of the circular, proxy form and notice of the EGM	Tuesday, 27 June 2023
Latest time for lodging transfer documents of the Shares in order to be qualified for attendance and voting at the EGM	4:30 p.m. on Thursday, 6 July 2023
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM	Friday, 7 July 2023 to Wednesday, 12 July 2023 (both dates inclusive)
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	10:30 a.m. on Monday, 10 July 2023
Record date for determining attendance and voting at the EGM	Wednesday, 12 July 2023
Expected date and time of EGM	10:30 a.m. on Wednesday, 12 July 2023
Announcement of the poll result of the EGM	Wednesday, 12 July 2023
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and Change in Board Lot Size:	
Effective date of the Share Consolidation	Friday, 14 July 2023
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 14 July 2023
Last day of dealings in the Consolidated Shares on a cum-rights basis relating to the Rights Issue	Friday, 14 July 2023

Events	Hong Kong Date and Time
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Friday, 14 July 2023
Original counter for trading in Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 14 July 2023
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens.	9:00 a.m. Friday, 14 July 2023
First day of dealings in the Consolidated Shares on an ex-rights basis relating to the Rights Issue.	Monday, 17 July 2023
Latest time for the Shareholders to lodge transfer documents of the Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m. on Tuesday, 18 July 2023
Closure of register of members to determine the eligibility of the Rights Issue	Wednesday, 19 July 2023 to Tuesday, 25 July 2023 (both dates inclusive)
Record date for the Rights Issue	Tuesday, 25 July 2023
Despatch of the Prospectus Documents (including the PAL, EAF and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 26 July 2023
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) reopens	Friday, 28 July 2023
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences.	Friday, 28 July 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Friday, 28 July 2023
First day of dealings in nil-paid Rights Share	Friday, 28 July 2023

Events	Hong Kong Date and Time
Latest time for splitting the PAL	4:30 p.m. Tuesday, 1 August 2023
Last day of dealings in nil-paid Rights Shares	Friday, 4 August 2023
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 9 August 2023
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:30 p.m. on Thursday, 10 August 2023
Announcement of allotment results of the Rights Issue	Wednesday, 16 August 2023
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 17 August 2023
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes.....	4:10 p.m. on Thursday, 17 August 2023
Parallel trading in Consolidated Shares (represented by both existing share certificates and new share certificates) ends.....	4:10 p.m. on Thursday, 17 August 2023
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any) for wholly and partially unsuccessful excess applications to be posted.....	Thursday, 17 August 2023
Commencement of dealings in fully-paid Rights Shares.....	Friday, 18 August 2023
Latest time for free exchange of existing share certificates for new share certificates.....	Monday, 21 August 2023

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Effect of bad weather 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 and payment for excess Rights Shares 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 Wednesday, 9 August 2023, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

Reasons for the Rights Issue and the 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 Consolidated Shares in issue on or before the Record Date and all the Rights Shares will be taken up, the gross proceeds from the Rights Issue will be approximately HK\$10.2 million and the estimated net proceeds from the Rights Issue, after deducting the related expense, will be approximately HK\$9.0 million (equivalent to a net price of approximately HK\$0.71 per Rights Share). The Company intends to apply the net proceeds from the Rights Issue of (i) approximately HK\$2.25 million for capital contribution to the JV Companies; (ii) approximately HK\$2.25 million for investments in other business opportunities to be identified by the Group from time to time; and (iii) approximately HK\$4.5 million for general working capital of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that 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 levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. Assuming the Rights Issue is undersubscribed, except for those Rights Shares to be provisionally allotted to Ms. Woo, the amount of gross proceeds will be approximately HK\$0.6 million.

As at 31 December 2022, the Group had cash and cash equivalents of approximately HK\$2.8 million. Considering that 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\$74.9 million, HK\$56.1 million and HK\$34.3 million for the year ended 31 December 2022, respectively, the Directors consider that the cash level on hand is insufficient for the size of the Group's operation. In view of the challenging operating environment, the Company considers it appropriate to maintain a healthy cash level to meet the Group's general working capital requirements in addition to the development in the JV Companies and other business opportunities. 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 date of this announcement, 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 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 in this regard in accordance with the GEM Listing Rules as and when appropriate.

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 proposed Share Consolidation and Rights Issue which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue; (iii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iv) immediately after completion of the Rights Issue, assuming nil acceptance by the Shareholders (except the Undertaking Rights Shares); and (v) immediately after completion of the Share Consolidation and 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 date of this announcement		(ii) Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue		(iii) Assuming all Shareholders take up their respective allotment of Rights Shares in full		(iv) Assuming no Shareholders take up any of the Rights Shares (except the Undertaking Rights Shares)		(v) 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 Existing Shares</i>	<i>Approx.% (Note 3)</i>	<i>No. of Consolidated Shares</i>	<i>Approx.% (Note 3)</i>	<i>No. of Consolidated Shares</i>	<i>Approx.% (Note 3)</i>	<i>No. of Consolidated Shares</i>	<i>Approx.% (Note 3)</i>	<i>No. of Consolidated Shares</i>	<i>Approx.% (Note 3)</i>
Fang Jinhua	26,611,500	10.45	2,661,150	10.45	3,991,725	10.45	2,661,150	10.15	2,661,150	6.97
Woo Lan Ying (Note 1)	15,375,000	6.04	1,537,500	6.04	2,306,250	6.04	2,306,250	8.79	2,306,250	6.04
Underwriter (Note 2)	—	—	—	—	—	—	—	—	11,959,250	31.32
Public Shareholders (Note 4)	212,573,500	83.51	21,257,350	83.51	31,886,025	83.51	21,257,350	81.06	21,257,350	55.67
Total	254,560,000	100.00%	25,456,000	100.00%	38,184,000	100.00%	26,224,750	100.00%	38,184,000	100.00%

Notes:

1. Ms. Woo has given an undertaking to take up the Rights Shares provisionally allotted to her pursuant to the Irrevocable Undertaking.
2. 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 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

Save as set out below, the Company had not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
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
13 January 2023	Subscription of 11,000,000 new shares under general mandate	Approximately HK\$2.6 million	(i) approximately HK\$2.3 million for repayment of borrowings of the Group; and (ii) approximately HK\$0.3 million to be used for general working capital of the Group	Used as intended
29 March 2023	Subscription of 31,400,000 new shares under general mandate	Approximately HK\$3.5 million	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

CAPITAL INCREASE IN JOINT VENTURE COMPANIES

Reference is made to the voluntary announcement of the Company dated 20 January 2023 in relation to, among others, the formation of JV Companies. The Board is pleased to announce that on 5 June 2023, the Company entered into the Supplemental JV Agreement with the JV Partner in relation to increasing the aggregate capital contribution to the JV Companies.

Principal terms of the JV Agreement (as amended and supplemented by the Supplemental JV Agreement)

Date

5 June 2023

Parties

- (1) the Company; and
- (2) the JV Partner

Capital commitment

Pursuant to the Supplemental JV Agreement, the Company and the JV Partner agreed to contribute on a pro rata basis, by way of cash, up to HK\$15,300,000 and HK\$14,700,000, respectively, to the JV Companies such that the Company and the JV Partner will hold 51% and 49% equity interest in each of the JV Companies, respectively. The maximum capital contribution to each of the JV Companies is set out below.

JV Companies	Maximum capital to be contributed
JV Company I	HK\$28,000,000
JV Company II	HK\$1,000,000
JV Company III	HK\$1,000,000

The Company and the JV Partner may revise the above capital contribution allocation between the JV Companies in writing in future but the total capital contribution to the JV Companies shall not be more than HK\$30,000,000 in any event. Such contribution shall be settled within 10 years from the effective date of the Supplemental JV Agreement. In the event of re-allocation of capital contribution between the JV Companies, the Company and the JV Partner shall contribute capital to each of the JV Companies in the ratio of 51:49 such that the Company and the JV Partner will continue to hold 51% and 49% equity interest in each of the JV Companies, respectively.

Each of the JV Companies will become a non-wholly-owned subsidiary of the Company. Accordingly, the financial results of the JV Companies will be consolidated into the consolidated financial statements of the Group.

R19.58 (6)

The amount of capital contribution was determined after arm's length negotiations between the Company and the JV Partner with reference to the capital requirements for potential business plans of the JV Companies. The Group's share of the capital contribution shall be partly funded by the portion of the net proceeds from the Rights Issue as mentioned in the section headed "Reasons for the Rights Issue and the use of proceeds" above and partly by internal resources and/or other external financing, as and when appropriate.

Principal business of the JV Companies

The JV Companies shall engage including but not limited to cultural industries and catering service from brand licensing in Hong Kong, the PRC and overseas. JV Company I, JV Company II and JV Company III will be responsible for the PRC market, overseas market and Hong Kong market, respectively.

As at the date of this announcement, JV Company I and JV Company II have not yet commenced business operations, while JV Company III will be established in accordance with the JV Agreement.

Distribution

Any profit sharing or distribution of each of the JV Companies shall be determined by the board of directors of each of the JV Companies and shall be distributed to the Company and the JV Partner in proportion to their respective equity interest in each of the JV Companies.

Board structure of the JV Companies

The board of directors of each of the JV Companies shall comprise two members, of which one will be nominated by the Company and one will be nominated by the JV Partner. The chairman of the board of directors of each JV Companies shall be the director nominated by the Company and shall have the decisive vote of the board of directors. The board of directors shall be responsible for the operation of the JV Companies.

Conditions precedent

The Supplemental JV Agreement will be subject to the Company having obtained the approval from the Shareholders at a general meeting to approve the Supplemental JV Agreement and the transactions contemplated thereunder.

In the event of the above condition not having been satisfied by 5:00 p.m. (Hong Kong time) on or before 30 September 2023 (or such other date as agreed by both parties in writing), all obligations of the parties under the Supplemental JV Agreement will cease and determine and no party will have any claim against any other party save for any antecedent breach of any obligation under the Supplemental JV Agreement.

Save as disclosed above, all other material terms and conditions of the JV Agreement as disclosed in the announcement of the Company dated 20 January 2023 remain unchanged and shall continue in full force and effect.

Information on the JV Partner

The JV Partner, aged 45, is a PRC merchant. The JV Partner has years of experience in property development and property management in the PRC. The JV Partner is familiar with corporate management, marketing and business development.

Reasons for and benefits of entering into the Supplemental JV Agreement

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.

As disclosed in the first quarterly report of the Company for the three months ended 31 March 2023, the increase in revenue of the metal casting business had almost been offset by the increase in costs of raw materials and there are no significant improvements in the financial printing business due to the challenges posed by the continued outbreak of the COVID-19 pandemic. Consequently, the Group is actively identifying and exploiting new business opportunities when they arise, in order to develop a new source of income and diversify its business operations.

It is expected that the formation of the JV Companies could potentially lead to more business opportunities for the Group and enable both the Group and the JV Partner to leverage on their respective strengths, resources and/or expertise for the business development in the cultural industries and catering service on brand licensing in Hong Kong, the PRC and overseas. The formation of the JV Companies will enhance the corporate development of the Group which will be in the best interests of the Company and its shareholders as a whole. The capital to be contributed by the Company and the JV Partners under the Supplemental JV Agreement is expected to be used for working capital of the JV Companies, such as selling and marketing expenses, rental expenses, payroll, capital expenses and other general expenses. The increase in capital contribution to the JV Companies is expected to enhance the capital structure of the JV Companies for them to meet their operational and expansion needs.

The Directors (including the independent non-executive Directors) consider that the Supplemental JV Agreement was entered into on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued Shares and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 10.29(1) of the GEM Listing Rules. The Rights Issue does not result in a theoretical dilution effect of 25% or more of its own.

As the JV Agreement and the Supplemental JV Agreement were entered into by the Company and the JV Partner and took place within a 12-month period, the transactions thereunder shall be aggregated as a single series of transactions pursuant to Rule 20.79 of the GEM Listing Rules. As one or more of the percentage ratios (as defined in the GEM Listing Rules) applicable to the Company's commitment exceeds 25% but are all less than 100%, the Capital Increase constitutes, on a standalone basis and upon aggregation with the transactions in respect of formation of JV Companies under the JV Agreement, a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As of the date of this announcement, JV Company I and JV Company II are insignificant subsidiaries of the Company. As the JV Partner holds 49% equity interest in each of JV Company I and JV Company II as of the date of this announcement, he is a substantial shareholder of insignificant subsidiaries of the Company, and therefore notwithstanding the JV Partner's interest in JV Company I and JV Company II, the JV Partner is not regarded as a connected person of the Company pursuant to Rule 20.08 of the GEM Listing Rules. Therefore, the Capital Increase does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules.

Save for aforesaid, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules).

GENERAL

Each of the Share Consolidation and the Capital Increase is conditional upon, among other things, the approval of Shareholders at the EGM.

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation and the Supplemental JV Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions in relation to the Share Consolidation and the Supplemental JV Agreement to be proposed at the EGM.

The register of members of the Company will be closed from Friday, 7 July 2023 to Wednesday, 12 July 2023 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

The Circular containing, among other things, further details of (i) the Share Consolidation and the Change in Board Lot Size; (ii) the Supplemental JV Agreement; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 27 June 2023.

The Shareholders and potential investors should note that the Share Consolidation is conditional upon of satisfaction of the conditions as set out above and the Change in Board Lot Size and the Rights Issue are conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation, the Change in Board Lot Size and the Rights Issue may or may not proceed.

The Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

Subject to the Share Consolidation becoming effective, the Prospectus containing, among other things, details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on the Posting Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. A copy of the Prospectus will also be made available on the websites of the Company (www.solomon-worldwide.com) and the Stock Exchange (www.hkexnews.hk). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Non-Qualifying Shareholders for their information only but will not send any PAL or EAF to them.

WARNING OF THE RISKS OF DEALING 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 “Underwriting Arrangement — Termination of the Underwriting Agreement” in this announcement for further details. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 17 July 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 28 July 2023 to Friday, 4 August 2023 (both dates inclusive).

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form 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 form are recommended to consult their professional advisers.

DEFINITIONS

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

“Articles of Association”	the articles of association for the time being adopted by the Company and as amended from time to time
“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
“Capital Increase”	the capital contribution of not more than HK\$30 million in aggregate to the JV Companies by the Company and the JV Partner pursuant to the Supplemental JV Agreement

“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 10,000 Existing Shares to 2,000 Consolidated Shares
“Circular”	the circular containing, among other things, further details of (i) the Share Consolidation and the Change in Board Lot Size; (ii) the Supplemental JV Agreement; and (iii) a notice convening the EGM, to be despatched to the Shareholders on or before 27 June 2023
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands as consolidated and revised
“Company”	Solomon Worldwide Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8133)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.8 each in the share capital of the Company immediately upon the Share Consolidation becoming effective
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, (i) the Share Consolidation; and (ii) the Supplemental JV Agreement
“Existing Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company immediately before the implementation of the Share Consolidation
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 Undertaking”	the irrevocable undertaking by Ms. Woo to the Company as set out in the paragraph headed “The Irrevocable Undertaking” in this announcement
“JV Agreement”	the joint venture agreement dated 20 January 2023 entered into between the Company and the JV Partner in relation to the formation of the JV Companies (as amended and supplemented by the Supplemental JV Agreement)
“JV Companies”	JV Company I, JV Company II and JV Company III
“JV Company I”	Jisheng Group (China) Limited (吉盛集團(中國)有限公司), a company established in Hong Kong on 29 April 2022 with limited liability and formed as one of the JV Companies on 6 February 2023 pursuant to the JV Agreement
“JV Company II”	Jisheng Group (Oversea) Limited (吉盛集團(海外)有限公司), a company established in Hong Kong on 28 October 2022 with limited liability and formed as one of the JV Companies on 17 February 2023 pursuant to the JV Agreement
“JV Company III”	A company to be established in Hong Kong with limited liability and to be formed as one of the JV Companies pursuant to the JV Agreement
“JV Partner”	Mr. Liu Haitao

“Last Trading Day”	Monday, 5 June 2023, being the last full trading day for the Shares immediately prior to the release of this announcement
“Latest Acceptance Date”	Wednesday, 9 August 2023, 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 Time for Termination”	Thursday, 10 August 2023, 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
“Ms. Woo”	Ms. Woo Lan Ying, an executive Director, the chairman of the Board and a Shareholder holding 15,375,000 Existing Shares as at the date of this announcement
“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
“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, 26 July 2023, 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 announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued 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, 25 July 2023 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) Consolidated Shares held by the Shareholders on the Record Date and subject to the conditions set out in the paragraph headed “Underwriting Arrangement — Conditions of the Rights Issue and the Underwriting Agreement” in this announcement
“Rights Share(s)”	the new Consolidated Share(s) to be allotted and issued under the Rights Issue, being up to 12,728,000 Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 57 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issue and unissued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.08 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.8 each

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.8 per Rights Share
“Supplemental JV Agreement”	the supplemental agreement dated 5 June 2023 and entered into between the Company and the JV Partner to amend and supplement the JV Agreement
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Undertaking Right Shares”	768,750 Rights Shares, being the number of Rights Shares undertaken to be subscribed by Ms. Woo under the Irrevocable Undertaking
“Underwriter”	Lego Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the underwriter
“Underwriting Agreement”	the underwriting agreement dated 5 June 2023 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 11,959,250 Rights Shares, being the maximum total number of Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date), excluding the Undertaking Rights Shares to be taken up by Ms. Woo pursuant to the Irrevocable Undertaking, to be underwritten by the Underwriter on a best effort basis subject to the terms and conditions of the Underwriting Agreement
“%”	per cent

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

Hong Kong, 5 June 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.