

The background of the entire page is a vibrant blue gradient. It features a pattern of semi-transparent hexagons of varying shades, creating a textured, crystalline effect. In the lower half, there are stylized, wireframe-like architectural structures that resemble modern buildings or data centers, rendered in lighter blue and white lines. The overall aesthetic is clean, professional, and tech-oriented.

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

First Quarterly Report

2023

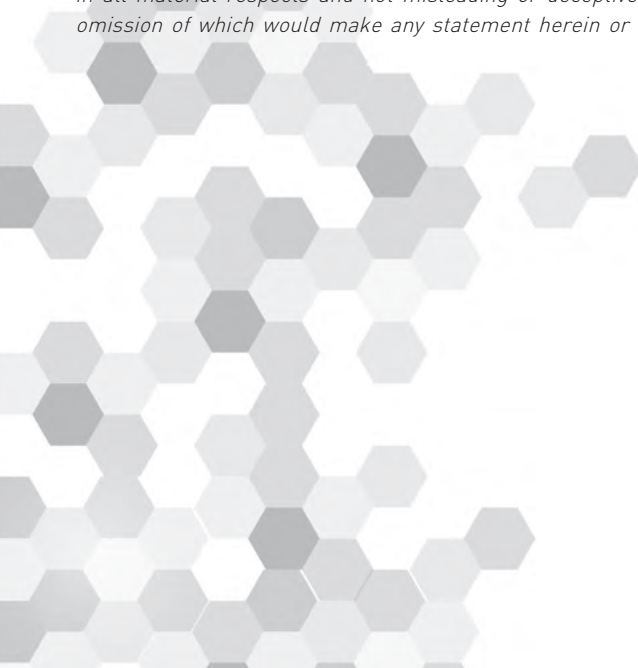
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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This report, for which the directors (the “Directors”) of Solomon Worldwide Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this report 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 report misleading.



HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$20.80 million for the three months ended 31 March 2023 (three months ended 31 March 2022: approximately HK\$21.87 million).
- Loss attributable to the owners of the Company for the three months ended 31 March 2023 amounted to approximately HK\$1.05 million (three months ended 31 March 2022: loss of approximately HK\$3.92 million).
- The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2023.

FINANCIAL RESULTS

The board of directors (the "Board") of Solomon Worldwide Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2023 together with the comparative unaudited figures for the corresponding period in 2022 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	Note	Three months ended 31 March	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	20,802	21,873
Cost of sales		(16,933)	(19,725)
Gross profit		3,869	2,148
Other income		43	71
Selling and distribution expenses		(844)	(1,081)
Administrative expenses		(4,054)	(5,939)
Finance costs		(207)	(461)
Loss before tax		(1,193)	(5,262)
Income tax	4	-	-
Loss for the period		(1,193)	(5,262)
Other comprehensive expenses for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation		190	172
Total comprehensive expense for the period		(1,003)	(5,090)

		Three months ended 31 March	
		2023	2022
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<hr/>			
Loss for the period attributable to:			
Owners of the Company		(1,052)	(3,917)
Non-controlling interests		(141)	(1,345)
		(1,193)	(5,262)
<hr/>			
Total comprehensive expenses attributable to:			
Owners of the Company		(862)	(3,745)
Non-controlling interests		(141)	(1,345)
		(1,003)	(5,090)
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Loss per share			
	6	HK cents	HK cents
Basic		(0.48)	(2.67)
Diluted		(0.48)	(2.67)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to equity holders of the Company								Non-controlling interest	Total
	Share capital	Share premium	Exchange reserve	Capital reserve	Special reserve	Other reserve	Accumulated losses	Sub-total		
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited) (Note (a))	HK\$'000 (Unaudited)	HK\$'000 (Unaudited) (Note (b))	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Balance at 1 January 2023	16,973	42,499	1,165	(7,045)	2	27,650	(69,083)	12,161	(6,447)	5,714
Loss for the period	-	-	-	-	-	-	(1,052)	(1,052)	(141)	(1,193)
Other comprehensive expenses for the period	-	-	190	-	-	-	-	190	-	190
Total comprehensive expenses for the period	-	-	190	-	-	-	(1,052)	(862)	(141)	(1,003)
Issue of new shares under the January 2023 subscription (Note 7(b))	880	1,705	-	-	-	-	-	2,585	-	2,585
Balance as at 31 March 2023	17,853	44,204	1,355	(7,045)	2	27,650	(70,135)	13,884	(6,588)	7,296
Balance at 1 January 2022	8,320	35,116	2,849	(7,045)	9	27,650	(56,946)	9,953	(4,478)	5,475
Loss for the period	-	-	-	-	-	-	(3,917)	(3,917)	(1,345)	(5,262)
Other comprehensive expenses for the period	-	-	172	-	-	-	-	172	-	172
Total comprehensive expenses for the period	-	-	172	-	-	-	(3,917)	(3,745)	(1,345)	(5,090)
Issue of new shares by way of right issue, net of expenses (Note 7(a)(i))	4,160	5,103	-	-	-	-	-	9,263	-	9,263
Balance as at 31 March 2022	12,480	40,219	3,021	(7,045)	9	27,650	(60,863)	15,471	(5,823)	9,648

Note (a): Capital reserve of the Group represents the difference between the nominal value of the 47% issued capital of a subsidiary, G. Force (Hong Kong), held by Mr. Wong Thomas Wai Yuk, acquired pursuant to the group restructuring in year 2012 and the consideration for acquiring 47% of the issued capital of the subsidiary from Mr. Wong Thomas Wai Yuk.

Note (b): Other reserve represented the difference between the nominal amount of the share capital and share premium of XETron Group Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 24 February 2014, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares are listed on GEM of the Stock Exchange since 30 April 2015.

The unaudited consolidated financial results of the Group for the three months ended 31 March 2023 (the "Consolidated Financial Results") are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The Consolidated Financial Results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules. The Consolidated Financial Results have been prepared under the historical cost convention.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the Consolidated Financial Results are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of the new and revised HKFRSs.

In the current period, the Group has adopted a number of new and revised HKFRSs, amendments to Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA that are relevant to the Group and effective for accounting periods beginning on or after 1 January 2023. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group's results and financial position.

The preparation of the Consolidated Financial Results in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Consolidated Financial Results should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2022.

3. REVENUE

	Three months ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of cast metal products	20,360	20,784
Financial printing services income	442	1,089
	20,802	21,873

Revenue from sales of cast metal products represents the sales value of goods supplied to customers, net of discounts, returns and value added tax or other sales taxes.

4. INCOME TAX EXPENSE

Pursuant to the income tax rule and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to income tax in the respective jurisdictions.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

For the three months ended 31 March 2023 and 2022, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

The provision for PRC Enterprise Income Tax of the Group's PRC subsidiaries is based on the estimated taxable income for each PRC subsidiary and at its applicable tax rate. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

No provision for Hong Kong Profits Tax and PRC Enterprise Income tax has been made for the three months ended 31 March 2023 as the Company and its subsidiaries have no Hong Kong and PRC assessable profits.

5. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

6. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company of HK\$1,052,000 (three months ended 31 March 2022: HK\$3,917,000) and the weighted average number of 220,838,000 (three months ended 31 March 2022: 146,756,000) ordinary shares in issue during the period.

Weighted average number of ordinary shares

	Three months ended 31 March	
	2023 '000	2022 '000
Issued ordinary shares at 1 January	212,160	104,000
Effect of share issued under right issue (Note 7(a)(i))	-	42,756
Effect of shares issued under subscription (Note 7(b))	8,678	-
Weighted average number of ordinary shares at 31 March	220,838	146,756

No adjustment has been made to the basic loss per share for the period ended 31 March 2023 and 2022 as the Group had no potential dilutive ordinary shares in issue during the period ended 31 March 2023 and 2022.

7. SHARE CAPITAL

	Number of shares '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2022, 31 December 2022 and 31 March 2023	1,250,000	100,000
Issued and fully paid:		
Ordinary shares, issued and fully paid		
At 1 January 2022	104,000	8,320
Shares issued under the right issue (Note (a)(i))	52,000	4,160
Shares issued under the April 2022 Placing (Note (a)(iii))	20,800	1,664
Shares issued under the July 2022 Placing (Note (a)(iii))	35,360	2,829
At 31 December 2022	212,160	16,973
Shares issued under the January 2023 subscription (Note (b))	11,000	880
At 31 March 2023	223,160	17,853

Note (a):

- (i) On 17 January 2022, the Company raised net proceeds of approximately HK\$9,300,000 on the basis of one rights share for every two shares held on 21 December 2021 at a subscription price of HK\$0.2 per share, resulting in an increase in number of issued ordinary share from 104,000,000 to 156,000,000. The net proceeds were used as general working capital of the Group. Further details are set out in the Company's announcement dated 14 January 2022.
- (ii) On 8 April 2022, the Company entered into a placing agreement with Solomon Securities Limited ("Solomon Securities") as placing agent where Solomon Securities agreed to place on a best effort basis a maximum of 20,800,000 new shares of the Company ("Placing Share I") of HK\$0.08 each at HK\$0.13 per Placing Share I to at least six places. The placing transaction was completed on 27 April 2022 and a total of 20,800,000 Placing Shares I were issued.
- (iii) On 8 July 2022, the Company entered into a placing agreement with Solomon Securities as placing agent where Solomon Securities agreed to place on a best effort basis a maximum of 35,360,000 new shares of the Company ("Placing Share II") of HK\$0.08 each at HK\$0.12 per Placing Share II to at least six places. The placing transaction was completed on 2 August 2022 and a total of 35,360,000 Placing Shares II were issued.

Note (b): On 13 January 2023, a subscriber entered into the subscription agreement with the Company, pursuant to which the subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue 11,000,000 subscription shares at the subscription price of HK\$0.235 per subscription shares. The subscription transaction was completed on 20 January 2023 and a total of 11,000,000 subscription shares were issued. Further details are set out in the Company's announcement dated 20 January 2023.

8. EVENTS AFTER REPORTING PERIOD

On 29 March 2023, two subscribers entered into the subscription agreements with the Company, pursuant to which the two subscribers have conditionally agreed to subscribe and the Company has conditionally agreed to issue 25,000,000 subscription shares and 6,400,000 subscription shares to the subscribers at the subscription price of HK\$0.11 per subscription share, respectively. The subscription transaction was completed on 13 April 2023 and a total of 31,400,000 subscription shares were issued. Further details are set out in the Company's announcement dated 13 April 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

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

Metal Casting Business

The metal casting products of the Group can be categorized into four main categories: (a) pump components; (b) valve components; (c) filter components; and (d) food machinery components, which are made of stainless steel, carbon steel, bronze and/or grey iron. Our largest market is Germany. We also have customers from Mainland China, Hong Kong and the United States.

During the first quarter of 2023, the revenue from metal casting business decreased by approximately 2.04% and remained stable as compared to the first quarter of 2022, this may indicate an economy recovery from Europe and the United States, which are the core markets of our metal casting business. The revenue level of this segment rebounded to that in 2019, i.e. prior to the outbreak of the COVID-19 pandemic. Although the average selling prices of the products were increased, it had almost been offset by the increased in general costs of raw materials.

Financial Printing Business

The Group also engages in the provision of financial printing services in Hong Kong to customers mainly from the financial and capital markets including but not limited to listed companies in Hong Kong, companies seeking for IPO in the capital market of Hong Kong, both governmental and non-governmental organisations. The Group mainly provides typesetting, translation, cover and layout design, printing and binding, distribution and media placement services in relation to the financial reports, announcements, shareholders' circulars, IPO prospectuses, for its customers.

During the first quarter of 2023, the revenue from financial printing service significant decreased as compared to the revenue level before the impact of COVID-19 pandemic and decreased by approximately 59.41% as compared to the first quarter of 2022. Although the COVID-19 pandemic started relief in Hong Kong and Mainland China in February 2023, various restrictions were imposed on the travelling to and from Hong Kong were relieved but still affected the number of financial printing jobs for IPO projects. During the first quarter of 2023, in light of the weak performance of the financial printing business, the Group has devoted tremendous management time and efforts on the financial printing business with the hope to turnaround its performance. Despite various cost control measures and strategies have been implemented, no significant improvements were noted due to the aftermath of COVID-19 pandemic on the macroeconomic environment.

Looking ahead, the Group will continue to strengthen its cost control and resources management by executing flexible strategies to face the challenges in order to maintain its competitiveness in the market. Meanwhile, the Group will closely monitor the business environment and explore other potential investment opportunities and value-added business from time to time such as in Mainland China, Hong Kong and overseas in order to diversify the Group's business and create new source of revenue to the Group.

Financial Review

Revenue

For the three months ended 31 March 2023, total revenue of the Group decreased about 4.90% to approximately HK\$20.80 million as compared with the corresponding period in 2022. The decreased in total revenue was mainly due to the combine effects of (i) the slightly decrease in sales volume of cast metal products; and (ii) the decrease in revenue derived from financial printing business of approximately HK\$0.65 million.

Gross profit

Gross profit of approximately HK\$3.87 million was recorded for the three months ended 31 March 2023, increased by approximately HK\$1.72 million as compared with the corresponding period in 2022 of approximately HK\$2.15 million. The gross profit margin of metal casting business was remained stable.

Selling and distribution expenses

The Group's selling and distribution expenses for the three months ended 31 March 2023 amounted to approximately HK\$0.84 million (three months ended 31 March 2022: approximately HK\$1.08 million). Selling and distribution expenses comprised mainly packaging, delivery, customs, agency cost and insurance cost incurred in relation to the sales. The selling and distribution expenses recorded a decrease during the period.

Administrative expenses

The Group's administrative expenses for the three months ended 31 March 2023 amounted to approximately HK\$4.05 million, representing an approximately 31.82% decrease as compared with the corresponding period in 2022 of approximately HK\$5.94 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, exchange loss, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations.

Finance costs

Finance costs mainly represented the interest on lease liabilities and borrowings.

Loss for the period

Loss attributable to owners of the Company for the three months ended 31 March 2023 amounted to approximately HK\$1.05 million (three months ended 31 March 2022: Loss of approximately HK\$3.92 million).

Share subscription

On 13 January 2023, a subscriber entered into the subscription agreement with the Company, pursuant to which the subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue 11,000,000 subscription shares ("Subscription Share(s)") at the subscription price of HK\$0.235 per Subscription Share for an aggregate consideration of HK\$2,590,000. The intended use of proceeds from the share subscription to be applied as to HK\$2,300,000 and HK\$290,000 for repayment of borrowings of the Group and for general working capital of the Group respectively. The subscription transaction was completed on 20 January 2023 and a total of 11,000,000 Subscription Shares were issued. The gross and net proceeds were approximately HK\$2,590,000 and HK\$2,590,000 respectively. The net price was approximately HK\$0.235 per Subscription Share. For details are set out in the Company's announcement dated 20 January 2023.

Establishment of joint ventures

Pursuant to the Company's announcement dated 20 January 2023, a joint venture agreement for the establishment of three joint venture companies (the "JV Companies") was signed by the Company and Mr. Liu Haitao (the "JV Partner") on 20 January 2023 and thus, the Company and JV Partner agreed to contribute HK\$1,020,000 and HK\$980,000 to the JV Companies, respectively. The further details are set out in the Company's announcement dated 20 January 2023.

Change of company name

On 24 March 2023, the Company announced that the Board proposed to change the English name of the Company from "Solomon Worldwide Holdings Limited" to "Jisheng Group Holdings Limited", and to adopt and register the Chinese name of "吉盛集團控股有限公司" as the dual foreign name of the Company in place of its existing Chinese name of "所羅門環球控股有限公司". For details, please make reference to the announcement of the Company dated 24 March 2023.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2023, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in shares of the Company:

Name of Director/ Chief Executive	Capacity	Number of shares held	Percentage of the Company's issued share capital
Ms. Woo Lan Ying	Beneficial owner	15,375,000	6.89%

Save as disclosed above, as at 31 March 2023, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2023, other than the Director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Mr. Fang Jinhua	Personal interest	26,611,500	11.92%

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 10 April 2015.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the three months ended 31 March 2023 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the three months ended 31 March 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the three months ended 31 March 2023.

COMPETING INTERESTS

As at the date of this report, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Ms. Yuen Wai Man, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Ms. Leung Shuk Lan and Mr. Au Sui Keung Albert. The audit committee has reviewed this report and has provided advice and comments thereon.

CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the three months ended 31 March 2023.

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

Hong Kong, 12 May 2023