

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

Interim Report 2023



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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 from continuing operations of approximately HK\$34.58 million for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately HK\$37.09 million).
- Loss attributable to the equity shareholders of the Company for the six months ended 30 June 2023 amounted to approximately HK\$0.24 million (six months ended 30 June 2022: loss of approximately HK\$7.91 million).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023.

FINANCIAL RESULTS

The board of directors (the “Board”) of Solomon Worldwide Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for the three months and six months ended 30 June 2023 together with the comparative unaudited figures for the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Note	Three months ended 30 June		Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
Continuing operations					
Revenue	3	14,221	16,311	34,581	37,094
Cost of sales		(10,455)	(13,679)	(26,968)	(30,528)
Gross profit		3,766	2,632	7,613	6,566
Other income		426	36	469	46
Selling and distribution expenses		(840)	(849)	(1,684)	(1,535)
Administrative expenses		(22,433)	(4,200)	(25,903)	(7,081)
Gain on disposal of subsidiaries	5	6,882	–	6,882	–
Finance costs		(127)	(235)	(334)	(494)
Loss before taxation		(12,326)	(2,616)	(12,957)	(2,498)
Income tax expense	7	–	–	–	–
Loss for the period from continuing operations	8	(12,326)	(2,616)	(12,957)	(2,498)
Discontinued operation					
Profit (loss) for the period from discontinued operation	6	17,278	(1,841)	16,716	(7,221)
Profit (loss) for the period		4,952	(4,457)	3,759	(9,719)

Note	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
(Loss) profit for the period attributable to equity shareholders of the Company:				
– from continuing operations	(12,142)	(2,156)	(12,773)	(2,498)
– from discontinued operation	12,958	(1,841)	12,537	(5,416)
	816	(3,997)	(236)	(7,914)
(Loss) profit for the period attributable to non-controlling interests:				
– from continuing operations	(184)	–	(184)	–
– from discontinued operation	4,320	(460)	4,179	(1,805)
	4,136	(460)	3,995	(1,805)
	4,952	(4,457)	3,759	(9,719)
Profit (loss) for the period	4,952	(4,457)	3,759	(9,719)
Other comprehensive expense for the period				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences on translation of financial statements of a foreign operation, net of tax	(399)	(717)	(589)	(545)
Other comprehensive expense for the period, net of taxation	(399)	(717)	(589)	(545)
Total comprehensive income (expense) for the period	4,553	(5,174)	3,170	(10,264)

Note	Three months ended 30 June 2023		Six months ended 30 June 2023	
	HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)	HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
Total comprehensive income (expense) for the period attributable to equity shareholders of the Company:				
– from continuing operations	(12,541)	(2,873)	(13,362)	(3,043)
– from discontinued operation	12,958	(1,841)	12,537	(5,416)
	417	(4,714)	(825)	(8,459)
Total comprehensive income (expense) for the period attributable to non-controlling interests:				
– from continuing operations	(184)	–	(184)	–
– from discontinued operation	4,320	(460)	4,179	(1,805)
	4,136	(460)	3,995	(1,805)
	4,553	(5,174)	3,170	(10,264)
Earnings (loss) per share	10	HK cents	HK cents (Restated)	HK cents (Restated)
From continuing and discontinued operations:				
Basic	0.33	(2.34)	(0.10)	(4.98)
Diluted	0.33	(2.34)	(0.10)	(4.98)
From continuing operations:				
Basic	(4.86)	(1.26)	(5.42)	(1.57)
Diluted	(4.86)	(1.26)	(5.42)	(1.57)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current assets			
Plant and equipment		2,067	3,363
Right-of-use assets		1,793	2,713
Rental deposits	11	431	740
Interest in an associate		–	4
Goodwill		–	–
		4,291	6,820
Current assets			
Inventories		7,884	18,287
Trade and other receivables	11	24,301	21,851
Contract assets		–	415
Cash and cash equivalents		1,896	2,799
		34,081	43,352
Current liabilities			
Trade and other payables	12	11,882	26,678
Contract liabilities		–	502
Amounts due to related parties		–	3,632
Lease liabilities		1,819	2,444
Provision for reinstatement		–	700
Other borrowings		–	2,218
Tax payable		66	58
		13,767	36,232
Net current assets		20,314	7,120
Total assets less current liabilities		24,605	13,940
Non-current liabilities			
Lease liabilities		7,414	8,226
		7,414	8,226
NET ASSETS		17,191	5,714
CAPITAL AND RESERVES			
Share capital	13	20,365	16,973
Reserves		(2,990)	(4,812)
Total equity attributable to equity shareholders of the Company		17,375	12,161
Non-controlling interests		(184)	(6,447)
TOTAL EQUITY		17,191	5,714

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to equity shareholders of the Company								Non-controlling interests	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	(7,065)	2	27,650	(69,083)	12,161	(6,447)	5,714
(Loss) profit for the period	-	-	-	-	-	-	(236)	(236)	3,995	3,759
Other comprehensive expenses for the period	-	-	(589)	-	-	-	-	(589)	-	(589)
Total comprehensive expenses for the period	-	-	(589)	-	-	-	(236)	(825)	3,995	3,170
Issue of new shares under the January 2023 subscription (Note 13(b)(i))	880	1,705	-	-	-	-	-	2,585	-	2,585
Issue of new shares under the April 2023 subscription (Note 13(b)(ii))	2,512	942	-	-	-	-	-	3,454	-	3,454
Eliminated on disposal of subsidiaries	-	-	-	-	-	-	-	-	2,268	2,268
Balance as at 30 June 2023	20,365	45,146	576	(7,045)	2	27,650	(69,319)	17,375	(184)	17,191
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	-	-	-	-	-	-	(7,914)	(7,914)	(1,805)	(9,719)
Other comprehensive expenses for the period	-	-	(545)	-	-	-	-	(545)	-	(545)
Total comprehensive expenses for the period	-	-	(545)	-	-	-	(7,914)	(8,459)	(1,805)	(10,264)
Issue of new shares by way of right issue, net of expenses (Note 13(a)(i))	4,160	5,103	-	-	-	-	-	9,263	-	9,263
Issue of new shares by way of placing, net of expenses (Note 13(a)(ii))	1,664	972	-	-	-	-	-	2,636	-	2,636
Balance as at 30 June 2022	14,144	41,191	2,304	(7,045)	9	27,650	(64,860)	13,393	(6,283)	7,110

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.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(3,377)	(1,774)
Net cash used in investing activities	(19)	(24)
Net cash generated from financing activities	2,572	3,346
Net (decrease)/increase in cash and cash equivalents	(824)	1,548
Cash and cash equivalents at the beginning of period	2,799	1,310
Effect of foreign exchange rate changes	(79)	(297)
Cash and cash equivalents at the end of period	1,896	2,561
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	1,896	2,561

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 have been listed on GEM of the Stock Exchange since 30 April 2015.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2023 (the "2023 Interim Financial Statements") are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The 2023 Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the GEM Listing Rules. The 2023 Interim Financial Statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the 2023 Interim Financial Statements 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 Hong Kong Financial Reporting Standards ("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 2023 Interim Financial Statements in conformity with HKFRSs 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 2023 Interim Financial Statements 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

	Continuing operations	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Sales of cast metal products	34,581	37,094

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.

Revenue from discontinued operation of financial printing services income amounted to HK\$528,000 (six months ended 30 June 2022: HK\$4,886,000) are recognised during the period.

4. SEGMENT INFORMATION

The Group has one reportable operating segment which is the metal casting segment.

The directors assess the performance of the operating segment based on a measure of revenue and results of segment and do not assess the performance based on segment assets and liabilities.

- (a) The segment information provided to the directors for the reportable segment for the six months ended 30 June 2023 and 2022 is as follows:

	Continuing operations			
	Six months ended 30 June			
	Metal Casting		Total	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Segment revenue (all from external customers)	34,581	37,094	34,581	37,094
Segment results	(1,733)	640	(1,733)	640
Gain on disposal of subsidiaries			6,882	-
Unallocated operating costs			(17,772)	(2,644)
Finance costs			(334)	(494)
Loss before income tax			(12,957)	(2,498)

4. SEGMENT INFORMATION (CONTINUED)

- (b) Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers.

	Continuing operations	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Germany	31,131	30,288
The PRC	2,389	5,642
The United States	957	1,051
Others	104	113
	34,581	37,094

- (c) Information about the Group's non-current assets (excluded goodwill, rental deposits and interest in an associate) is presented based on the geographical location of the assets.

	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	369	502
The PRC	3,491	5,574
	3,860	6,076

Information about major customers

Details of the customer accounting for 10% or more of aggregate revenue of the Group are disclosed as follows:

	Continuing operations	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	5,211	5,442
Customer B	6,667	N/A*

* The corresponding revenue did not contribute 10% or more of the Group's revenue.

5. GAIN ON DISPOSAL OF SUBSIDIARIES

On 19 May 2023, the Company entered into a disposal agreement with an independent third party (the “Purchaser”) in relation to the disposal (the “Disposal”), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the 75% equity interest in Solomon Holdings Group Limited at a consideration of HK\$75,000. Solomon Holdings Group Limited and its subsidiary are principally engaged in the provision of financial printing services in Hong Kong. The Disposal was completed on 19 May 2023. Further details are set out in the announcement of the Company dated 19 May 2023.

Gain on disposal of subsidiaries amounted to approximately HK\$6,882,000 was analysed as follows:

	HK\$'000
Consideration received	75
The net liabilities disposed of are as follows:	
Rental deposits	288
Trade and other receivables	2,800
Contract assets	415
Cash and cash equivalents	193
Trade and other payables	(10,774)
Contract liabilities	(803)
Lease liabilities	(494)
Provision for reinstatement	(700)
Net liabilities disposed of	(9,075)
Gain on disposal of subsidiaries:	
Consideration received	75
Net liabilities disposed of	9,075
Non-controlling interests	(2,268)
	6,882
Net cash outflow arising on disposal for the period:	
Consideration received	75
Less: cash and cash equivalents disposed of	(193)
Net cash outflow	(118)

6. PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATION

For the six months ended 30 June 2023, the Disposal is completed as set out in note 5 of these financial statements. Comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to disclose separately the profit or loss from discontinued operation.

The profit (loss) for the period from discontinued operation is set out below:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	528	4,886
Cost of sales	(486)	(5,188)
Gross profit (loss)	42	(302)
Other income	17,564	663
Selling and distribution expenses	-	(727)
Administrative expenses	(890)	(6,536)
Finance costs	-	(319)
Profit (loss) before taxation from discontinued operation	16,716	(7,221)
Income tax expense	-	-
Profit (loss) for the period from discontinued operation	16,716	(7,221)

Note: Excluding the non-recurring the gain on impairment from amount due to ultimate holding company of approximately HK\$17.56 million in other income, the discontinued operation incurred a loss for the period of approximately HK\$0.84 million.

7. INCOME TAX EXPENSE

The amount of income tax charged to the profit or loss represents:

	Continuing operations	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong profits tax	-	-
PRC Enterprise Income Tax	-	-
	-	-

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.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying corporation, which only one qualifying corporation within the Group is selected, is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018-2019.

Accordingly, the provision for Hong Kong Profits Tax for the qualifying corporation for the six months ended 30 June 2023 is calculated in accordance with the two-tiered profits tax rate regime (30 June 2022: 8.25%) whereas the provision for other Hong Kong incorporated corporations are charged at 16.5% (30 June 2022: 16.5%).

Taxation of a PRC subsidiary is calculated using the applicable income tax rate of 25% (30 June 2022: 25%).

No provision for Hong Kong Profits Tax and PRC Income tax has been made for the six months ended 30 June 2023 and 2022 as the subsidiaries in Hong Kong and PRC have no assessable profits.

8. LOSS FOR THE PERIOD

	Continuing operations	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as expense	26,967	30,528
Depreciation of plant and equipment	327	414
Depreciation of right-of-use assets	920	601
Impairment loss from discontinued operation	17,564	-

9. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

10. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to the equity shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the three months and six months ended 30 June 2023 and 2022.

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	'000	'000	'000	'000

Weighted average number of ordinary shares in issue at 30 June

	250,074	170,857	235,537	158,873
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Continuing operations

Three months ended 30 June		Six months ended 30 June	
2023	2022	2023	2022
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

(Restated) (Restated)

Loss (profit) for the period attributable to equity shareholders of the Company:

- from continuing operations	(12,142)	(2,156)	(12,773)	(2,498)
- from discontinued operation	12,958	(1,841)	12,537	(5,416)

Total profit (loss) for the period attributable to equity shareholders of the Company

	816	(3,997)	(236)	(7,914)
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No adjustment has been made to the basic earnings (loss) per share for the three months and six months ended 30 June 2023 and 2022 as the Group had no potential dilutive ordinary shares in issue during these periods.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade receivables, net of loss allowance	12,178	8,849
Deposits prepayment and other receivables	12,554	13,742
	24,732	22,591
Rental deposit included under non-current assets	(431)	(740)
Current portion included under current assets	24,301	21,851

The Group allows an average credit period of 30 to 90 days to its trade customers. The Group does not hold any collateral over its trade and other receivables. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within 30 days	3,707	1,179
31 to 60 days	3,960	2,779
61 to 90 days	3,438	4,384
Over 90 days but less than 1 year	1,073	507
Total	12,178	8,849

12. TRADE AND OTHER PAYABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade payables	6,671	17,514
Accrued charges and other payables	5,211	9,164
	11,882	26,678

12. TRADE AND OTHER PAYABLES (CONTINUED)

All of the trade and other payables are expected to be settled or recognised as income within one year.

The ageing analysis of trade creditors as of the end of the reporting period, based on invoice date, is as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within 30 days	1,627	7,729
31 to 60 days	1,385	2,527
61 to 90 days	567	1,868
Over 90 days but less than 1 year	3,092	5,390
	6,671	17,514

13. SHARE CAPITAL

	Number of shares '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2022, 31 December 2022 and 30 June 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 rights issue (Note (a)(i))	52,000	4,160
Shares issued under the April 2022 placing (Note (a)(ii))	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)(i))	11,000	880
Shares issued under the April 2023 subscription (Note (b)(ii))	31,400	2,512
At 30 June 2023	254,560	20,365

13. SHARE CAPITAL (CONTINUED)

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):

- (i) 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.
- (ii) 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.

14. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group represents amounts paid to the Company's directors.

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	780	946

(b) Related party transactions

Saved as disclosed elsewhere in these consolidated financial statements the Group had the following transactions with related parties during the periods:

Related party	Nature of transaction	Six months ended 30 June	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Ms. Woo Lan Ying (Director)	Interest expense	–	63

(c) Related party outstanding balances

Related party	Note	At 30 June	At 31 December
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Ms. Woo Lan Ying (Director)	(i)	–	1,683
Close family member of Ms. Woo Lan Ying (Director)	(ii)	–	4,419
		–	6,102

Note:

- (i) The amount due to a director is unsecured and repayable on demand. Included the balance of HK\$1,230,000 is carried interest at 8% per annum and the remaining balance is interest-free.
- (ii) The amount due to the close family member of a director is unsecured, interest-free and repayable on demand.

15. EVENTS AFTER THE REPORTING PERIOD

On 5 June 2023, the Company announced that:

(a) Share Consolidation and Change in Board Lot Size

The Board implement a share consolidation (the “Share Consolidation”) on the basis that every ten (10) issued and unissued existing shares of HK\$0.08 each (“Existing Share(s)”) in the share capital of the Company be consolidated into one (1) consolidated share of HK\$0.8 each (“Consolidated Share(s)”). The ordinary resolution in relation to the Share Consolidation was duly passed by the shareholders of the Company (the “Shareholders”) at the extraordinary general meeting on 12 July 2023 and effective on 14 July 2023. The board lot size for trading from 10,000 Existing Shares to 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

(b) Change of Company Name

The Company also 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” which is currently used for identification purposes only. The special resolution in relation to the change of company name was duly passed by the Shareholders at the extraordinary general meeting on 12 July 2023.

(c) Proposed Rights Issue

The Company also proposed to raise up to 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 (“Record Date”) as specified in the announcement dated 5 June 2023), before expenses, by way of the rights issue of up to 12,728,000 rights shares (“Rights Share(s)”) 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 proposed rights issue is expected to be completed at the end of August 2023.

(d) Proposed capital increase in joint ventures companies

The Company also announced on 5 June 2023, the Company entered into a supplemental joint ventures agreement (“Supplemental JV Agreement”) with the joint venture partner (the “JV Partner”) in relation to increasing the aggregate capital contribution to the three joint venture companies (the “JV Companies”) from HK\$2,000,000 to HK\$30,000,000. The Company and JV Partner agreed to contribute HK\$15,300,000 and HK\$14,700,000 to the JV Companies, respectively. The ordinary resolution in relation to the capital increase in JV Companies was duly passed by the Shareholders at the extraordinary general meeting on 12 July 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

During the six months ended 30 June 2023 (“Period”), the Group was principally engaged in trading and manufacturing of metal casting parts and components in the PRC from continuing operations.

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 PRC and the United States.

During the Period, the global economic environment remains challenging due to the impact of interest rate hikes and inflation. Although the release of certain lock down measures in overseas, the revenue from metal casting business decreased slightly by approximately 6.78% as compared to the six months ended 30 June 2022. 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 has been offset by the increase in general costs of raw materials.

Financial Printing Business

The continuous loss-making position and significant decrease in revenue of the Financial Printing Business were mainly attributable to the outbreak of COVID-19 pandemic as various restrictions were imposed on the travelling to and from Hong Kong and this directly affected the number of financial printing jobs for IPO projects of the Financial Printing Business. During the year ended 31 December 2022, in light of the weak performance of the Financial Printing Business, the Group has devoted tremendous management time and efforts on the Financial Printing Business with the hope to turnaround its performance. Despite various cost control measures and strategies have been implemented, no significant improvements were noted in 2022 and the first quarter of 2023. Although the COVID-19 pandemic started relief in Hong Kong and Mainland China in February 2023, various restrictions were imposed on the travelling to and from Hong Kong were relieved but still affected the market of Financial Printing Business due to the aftermath of COVID-19 pandemic on the macroeconomic environment. The Group expected that such unfavorable and uncertain market conditions in the Financial Printing Business shall persist for a period of time.

On 19 May 2023, the Group has discontinued the 75% equity interest of Financial Printing Business through the disposal of a subsidiary in order to prevent the Group from suffering further losses and cash outflow for the non-performing Financial Printing Business.

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 Period, revenue of the Group from continuing operations decreased around 6.78% to approximately HK\$2.51 million as compared with the corresponding period in 2022. The decreased in revenue was mainly due to the impact of the global economic environment facing the challenges.

Gross profit

Gross profit from continuing operations of approximately HK\$7.61 million was recorded for the Period, increased by approximately HK\$1.04 million as compared with the corresponding period in 2022 of approximately HK\$6.57 million.

Selling and distribution expenses

The Group's selling and distribution expenses from continuing operations for the Period amounted to approximately HK\$1.68 million (six months ended 30 June 2022: approximately HK\$1.54 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 an increase during the Period.

Administrative expenses

The Group's administrative expenses from continuing operations for the Period amounted to approximately HK\$25.90 million, representing an approximately 265.82% increase as compared with the corresponding period in 2022 of approximately HK\$7.08 million. For the Period, excluding the non-recurring impairment loss from discontinued operation of approximately HK\$17.56 million in administrative expenses, the administrative expenses for the Period represented approximately HK\$8.34 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 during the Period.

Loss for the Period

Loss attributable to equity shareholders of the Company for the Period amounted to approximately HK\$0.24 million (six months ended 30 June 2022: loss of approximately HK\$7.91 million).

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

Liquidity and financial resources

The Group's principal sources of funds are used to finance its working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and financing activities. The Group had cash and cash equivalents of approximately HK\$1.90 million as at 30 June 2023 (31 December 2022: HK\$2.80 million). As at 30 June 2023, the Group did not have any interest-bearing borrowings. As at 31 December 2022, except for the loan and advance from related parties and borrowings of approximately HK\$3.63 million and HK\$2.22 million, respectively, the Group did not have any other interest-bearing borrowings.

Gearing ratio

As at 30 June 2023, the Group's gearing ratio was Nil (31 December 2022: 38.82%), which is calculated based on the Group's total interest-bearing debt divided by the Group's total equity.

Capital Structure

The capital of the Company comprises only ordinary shares.

As at 30 June 2023, the Company's total number of issued shares was 254,560,000 of HK\$0.08 each (31 December 2022: 212,160,000 of HK\$0.08 each). The Group did not have any debt securities or other capital instruments as at 30 June 2023.

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 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.

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.

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 the joint venture partner (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 Company further announced 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. The Company and JV Partner agreed to contribute HK\$15,300,000 and HK\$14,700,000 to the JV Companies, respectively.

Further details are set out in the Company's announcement dated 20 January 2023 and 5 June 2023.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

Contingent liabilities

As at 30 June 2023, the Group had no material contingent liabilities (31 December 2022: Nil).

Charge of assets

As at 30 June 2023, the Group had no charge of assets (31 December 2022: Nil).

Foreign currency risk

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

Capital Commitments

Except for set out in the section of "Establishment of joint ventures", as at 30 June 2023, the Group did not have any significant capital commitments (31 December 2022: Nil).

Significant investment held

Except for investments in subsidiaries, as at 30 June 2023, the Group did not hold any significant investment in equity interest in any other companies.

Future plans for material investments and capital assets

Except for set out in the section of “Establishment of joint ventures”, the Group did not have plans for material investments and capital assets as at 30 June 2023.

Material acquisitions and disposals of subsidiaries and affiliated companies

Except for disposal of subsidiaries set out in note 5 of this 2023 Interim Financial Statements, the Group did not have any material acquisitions of subsidiaries and affiliated companies during the six months ended 30 June 2023.

Employee and Emolument Policies

As at 30 June 2023, the employee headcount (including Directors) of the Group was 123 (31 December 2022: 133) and the total staff costs, including directors' emoluments, amounted to approximately HK\$4.48 million during the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$12.95 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience). The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

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 30 June 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 Securities and Futures Ordinance (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	6.04%

Save as disclosed above, as at 30 June 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 30 June 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	10.45%

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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 2023.

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) had any business or interest which competes or may compete with the business of the Group, or had any other conflict of interest with the Group throughout the Period.

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 and 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.

Except for above, to the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the six months ended 30 June 2023.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 17.50(2) AND 17.50A(1) OF THE GEM LISTING RULES

Save as disclosed below, there is no other change in the information of each director that is required to be disclosed under Rule 17.50(2) and 17.50A(1) of the GEM Listing Rules during the Period.

Ms. Yuen Wai Man has been resigned as an independent non-executive Director of China Eco-Farming Limited (stock code: 8166) since 19 July 2023.

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

Hong Kong, 14 August 2023