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**SOLOMON
SYSTECH**

SOLOMON SYSTECH (INTERNATIONAL) LIMITED

晶門半導體有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2878)

SECOND SUPPLEMENTAL ANNOUNCEMENT GRANT OF SHARE OPTIONS

Reference is made to the announcement made by Solomon Systech (International) Limited (the “**Company**”) dated 24 March 2023 and the supplementary announcement dated 28 March 2023 in relation to the grant of share options (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise specified.

The Company would like to provide the following additional information regarding the Announcements:

Performance target and clawback mechanism:

There is no performance target nor clawback mechanism attached to the Options, the purpose of the Share Option Scheme is to provide the eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders.

The remuneration committee of the Board (the “**Remuneration Committee**”) is of the view that performance targets are not necessary since (i) the value of the Options is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantee would directly contribute; and (ii) the Options are subject to the vesting period as stated in the Announcements and certain vesting conditions, which could ensure that the Grantee would be motivated to contribute to the Company’s development.

In addition, the Remuneration Committee is of the view that a clawback mechanism is not necessary considering the lapse and cancellation of share options under various scenarios has already been provided for under the 2013 Share Option Scheme, which could adequately safeguard the Company’s interests.

As such, the Remuneration Committee and the Board believe that without additional performance targets and clawback mechanism, the grant of the Options could align the interests of the Grantee with that of the Company and the shareholders of the Company, provide incentive to the Grantee to devote to the future continuous competitiveness, results of operation and growth of the Company, and reinforce their commitment to long term services of the Company, which is in line with the purpose of the 2013 Share Option Scheme.

By Order of the Board
SOLOMON SYSTECH (INTERNATIONAL) LIMITED
Yu Chon Man
Company Secretary

Hong Kong, 3 April 2023

As at the date of this announcement, the Board comprises: (a) Executive Director – Mr. Wang Wah Chi, Raymond (Chief Executive Officer); (b) Non-executive Directors – Mr. Ma Yuchuan (Chairman), Mr. Wang Hui and Dr. Kang Jian; and (c) Independent Non-executive Directors – Mr. Leung Heung Ying, Mr. Sheu Wei Fu and Dr. Chan Philip Ching Ho.