

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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)

PROFIT WARNING

This announcement is made by Solomon Systech (International) Limited (the “**Company**”, together with its subsidiaries, shall collectively be referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 and the information currently available to the Board, the Group is expected to record an unaudited consolidated profit attributable to shareholders ranging between approximately US\$12.0 to US\$13.0 million for the six months ended 30 June 2023, representing a decrease of approximately 40% to 45% as compared with that of approximately US\$21.8 million for the six months ended 30 June 2022. The main reasons for the decrease in unaudited consolidated profit attributable to shareholders in the first half of year 2023 were because of (i) the decrease in sales revenue which was mainly due to the decrease in average selling price of the Group’s products, and (ii) the decrease in the gross profit and the gross margin, which was mainly due to the unproportionate decrease of the average selling price with some of the costs of the Group’s products.

Despite the decrease in the unaudited consolidated profit attributable to shareholders in the first half of year 2023 when compared with the first half of year 2022, the Board would like to emphasize that the Group is still able to manage a better unaudited consolidated profit attributable to shareholders in the first half of year 2023 when compared with that of the second half of year 2022, which is mainly attributable to better product development strategies coping with market needs which in turn lead to a decrease in provision for slow moving inventories, and the Group will continue its on-going stringent effective cost controls measures to enhance operational efficiency.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 June 2023. The information contained in this announcement is only based on the Board's preliminary assessment on the Group's latest unaudited consolidated management accounts for the six months ended 30 June 2023, which have not yet been reviewed or audited by the independent external auditors of the Company, nor reviewed by the audit committee of the Board. The unaudited consolidated interim results of the Group for the six months ended 30 June 2023 may be subject to further adjustment(s) and may be different from the information contained in this announcement. Further details of the Group's financial information will be published in the Company's announcement of interim results for the six months ended 30 June 2023, which is expected to be published before the end of August 2023. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
SOLOMON SYSTECH (INTERNATIONAL) LIMITED
Wang Wah Chi, Raymond
Chief Executive Officer

Hong Kong, 21 July 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.