SOLOMON SYSTECH

SOLOMON SYSTECH (INTERNATIONAL) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2878)

POSITIVE PROFIT ALERT

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 year ended 31 December 2020 and the information currently available to the Board, the Group is expected to record a net profit attributable to Shareholders of approximately US$10.0 million for the year ended 31 December 2020, which compares to a net loss attributable to Shareholders of approximately US$27.3 million for the year ended 31 December 2019.

The expected turnaround of the Group's results was mainly attributed to (i) increases in the average gross profit margin and gross profit amount attributable to a change in its product type mix recorded in revenue; (ii) a decrease in operating expenses as a result of the effective cost controls starting from the last quarter in 2019; and (iii) other income as a result from the disposal of certain non-current assets.

The Company is still in the process of finalizing the Group's annual results for the year ended 31 December 2020. 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 year ended 31 December 2020, which have not yet been audited by the independent external auditors of the Company, nor reviewed by the audit committee of the Board. The audited consolidated annual results of the Group for the year ended 31 December 2020 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 annual results for the year ended 31 December 2020, which is expected to be published before the end of March 2021.

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, 11 January 2021

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