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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)

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 2024 and the information currently available to the Board, the Group is expected to record an unaudited consolidated profit attributable to shareholders of approximately US$7.0 to US$7.5 million for the six months ended 30 June 2024, representing a decrease of approximately 43% to 47% as compared with that of approximately US$13.2 million for the six months ended 30 June 2023. The main reasons for the decrease in unaudited consolidated profit attributable to shareholders in the first half of year 2024 were because of the decrease in sales revenue and gross profit. The demand on consumption electronic has yet recovered due to the high inflation rate, also, ESL is under the process of transiting from three colour technology (E4) to four colour technology (E5), our Group strategically cleared its inventory on E4 IC in the first half of 2024 at a relative low selling price. These are the main factors which drove down the average price of the Group's products.

Despite the decrease in unaudited consolidated profit attributable to shareholders and the drop in average selling price of E4 IC in the first half of year 2024 when compared with the first half of year 2023, 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 2024 when compared with that of the second half of year 2023, which is mainly attributable to the better product development strategies, especially in Large Display and PMOLED areas; which enable the group to maintain a stable growth in IC shipment (versus second half of 2023).

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 June 2024. 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 2024, 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 2024 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 2024, which is expected to be published before the end of August 2024. 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

15 July 2024

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 Ms. LIU Fei; and (c) Independent Non-executive Directors – Mr. CHAN Chi Kong, Dr. CHAN Philip Ching Ho and Dr. Kwok Hoi Sing.