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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2023 ANNUAL REPORT

Reference is made to the annual report of Solomon Systech (International) Limited (the "**Company**") for the year ended 31 December 2023 published on 26 April 2024 (the "**2023 Annual Report**"). Capitalised terms used herein shall have the same meanings as those defined in the 2023 Annual Report unless the context requires otherwise.

The Board would like to provide the following additional information to the 2023 Annual Report:

2013 Share Option Scheme

1. The 2013 Share Option Scheme was adopted on 28 May 2013 and expired on 27 May 2023. No further share options may be granted pursuant to the 2013 Share Option Scheme. The Company does not have other share schemes.

2. The Company granted a total of 5,900,000 share options during the year ended 31 December 2023.

3. The number of share options available for grant under the scheme mandate limit as of 1 January 2023 and 31 December 2023 was 92,830,235 and 0, respectively. No service provider sublimit was set under the 2013 Share Option Scheme.

4. The number of Shares that may be issued in respect of the share options granted under the 2013 Share Option Scheme during the year ended 31 December 2023 was 5,900,000, representing 0.024% of the weighted average number of Shares in issue for the year of 2023.

5. As at the date of the 2023 Annual Report, the total number of outstanding share options granted was 29,600,000 with rights to subscribe for 29,600,000 shares of the Company, representing 1.19% of the total number of issued shares of the Company.

6. There is no performance target attached to the share options granted to the Directors and senior management during the year ended 31 December 2023.

   The Remuneration Committee has noted that the purpose of the 2013 Share Option Scheme is to provide incentive or to reward the Grantees for their contribution to the Group and the 2013 Share Option Scheme does not restrictively specify the contribution.

   The Remuneration Committee has also considered that (a) under the remuneration practice of the Group, the remuneration of the Grantees (including that of the directors) include the grant of share options to incentivise their performance and to make continuous contributions to the growth and development of the Group; (b) in relation to the directors, their respective remuneration packages have been reviewed by the Remuneration Committee to be in line with the industry practice and in recognition of their leading roles and responsibilities towards the management and strategic development of the Company; and (c) in relation to other Grantees, their respective remuneration packages have been determined having regard to their industry experience, tenure and roles with the Group and contribution to the growth and development of the Group.

   The Remuneration Committee, in recommending the grant of share options, have assessed the Grantee's contribution to the growth and development to the Group from qualitative and quantitative perspectives, having regard to a wide variety of factors including financial and operational goals from time to time, and peer and industry wide comparison in the prevailing circumstances, and will make any such assessment as and when appropriate.

   Based on the above, the Remuneration Committee is of the view that the share options granted to the Directors and senior management during the year ended 31 December 2023 without any performance target is market competitive and aligns with the purpose of the 2013 Share Option Scheme.

Continuing Connected Transactions

7. The annual caps for continuing connected transactions for each of the three years ending 31 December 2026 under the 2024 Products Sales and Distribution Agreement (as defined in the circular of the Company dated 5 December 2023) are US$65 million; US$75 million and US$85 million, respectively.

The above supplemental information does not affect other information disclosed in the 2023 Annual Report. Save as disclosed above, the other information contained in the 2023 Annual Report remains unchanged.

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

Hong Kong, 28 August 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.