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

**CONCERT PARTY AGREEMENT
BETWEEN A SUBSTANTIAL SHAREHOLDER
AND THE CHIEF EXECUTIVE OFFICER OF THE COMPANY**

The board of directors (the "Board") of Solomon Systech (International) Limited (the "Company") hereby announces that, on 2 February 2016, Huada Semiconductors Co. Ltd # ("Huada", a substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules")) of the Company) notified the Company that (i) Huada entered into an acting-in-concert agreement (the "Agreement") with Dr. Yeh Tsuei Chi ("Dr. Yeh", Chief Executive Officer ("CEO") of the Company) on 2 February 2016, and (ii) the Agreement contains the terms set out below. Upon the execution of the Agreement, Dr. Yeh has become a party acting in concert with Huada under The Code on Takeovers and Mergers.

The Agreement

The Agreement commenced on 2 February 2016 for a period of three years and, if both parties agree, will be automatically extended for another three years.

During the term of the Agreement, Huada and Dr. Yeh have agreed to act jointly in the same manner with regard to the following matters:

- (1) Calling for, and proposing resolutions at, general meetings of the Company;
- (2) Nomination of candidate(s) for appointment as Director(s);
- (3) Voting at general meetings and directors' meetings of the Company; and
- (4) Any other matters that both parties may agree.

Both parties undertake that when exercising their powers pursuant to the terms of the Agreement, the applicable rules and regulations and the provisions of the articles of association of the Company will not be violated, the interests of the Company and other shareholders will not be damaged, and the normal operations of the Company will not be affected.

To the best knowledge of the Company, Huada is holding 706,066,000 shares of the Company, representing approximately 28.5% of the issued share capital of the Company as at the date of this announcement. Huada is a wholly-owned subsidiary of China Electronic Corporation (“CEC”). CEC is a state-owned information technology conglomerate under the administration of the central government of the People’s Republic of China.

Dr. Yeh is taken to be interested in 17,292,000 shares/share options of the Company (within the meaning of Part XV of the Securities and Futures Ordinance), being interests under the share awards and share options granted to him, and they represent approximately 0.7% of the issued share capital in the Company as at the date of this announcement. The said share awards and share options have not vested and, accordingly are not exercisable as at the date of this announcement. Upon the full vesting and exercise of such share awards and share options, Dr. Yeh and Huada will together hold an aggregate of 723,358,000 shares of the Company representing approximately 29.2% of the issued share capital of the Company (on the assumption that no further shares will be issued or repurchased by the Company).

Reference is also made to the share repurchase mandate (“Share Repurchase Mandate”) detailed in the circular dated 13 May 2015. The Board will take note not to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of The Code on Takeovers and Mergers. The Board will ensure that the Company will maintain a 25% public float as required under Rule 8.08 of the Listing Rules.

for identification only

By Order of the Board
SOLOMON SYSTECH (INTERNATIONAL) LIMITED
FUNG Lui Kit Har, Keziah
Company Secretary

Hong Kong, 2 February 2016

As at the date of this announcement, the Board comprises: (a) Executive Directors – Dr. LEUNG Kwong Wai (Chairman) and Mr. CHEUNG Wai Kuen, Kenny; (b) Non-executive Directors – Dr. LI Jun, Mr. LI Rongxin and Mr. ZHAO Guiwu; and (c) Independent Non-executive Directors – Mr. LEUNG Heung Ying, Mr. SHEU Wei Fu and Mr. YIU Tin Chong, Joseph.