



**SOLOMON
SYSTECH**

**SOLOMON SYSTECH (INTERNATIONAL) LIMITED
(Incorporated in the Cayman Islands with limited liability)**

(Stock Code: 2878)

(the “Company” and its subsidiaries (collectively, the “Group”))

Dividend Policy

(with effect from 1 January 2019)

Objective

The Company aims to provide stable and sustainable returns to members of the Company (the “Member(s)”).

This dividend policy (the “Policy”) sets out the principle and guidelines, declaration and distribution of dividend of the Company to the Members.

Principle and Guidelines

The board (the “Board”) of directors (the “Directors”) of the Company may declare dividends after taking into account (but not limited to) the following factors of the Group as it may deem relevant at such time:

- Operations;
- Earnings;
- financial condition;
- Cash requirements and availability; and
- Other factors.

Any declaration, payment and the amount of dividends will be subject to the articles of association of the Company (the “Articles of Association”) and the Companies Law in the Cayman Islands (the “Companies Law”). Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board.

This dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and in no way obligate the Company to declare a dividend at any time or from time to time.

No dividend may be paid to members out of the share premium account unless immediately following the date on which the dividend is proposed to be paid the Company will be able to pay its debts as they fall due in the ordinary course of business.

Declaration and Distribution

Subject to the Companies Law and Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes, no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (b) that the Members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are

to be of the same class as the class already held by the allottee.

The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to Members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the Member entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of Members in respect of the joint holding to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of Members in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the Members in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

Review and Disclosure

The Board will conduct periodic review on the Policy as appropriate to ensure its continued effectiveness and comply with the Companies Law, the Articles of Association and the Rules Governing the Listing of Securities on the Stock Exchange of the Hong Kong Limited (the “Listing Rules”) and other relevant rules and regulations.

A summary of the Policy and its progress should be disclosed in the Company’s corporate governance report in accordance with the Listing Rules.

Note: If there is any inconsistency between the English and Chinese versions of the Policy, the English version shall prevail.