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2012: Achieving Focused Growth

2011 has been a challenging year for the semiconductor and electronics industry, affected by a global economy that has been weakened by the lingering high unemployment rate in the US and sovereign debt issues in Europe, which followed hard on the heels of the earthquake in Japan. The market outlook for 2012 is likely to remain volatile given the uncertain macroeconomic environment. The semiconductor and electronics industry, which constitutes a significant portion of the world's GDP, will not be immune to the cautious economic climate.

Nevertheless, there are still some segments that will see growing demand and strong potential, in particular smartphones, tablets, smart TVs, smart

projectors and a few other industrial products. To capture such opportunities and strive for growth, we have developed strategies to further enhance our competitive edge in these particular business areas.

For smartphones and tablets, demand will largely be driven by capacitive touch technology, high-resolution drivers and high-speed interface solutions. At Solomon Systech, we have been strengthening our Capacitive Touch Panel Controller family, and have received very good market response; consequently, demand is expected to continue surging in 2012 and beyond. Also, with more innovative solutions added to our Display Interface Controller family for driving ultra high resolution

display, we have managed to win large volume projects for the upcoming two years.

Our investment in C2 Microsystems ("C2") in August 2011 is a strategic step towards building our foothold in the smart TV business. In fact, we are working on a pilot run project for a famous China TV manufacturer. The synergies generated from the strategic investment also present other business opportunities for Solomon Systech. The Group's Display System Solution business unit plans to incorporate C2's leading-edge technology into smart projectors. We believe that the combination of our established customer base in the projectors segment and C2's technology will enable us to capitalize on this growing market.

2011 Product Shipment

In 2011, Solomon Systech shipped approximately 99 million ICs, representing a year-on-year decrease of around 30%. The reduction was primarily due to a cautious outlook towards economic growth that translated into customer driven schedule delays and lower quantity orders.

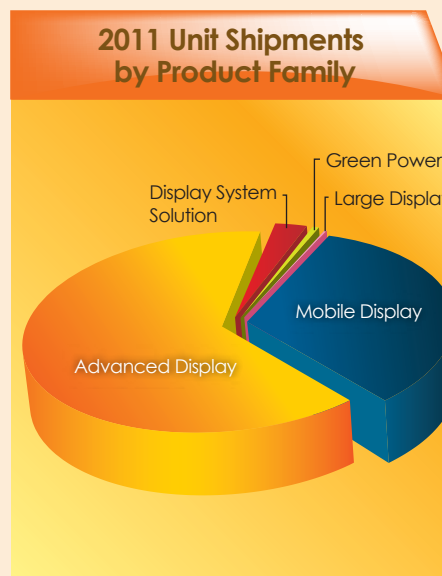
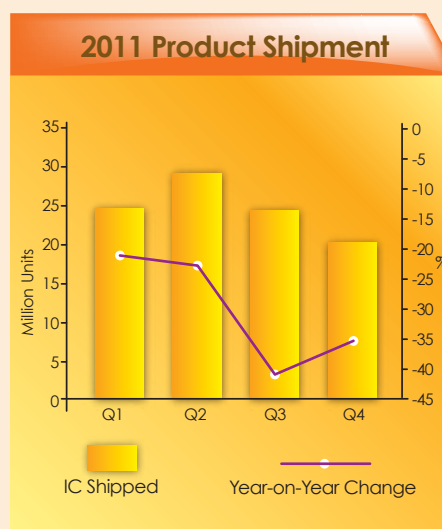
The Advanced Display product family, which includes OLED and e-paper ICs, has become our main product family, contributing over 60% of total unit shipments in 2011. While shipments of PMOLEDs have declined during the year due to a reduction in the demand for mobile sub-displays, the e-paper display market has experienced strong growth and we are optimistic about its market potential.

The Mobile Display business, which includes LCD driver ICs and touch panel ICs, constitutes around one-third of the total unit shipments, and thus is the second largest area of business for us. In particular, the demand for our touch panel ICs and

high speed MIPI interface solution has been increasing although the overall shipments from the Mobile Display product family has declined due to the cautious economic outlook of customers.

Immediately following the Mobile Display business in terms of total unit shipments is Display System Solution, which accounted for approximately three million IC unit shipments, a similar level to 2010. We have successfully secured some world-leading brands to use our new system solution for their smart projector projects. We also expect sales contributions from our smart TV SoC solution to begin very soon in 2012.

Green Power has recorded a significant year-on-year increase in unit shipments in 2011 of close to 50% owing to rising demand for LED lighting modules. For the Large Panel business unit, our large TFT products have passed the qualification by a key customer, and we are now working on a pilot production scheme. ↗



Electronic shelf labels using e-paper display technology are also expecting to experience a boom in 2012. We have secured a few world-leading suppliers who are all forecasting steady growth for such product in the coming years.

Aside from directing more resources toward these high-growth businesses, we have also allocated resources to further strengthen our technical competence, which is critical for setting us apart from competition; as well as to enhance our sales and marketing team in order that we secure target customers and create strong relationship with them to facilitate business growth.

With our strategies well in place and our foundation reinforced, combined with the commitment and effort of all Solomon Systechers, we are well prepared to set for focused growth and profitability in 2012. ↗

Humphrey Leung

Group CEO

Solomon Systech Limited

Launch of Innovative Solutions to Push for Growth

In 2011, Solomon Systech has launched a number of new products in 2011, several of which are highlighted below:

Capacitive Multi-Touch Panel Controller: SSD2533

The latest addition to Solomon Systech's Capacitive Touch Panel Controller family, SSD2533 is an all-in-one multi-touch panel controller that integrates power circuits, 23 driving and 41 sensing circuits into one single chip. Supporting display panel of up to 11 inches with Full HD resolution, SSD2533 has a proprietary DSP-based programmable architecture that allows truly simultaneous detection points of up to 10 fingers, which greatly enhances the user experience. SSD2533 has won the "2011 China IC Design House Awards – Hottest Controller/Driver ICs" honor, conferred by Electronic Engineering Times ("EE Times") China in September 2011.

High-speed Display Interface Controller: MIPI SSD2825

A new member of our MIPI series under the growing Display Interface Controller family, MIPI SSD2825 is a high-performance MIPI Bridge Chip solution targeting high-resolution smartphones. It can convert a 24bit RGB interface into a 4-lane MIPI-DSI interface to drive extremely high-resolution display modules of up to 800 x 1366, while supporting AMOLED, a-si LCD or LTPS advanced panel technologies for smartphone applications.

Bistable Display Drivers: SSD1626 and SSD1629

SSD1626 and SSD1629 are new members of the Bistable Display Driver Controller product family. SSD1629 provides 32 segments output for direct drive display, while the SSD1626 is the companion chip of SSD1629. SSD1629 is a single-chip integrated driver with controller. Its flexible waveform can be set to drive different displays, such as Cholesteric, Electrophoretic, and other new display technologies. With highly compact design, SSD1626 and SSD1629 enable new display technologies to be applied in such applications as signage, USB memory devices, industrial equipment and health care products, mobile phone indicator displays and more.

MagusCore™ Exclusive Multimedia System Solution: SSD1938

As a new, third-generation member of the MagusCore™ family, SSD1938 is a multimedia processor offering superb processing speed with ARM1176JZF core running up to 800MHz. Its key features include video processor, graphic accelerator engine, vector floating processing unit and high fidelity audio codec. It is a very cost-competitive solution providing a number of power saving designs, a high level of system integration which enables high-performance Full HD video decoding, and HD video encoding with the support of Linux or Android operating system for products such as high-performance projectors, IP cameras, car surveillance systems, media boxes, mobile internet devices, and advance remote control and personal navigation devices.

Offline LED driver ICs: SSD1072 & SSD1073

SSD1072 and SSD 1073 are new additions to the LED lighting family, which is part of the Green Power business unit. These constant current driver ICs provide a higher power factor and represent a high system efficiency solution for offline LED lighting applications. With a built-in active power factor correction feature, the power factor of SSD1072/1073 can reach up to 0.98. The system power efficiency can be improved to up to 92% with the use of these ICs. SSD1073 also has a dimming function that allows extra energy saving.

New Products and Design-wins

Mobile Display

New Products



Touch IC



MIPI Master Bridge Chip

Design-wins



Android Tablet



Smartphone



iDect Phone

Advanced Display

New Products



Bistable Display Driver



OLED - Character Display

Design-wins



Card Phone



Health Care Product



Electronic Shelf Label



Mobile Phone

Display System Solutions

New Products

HD 1080p
Multimedia Processor3D Display Controller
for Active Shutter Glasses

Android MID



Drive Recorder



Pocket Projector

Green Power

New Products



Offline LED Driver IC



LED Tube Power Module

Design-wins

Dimmable E27
Light Bulb

LED Streetlight



PAR 30/38 Spot Light



T8/T10 Tube Light

Large Display

New Products



SSD3258 Source Driver IC



SSD3268 Gate Driver IC

Design-win

Source and Gate Driver ICs
for 31.5" TV Panel

New Video Clips on a New Look Website

The Internet has become an increasingly important business tool; consequently, corporate websites represent a valuable platform for introducing a company's leading-edge technologies and products, as well as for driving the business forward.

Seeking to enhance this platform still further, we have revamped our corporate website (<http://www.solomon-systech.com>) by means of adopting a clean and modern design, and by providing an improved user-friendly interface with increased functionality and navigability for clients and visitors.



To facilitate better understanding of our technologies and to showcase the wide range of product applications, the Company has also created a total of seven video clips.

These video clips highlight the latest products and system solutions of our core business units. Available in both English and Mandarin, these video clips can be viewed via the corporate website, catering for different needs.

Upcoming, we shall create still more videos to fully leverage this new-generation promotional platform, thus bolster communications with our current and potential clients. ➤

Snapshots of Exhibitions & Seminars



Hong Kong Electronic Industry Summit, Hong Kong



China IC Expo, Shenzhen



China Hi-Tech Fair, Shenzhen

In 2011, Solomon Systech participated in several large-scale exhibitions and seminars in Hong Kong, the PRC and the United States to increase its exposure. These included the Hong Kong Electronic Industry Summit in Hong Kong; LED Seminar, China IC Expo and China Hi-Tech Fair in Shenzhen; and the SID International Symposium in Los Angeles.

We successfully used these opportunities to showcase our latest technologies and products to visitors, and most importantly, to meet with potential customers from around the world. ➤



2011 CSIA-ICCAD Annual Conference

Awards & Recognition

Dr Humphrey Leung Elected Vice President of CSIA-ICCAD's Executive Council

During the 2011 China Semiconductor Industry Association IC Design Branch (CSIA-ICCAD) annual meeting held on 17 and 18 November 2011 in Xian, PRC, Solomon Systech, Dr. Humphrey Leung, Group CEO of Solomon Systech, was elected Vice President, Executive Council of CSIA-ICCAD. Being also the Vice Chairman, Hong Kong Electronic Industries Association and Vice President, Hong Kong Semiconductor Industry Council of Hong Kong Electronic Industries Association, Dr. Leung will be able to contribute to the advancement of IC design and overall development of the semiconductor industries in both Hong Kong and the PRC. ➤



2011 China IC Design House Awards Presentation



- China Chip Best Market Performance Award
- 6th Consecutive Year as Caring Company
- EE Times China "2011 China IC Design House Awards - Hottest Controller/Driver ICs"

We are Good Corporate Citizen

As a responsible corporate citizen, Solomon Systech cares about the environment and the community in which it operates. In 2011, we participated in charitable events, including “Walks for Millions” and “Greening for the Chest”. Through these activities, we were not only able to engage the community and help the needy, but we were also brought closer together and our team spirit further strengthened.

In addition, every member of our staff is engaged and equipped to build “sustainability thinking” into their everyday work. We have developed a wide range of green initiatives to encourage our staff to help protect the environment. Through simple measures like weekly green tips, regular lights-out sessions during lunch hour and sending friendly reminders to switch off computers and unplugging electronic devices before long weekends, we have successfully reduced electricity consumption. ➤



Walks for Millions



Greening for the Chest



Earth Hour 2011

The SSL Family: Work Hard, Play Hard

“Work-life balance” is about prioritizing between work and life properly. Solomon Systech is committed to nurturing talents to fuel innovations that drive our growth. Not only do we provide a pleasant work environment for staff, but we also offer leisure activities and organize gatherings to foster a balanced lifestyle, promote bond building and improve physical wellbeing.

A large variety of activities were held in 2011, ranging from dinner and barbeque gatherings to cake making and basketball courses. ➤



Shenzhen Anniversary Dinner

Hong Kong Anniversary Dinner
10 Years Service Award Presentation



5 Years Service Award Presentation



Singapore Anniversary Dinner



Dress Casual Day

Company BBQ



Cake Making Class



About Solomon Systech

Founded in 1999, Solomon Systech Limited is a leading semiconductor company providing display IC products and system solutions on an international basis under its own global brand. Adopting a “fabless” business model, the Group specializes in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display applications for mobile phones, portable devices, LCD TVs, consumer electronic products, industrial appliances and green energy applications such as LED lighting.

Solomon Systech (International) Limited's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 8 April 2004 (stock code: 2878).

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