



**SOLOMON
SYSTECH**

**We
make
things
happen at
SOLOMON
SYSTECH**

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Solomon Systech (International) Limited

**11 & 13 January 2005
Hong Kong**

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Our Mission

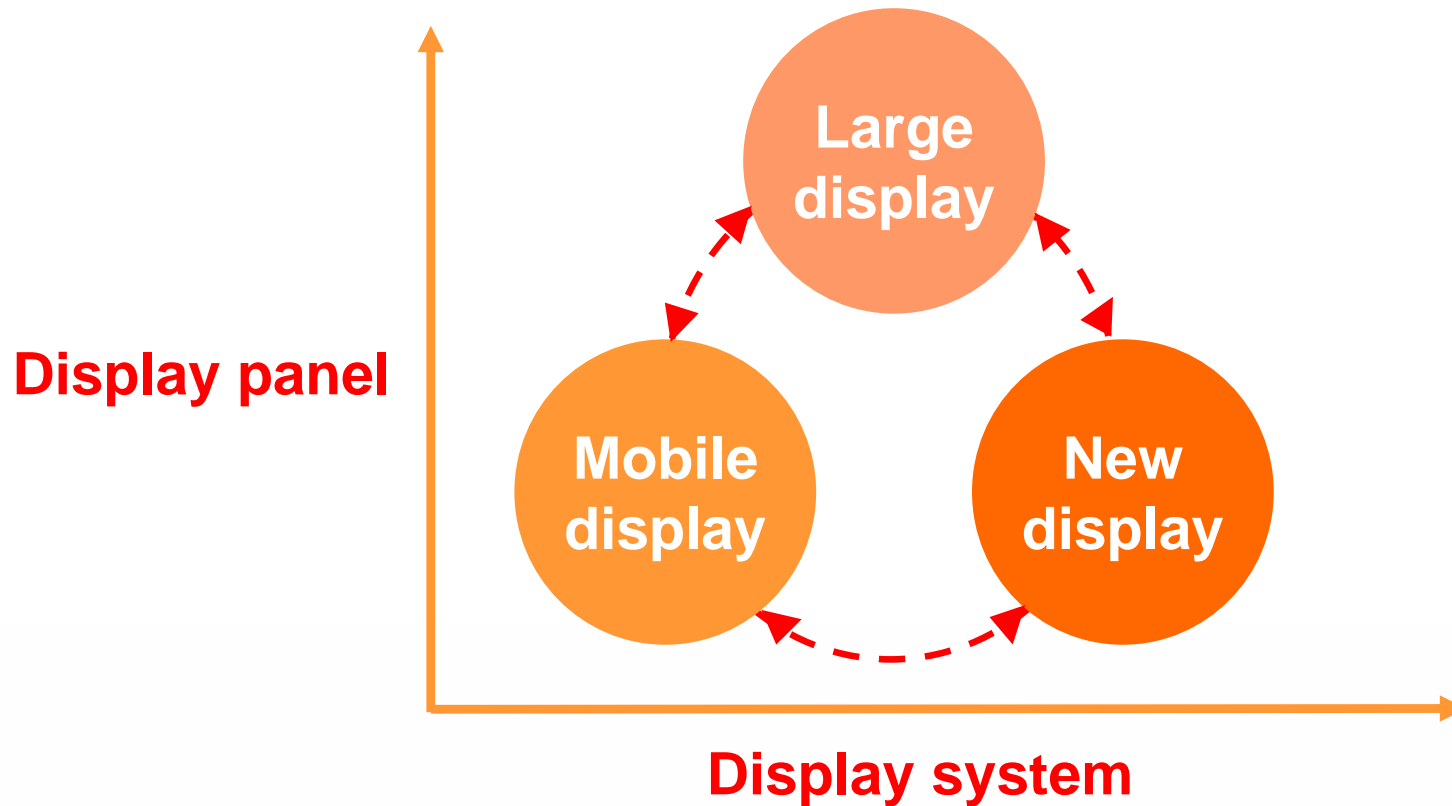
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Mission statements

- Be a dominant display IC supplier
- Be a respectable enterprise of highest integrity



Our target – top 3 by 2008

Rankings – Total Driver Market Shares

Position	Company	Market share (%)
1	Samsung Electronics	21.8
2	NEC	10.3
3	Seiko Epson	7.1
4	Sharp	6.8
5	Novatek	6.5
6	Oki / TI	5.5
7	Toshiba	4.8
8	Solomon Systech	4.7
9	Himax	4.7
10	Matsushita	4.5
11	Sanyo	4.0
12	MagnaChip	3.6
13	Philips	2.3
14	Leadis	2.3
15	Renesas	1.6

Note: Rankings based on 2004 FY performance

Source: iSuppli Display Electronics (2Q 2005)

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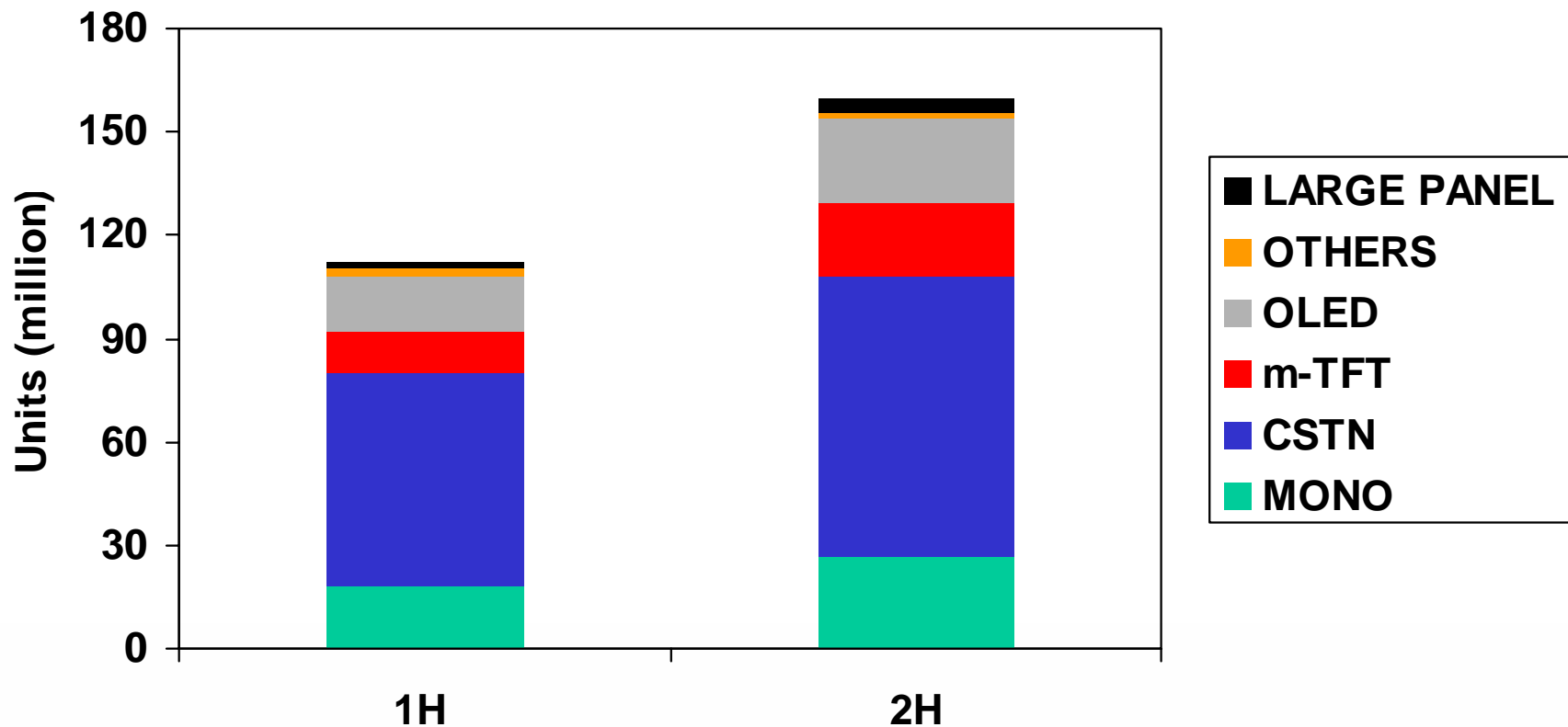
Performance in 2H 2005 - Financial -

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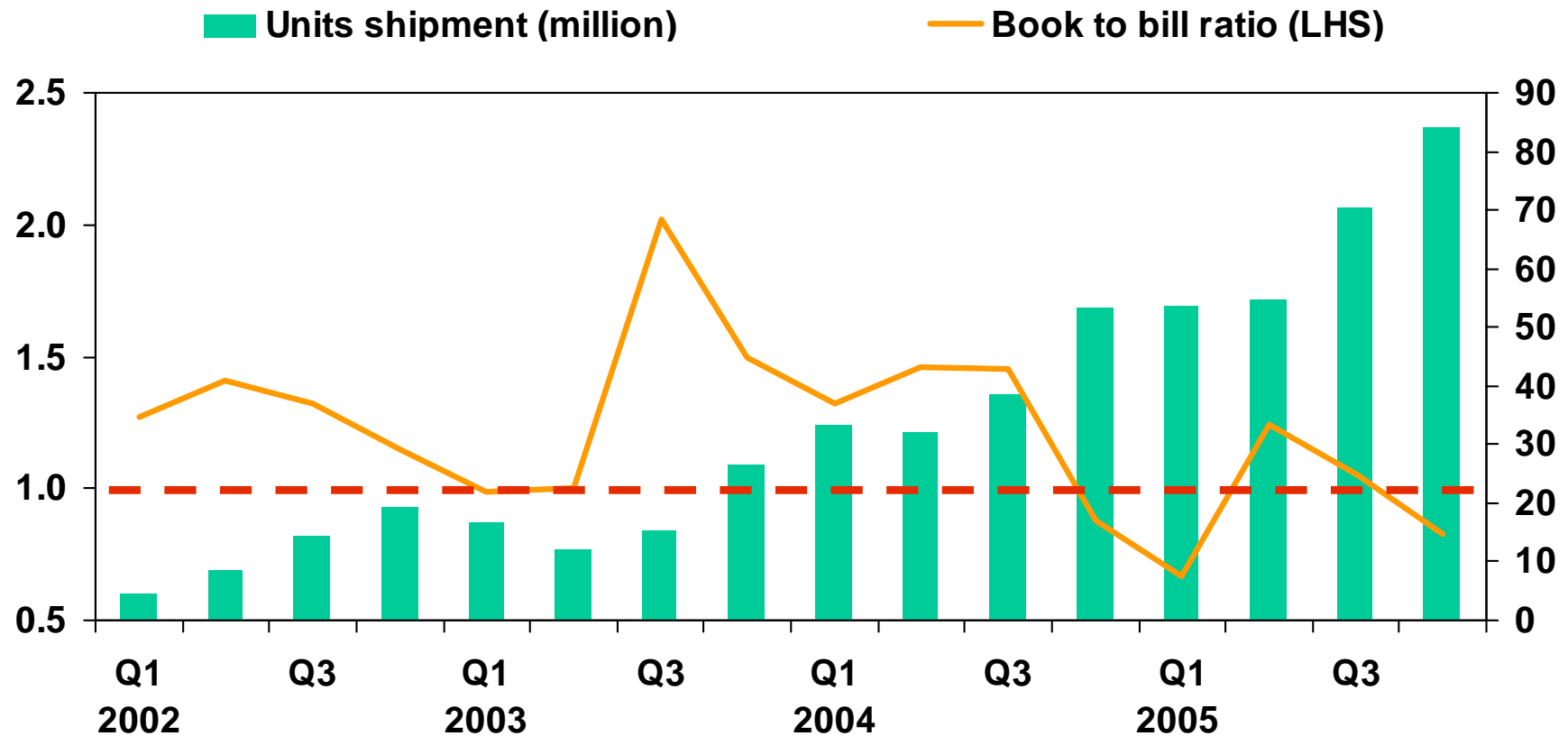


Units shipment by product line

- Units shipment grew by 42% in 2H (Versus 1H 2005)



Units shipment and book-to-bill ratio

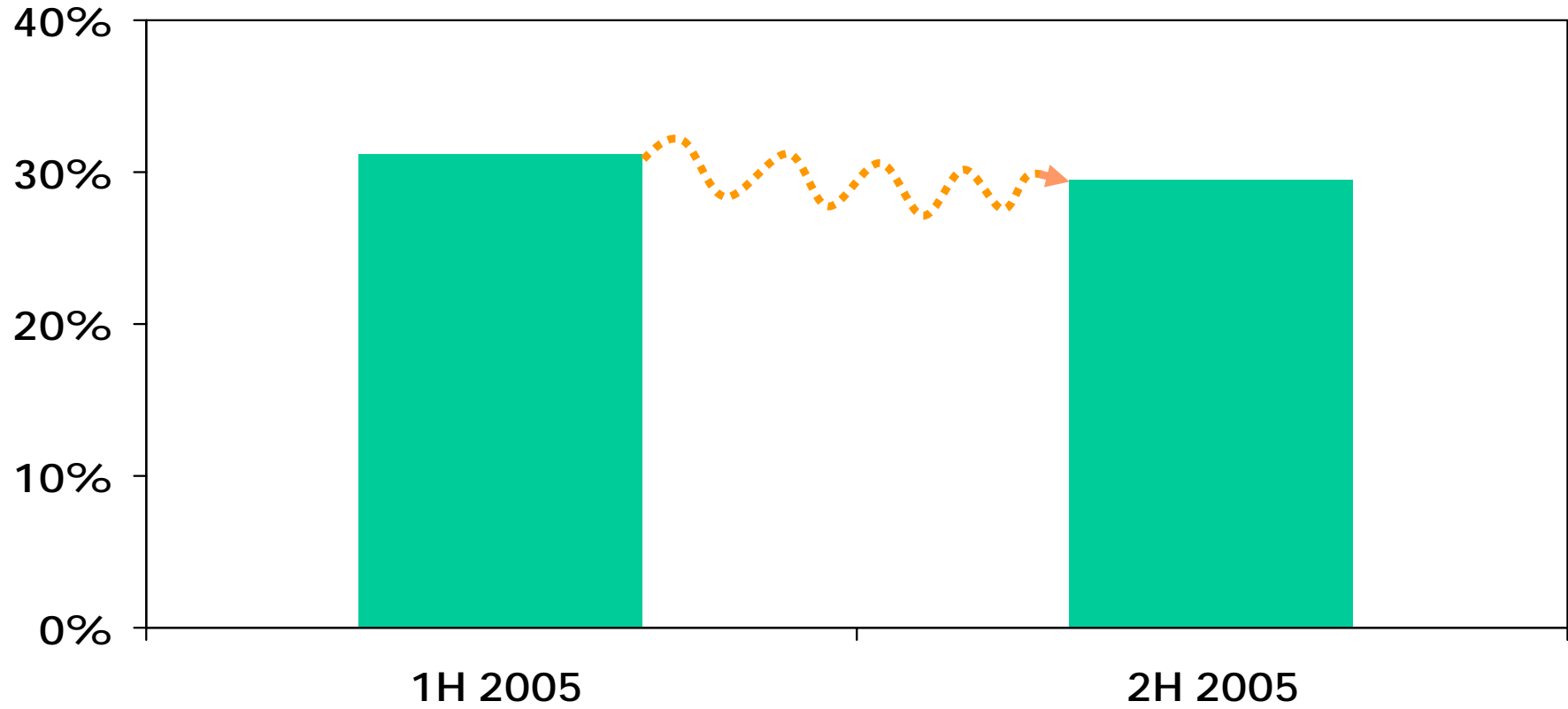


Source: Solomon Systech

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Gross margin



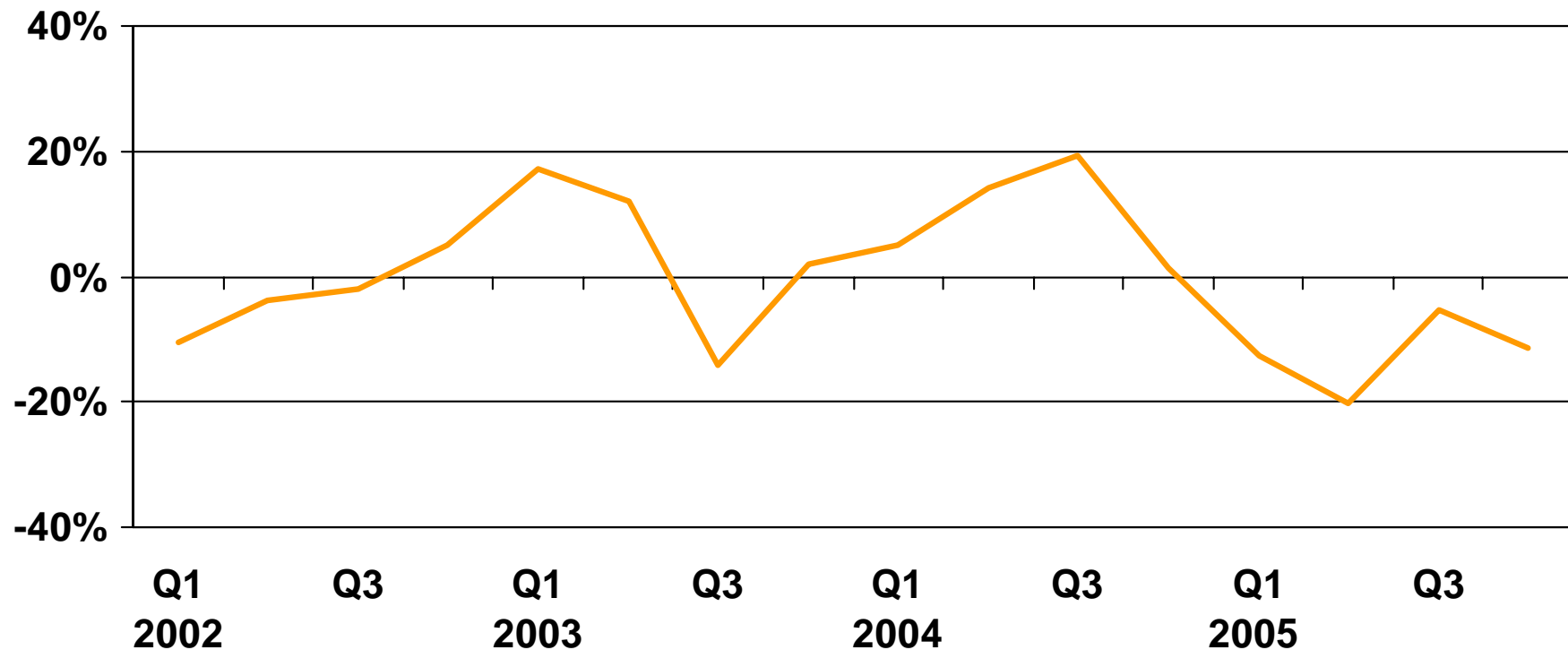
Note: Unaudited results

Source: Solomon Systech preliminary financial accounts

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Change in blended ASP (QoQ)



Source: Solomon Systech

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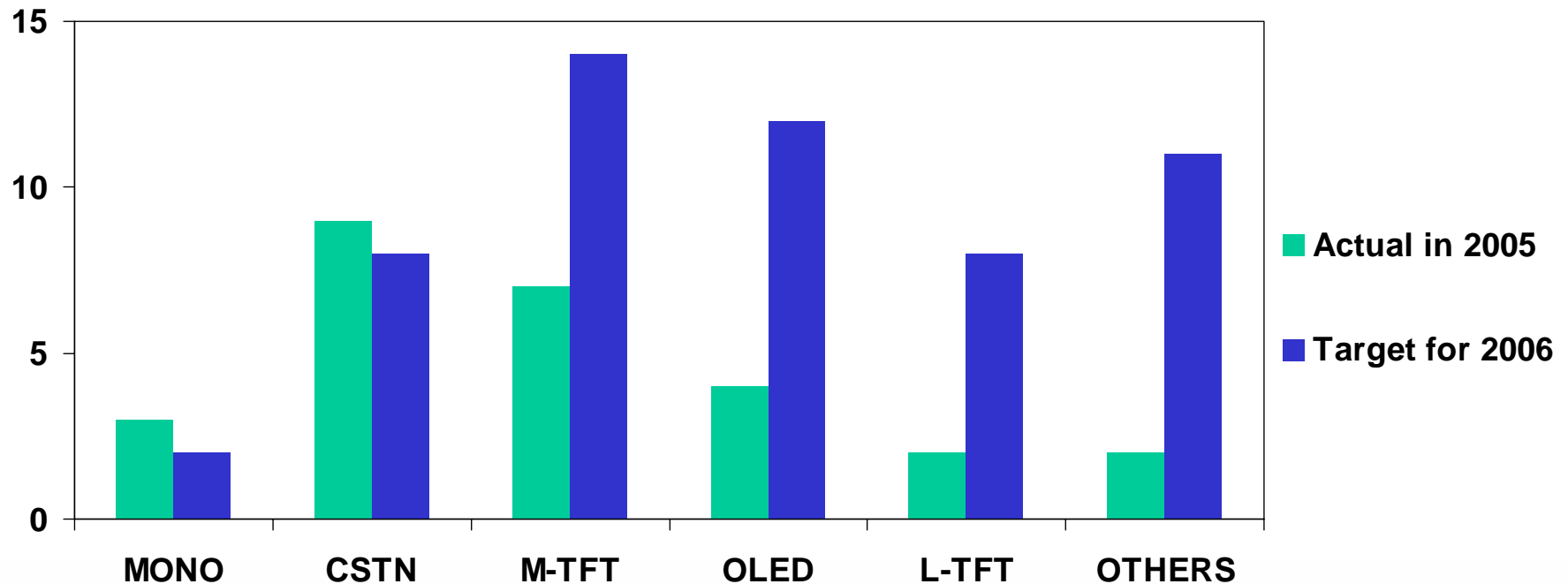
Performance in 2H 2005 - Products and customers -

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New products launched

- There were a total of 27 new products launched in 2005



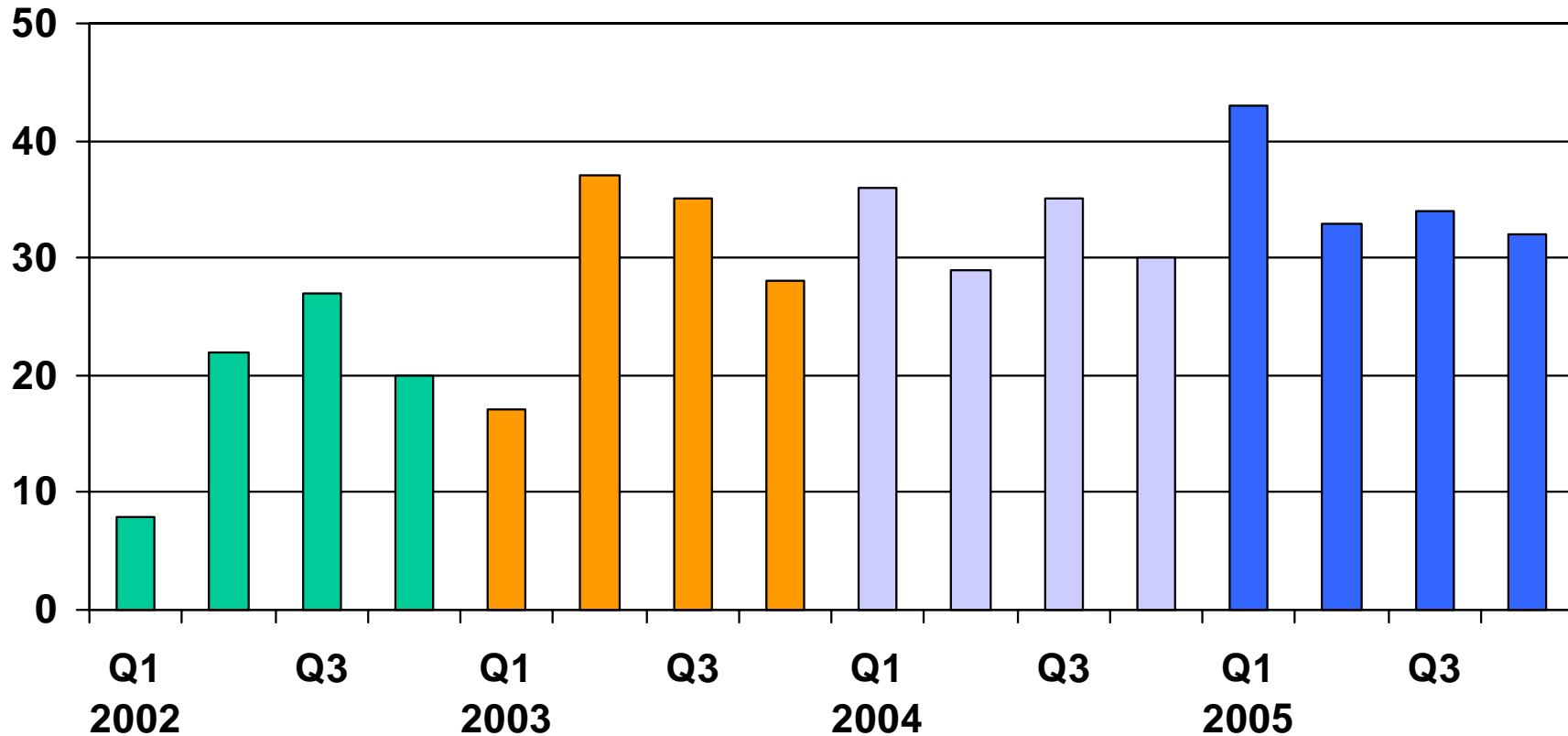
New and coming products

Product family	New products	Coming products
STN (MONO + CSTN)	High integration	Low cost, more features
M-TFT	QCIF+	QVGA, LTPS
OLED	Sub displays, MP3 players	Main displays
L-TFT	Gate driver, LCD monitor, notebook	Source driver, LCD TVs
OTHERS	Eyewear device, melody chips	Multi media processor, timing controller, e-paper

Note: For the whole year 2005

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Customer design wins



Source: Solomon Systech

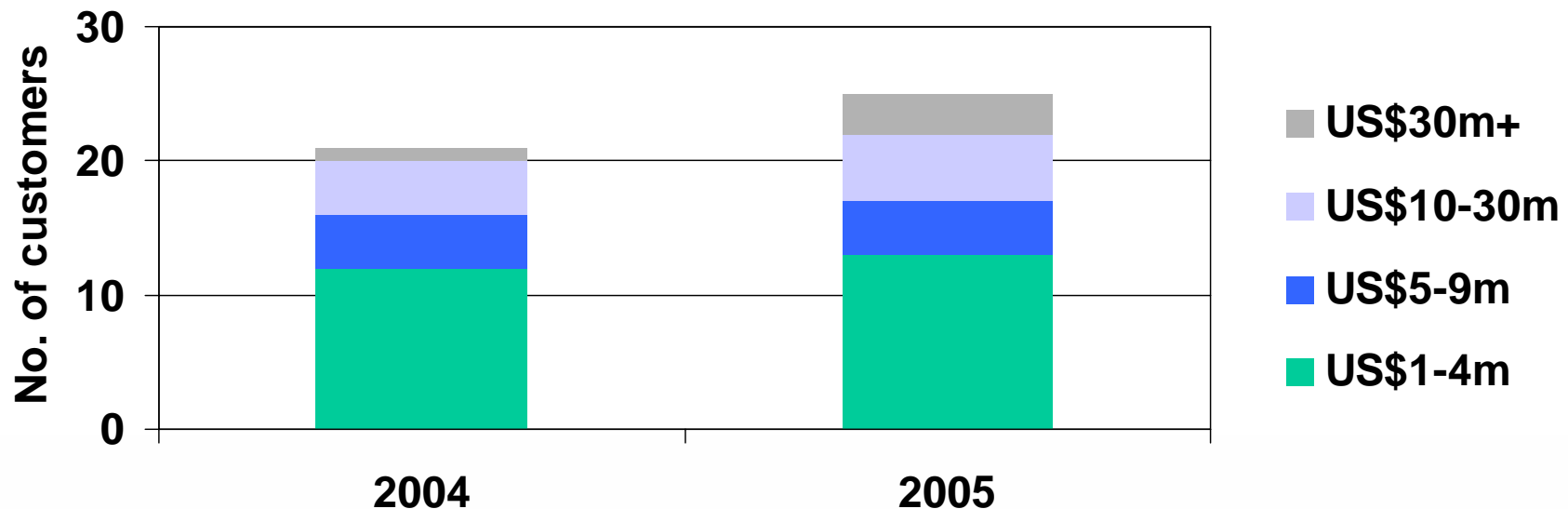
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New customers in 2005

- Apart from virtually every mobile handset brand names, new customers gained in 2005 include Sony, Creative and Quanta Display

Business with Solomon Systech



Source: Solomon Systech

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Performance in 2H 2005 - Business & Operations -

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Achievements

- **Business**
 - Volume shipment of L-TFT gate driver ICs
 - Agreement with Kopin Corp on sale of binocular display modules
 - Continued priority supplier to Motorola

- **Operations**
 - Full compliance with RoHS
 - Implementation of ERP system
 - And certainly awards ...

Note: RoHS stands for Restriction of Hazardous Substances, an EU Directive

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Awards

Corporate Level:

- Dec Caring Company Award
- Dec Deloitte Technology Fast 500 Asia Pacific (ranked: 121)
- Nov Deloitte Technology Fast 50 China (ranked: 26)
- Sep 2005 Grand Winner – Best of Hong Kong,
19th Annual International ARC Awards



Financial Performance:

- Dec Red Herring Global Small Cap 100
- Dec Outstanding Financial Performance by a Public Fabless Company Award
- Oct Honorable mentions, Grand Prix for Best Overall Investor Relations
– Small to Mid-Cap, IR Magazine Awards 2005



Technological Innovation:

- Oct Leading Product Winners (Analog & Mixed Signal ICs),
EDN China Innovation Award 2005
- Oct Grand Award and Gold Award for Outstanding Innovation
and Technology Products



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Business Outlook

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General views on 1H 2006

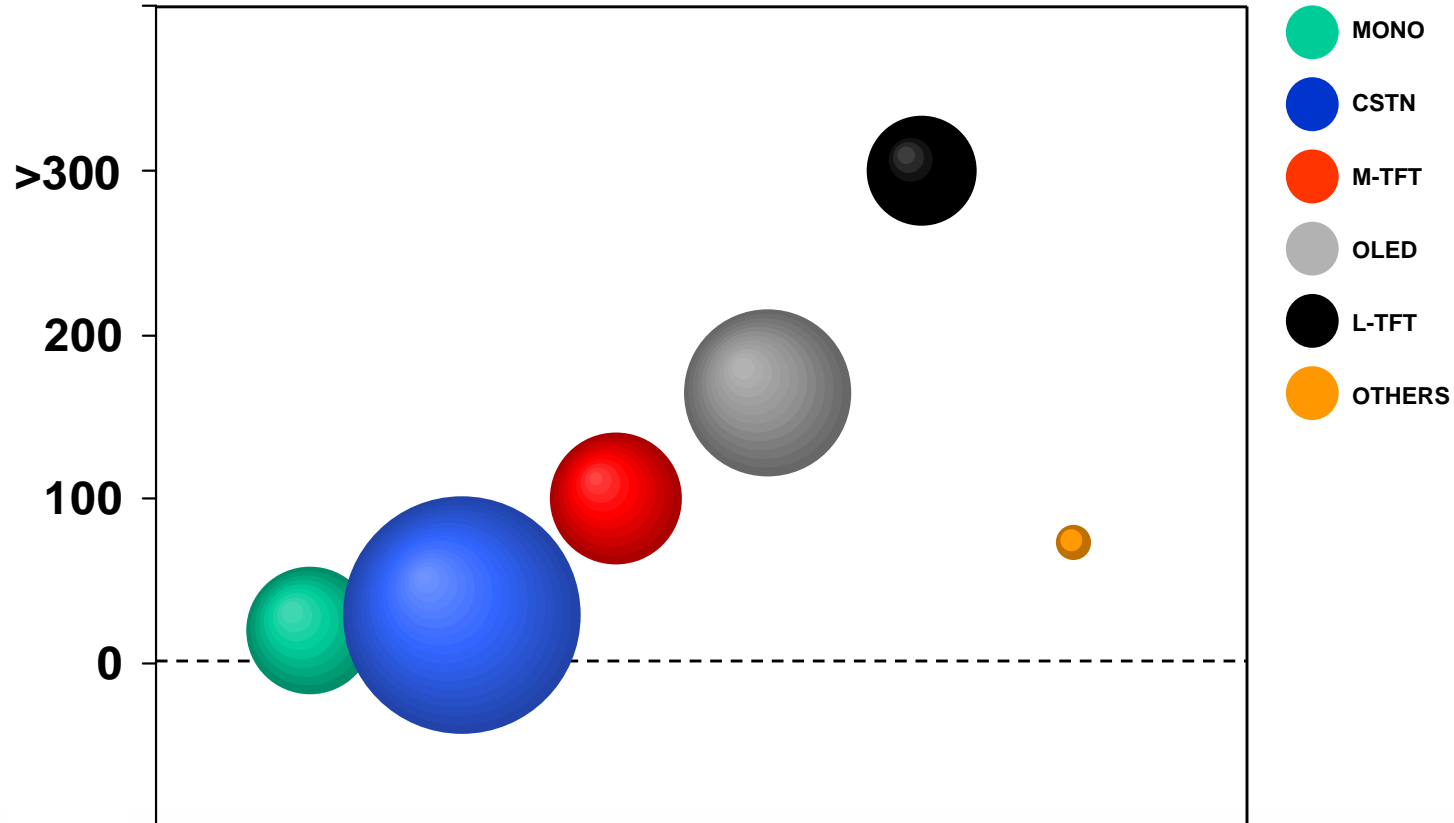
- + Mobile handsets moderate growth
- + Healthy demand for MP3 players
- + High growth in LCD TV market
- + New m-TFT display IC products
- + Other new project opportunities
- + More stable wafers cost

- Seasonal weakness in 1H
- Pricing pressure from customers
- Continued competition

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Expected units growth for 2006

Units growth (%)

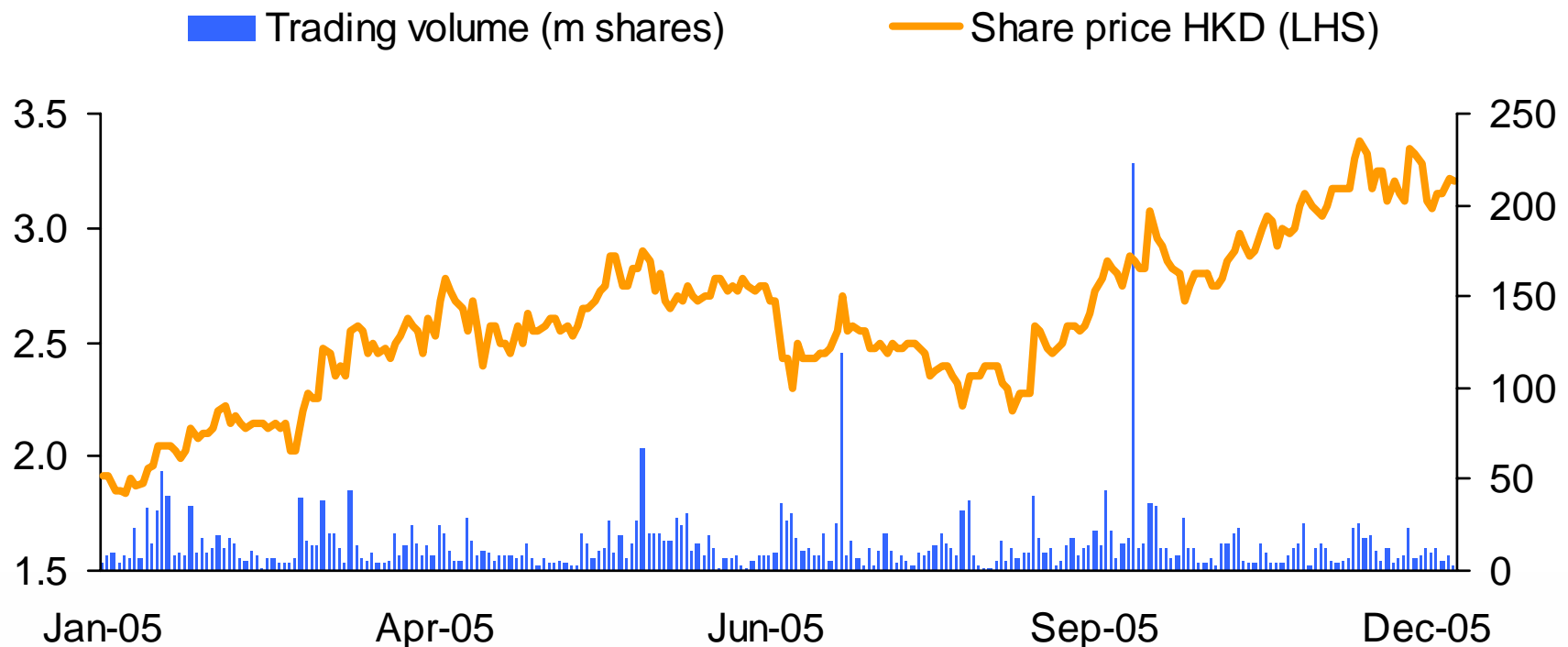


Note: Circle size denotes the relative units shipment in 2006

A supplement

Share price performance in 2005

- Share price increased by 68%
- Liquidity was up 27% in 2005 to 13.6m shares a day



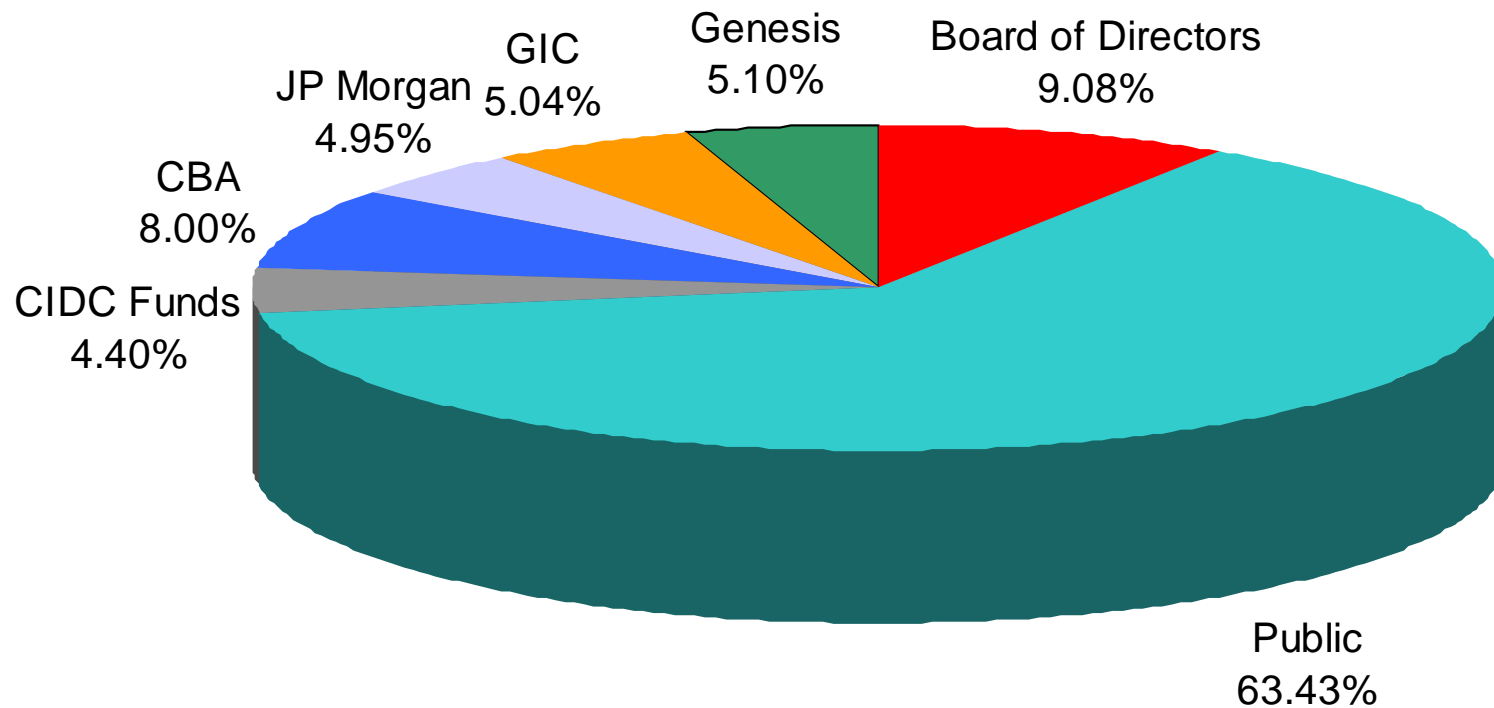
Dividend payout

	US\$ million		
	Net profit	Dividend	Payout ratio
Year 2004			
1H	22.9	8.3	36%
2H	36.3	38.7	107%
<i>Total 2004</i>	<i>59.2</i>	<i>47.0</i>	<i>79%</i>
Year 2005			
1H	36.3	12.9	36%

Source: Solomon Systech interim and annual reports

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Shareholding structure



Source: Hong Kong Stock Exchange and Solomon Systech, as of December 31, 2005

Thank You

Solomon Systech (International) Limited
Stock code: 2878 HK

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