



**SOLOMON
SYSTECH**

**We
make
things
happen at
SOLOMON
SYSTECH**

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Solomon Systech (International) Limited
2004 Annual Results Announcement

9 March 2005
Hong Kong

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Summary

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REMARKABLE RESULTS – WE MAKE THINGS HAPPEN

- Increase in turnover, up 182%
- Net profit growth of 161%
- EPS reaching 19.3 HK cents for the year
- Full year dividends per share 14.6 HK cents
- Gaining market share in mobile display IC area
- A leading global display ICs products provider

Financial Review

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PROFIT AND LOSS

(US\$ million)	For the year ended December		YoY
	2004	2003	Change
Turnover	308.2	109.3	182%
Gross profit	96.6	46.0	110%
Profit attributable to shareholders	59.2	22.7	161%
(HK cents)			
Earnings per share	19.3	8.5	127%
Dividends per share	14.6	6.6	121%
<i>Interim</i>	2.6	--	
<i>Final</i>	12.0*	6.6	

* Final dividend per share payable

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BALANCE SHEET

(US\$ million)	As at 31 Dec 2004	As at 31 Dec 2003	Change
Total assets	249.7	81.6	206%
Total borrowings	Nil	Nil	NA
Shareholders' funds	176.6	49.9	254%
Net cash	125.3	37.2	237%
(HK cents)			
Shareholders' funds per share	55	21	162%
Net cash per share	39	15	160%

Note: Per share figures are based on the outstanding shares of the Company at the year end

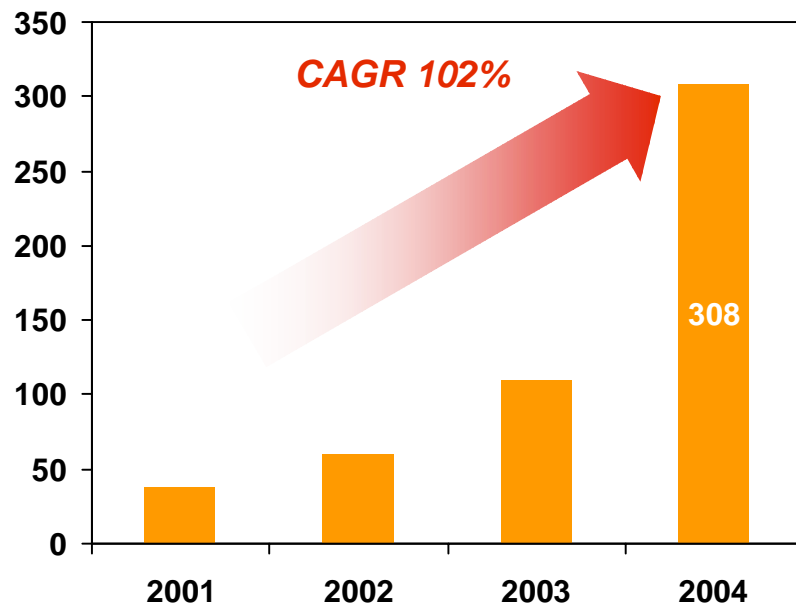
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HISTORICAL FINANCIALS

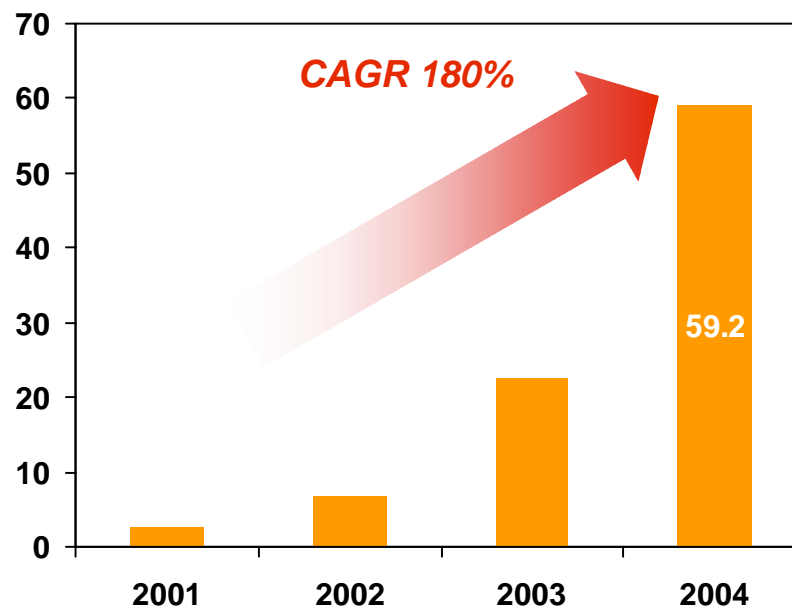
Turnover

Net profit

US\$m



US\$m

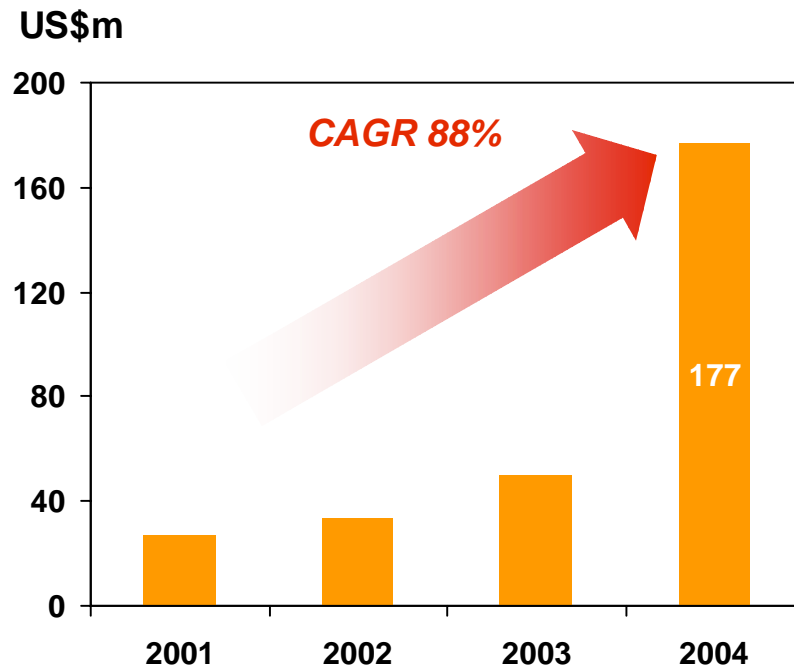


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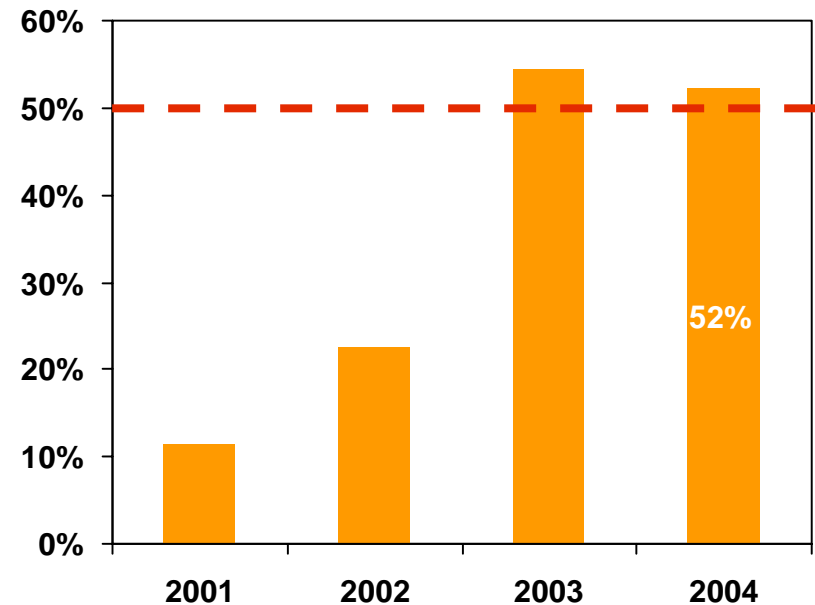


HISTORICAL FINANCIALS

Shareholders' funds



Return on equity (%)

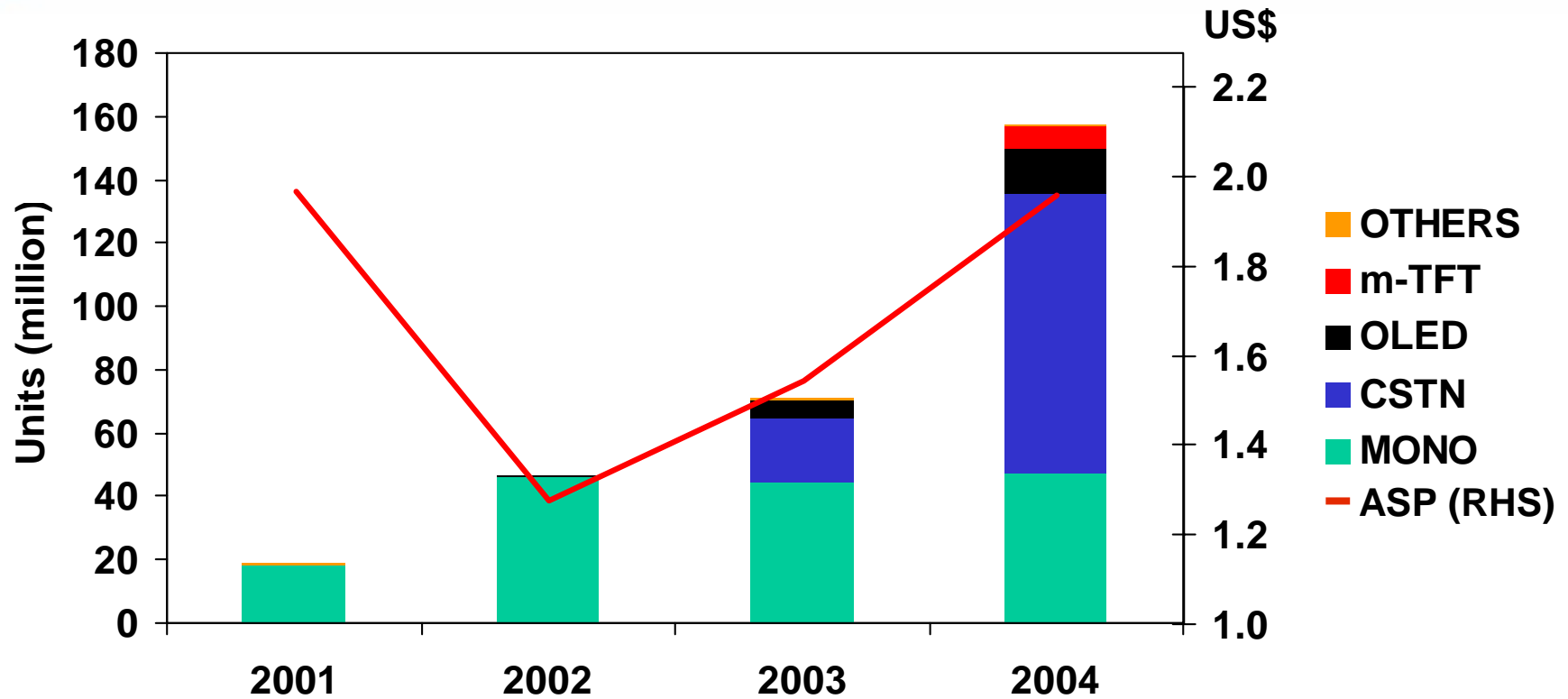


Business Review

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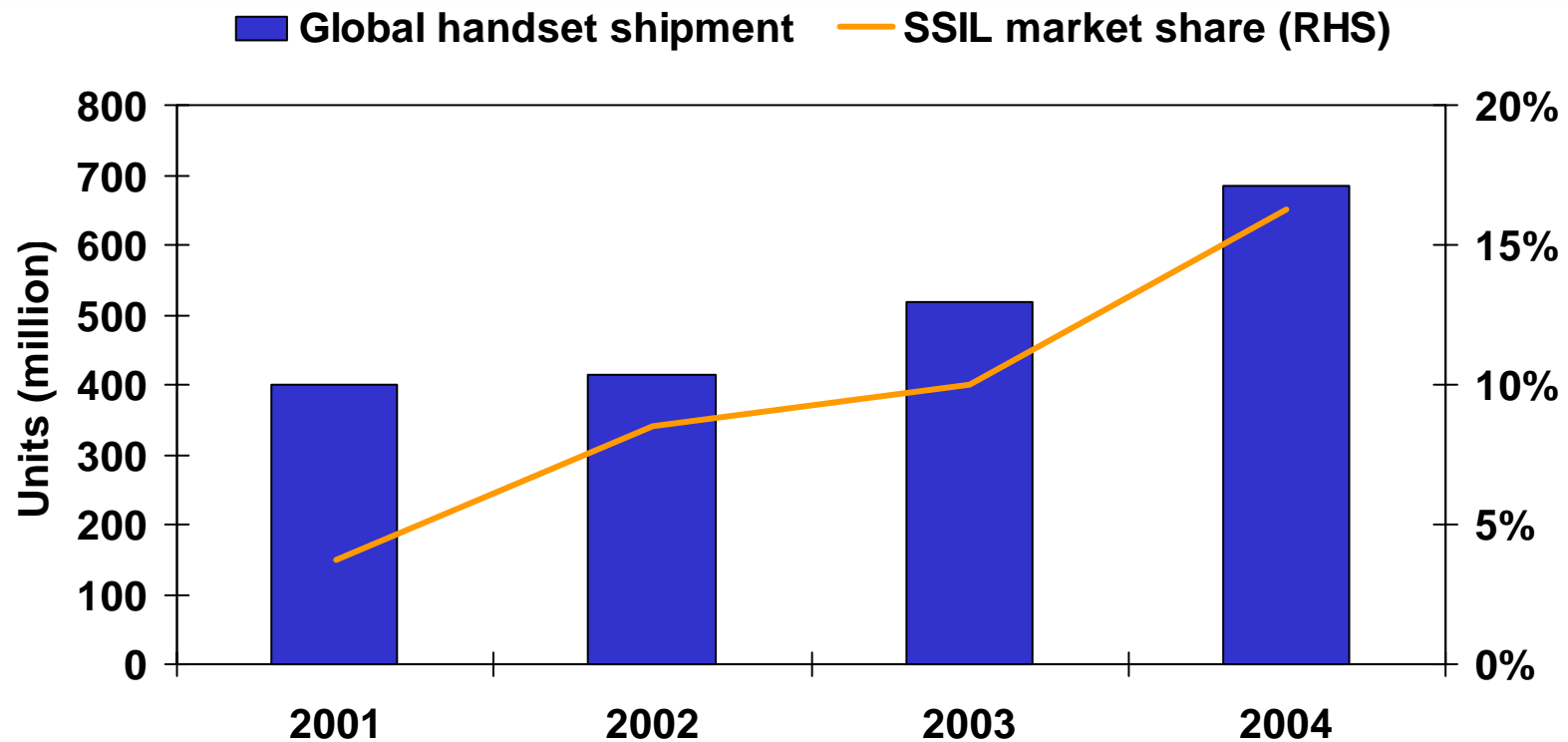
UNITS SHIPMENT AND ASP



Note: Others include graphic controllers, PDA etc.

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MARKET SHARE



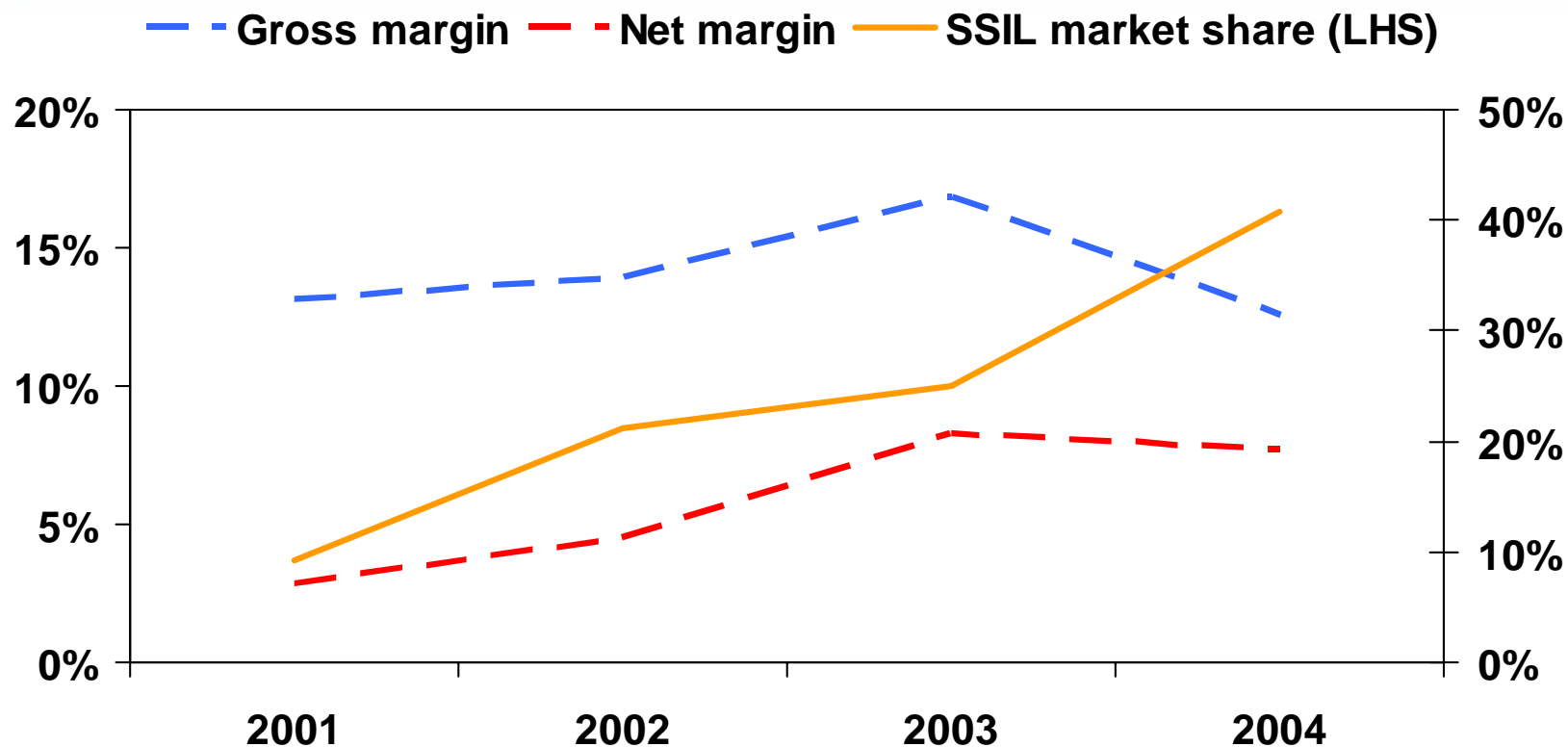
Assumptions:

(1) Mobile handsets with dual display as a percentage of overall mobile handsets shipped in the previous years are 15% (2001), 20% (2002), 23% (2003) and 27% (2004) respectively

(2) 90% of the Group's display ICs are used for the mobile handsets

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MARKET SHARE AND MARGIN



NEW PRODUCTS – MOBILE

Monochrome
STN

Putian



TCL



UT
Starcom



Color STN

Nokia



Sony
Ericsson



LG



OLED

Motorola



Samsung



Philips



m-TFT

Motorola



Motorola



Motorola



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NEW PRODUCTS – NON MOBILE

E-paper
(Flexible watch)



Graphics controller
(Coffee machine & printer)

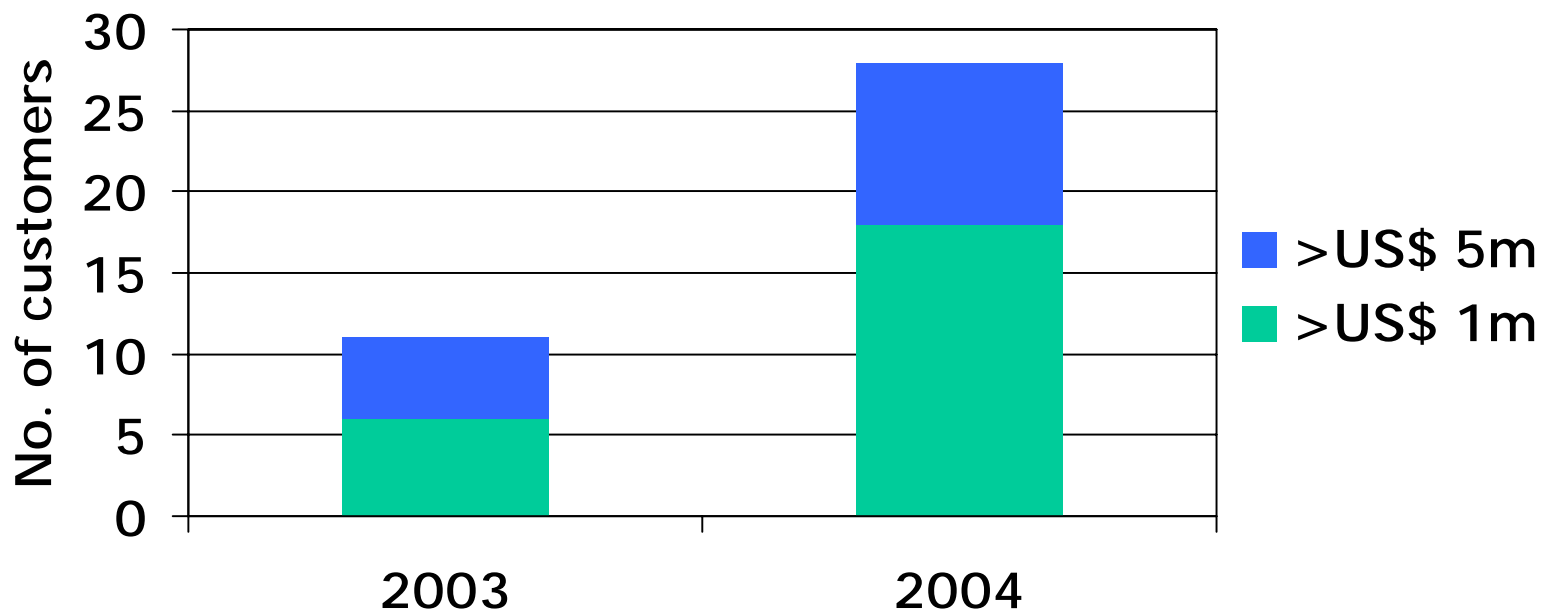


OLED products
(MP3 player)



NEW CUSTOMERS

Business with Solomon Systech



AWARDS

- From technology to corporate
 - From industry to investment community
 - From region to global
-
- ...as well as from customers



Outlook

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GROWTH DRIVERS

- Expected healthy growth from color display ICs for mobile handsets, in particular CSTN and m-TFT areas
- Increasing popularity of OLED display in MP3 player applications
- Volume shipment of large display driver ICs commencing in the first half of 2005

OTHER BUSINESS OPPORTUNITIES

- Graphic controllers for high-end equipment
- Multimedia chips for mobile phone applications
- Micro display ICs used in applications such as digital camera and head mount device
- Potentially large market for e-paper applications, for examples, electronic price tag and timepiece

Corporate Directions

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CORPORATE DIRECTIONS

- Being a dominant global display IC products provider
- Broadening display IC product portfolios
- Increasing market share, by enlarging global customers base and the product applications
- Exploring non organic growth opportunities
- Enhancing corporate governance standards and transparency

Thank You

Solomon Systech (International) Limited
Stock code: 2878

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