



SOLOMON SYSTECH Interim Results Presentation 2009

18 August 2009
Hong Kong

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Summary



Results summary

- ▶ Unit shipment 41mu
- ▶ Sales US\$26.7 million
- ▶ Net loss US\$2.3 million
- ▶ Basic loss per share 0.75 HK cents
- ▶ No interim dividend was declared by the Board
- ▶ Book to bill ratio @ 30 Jun-09 was 1.07



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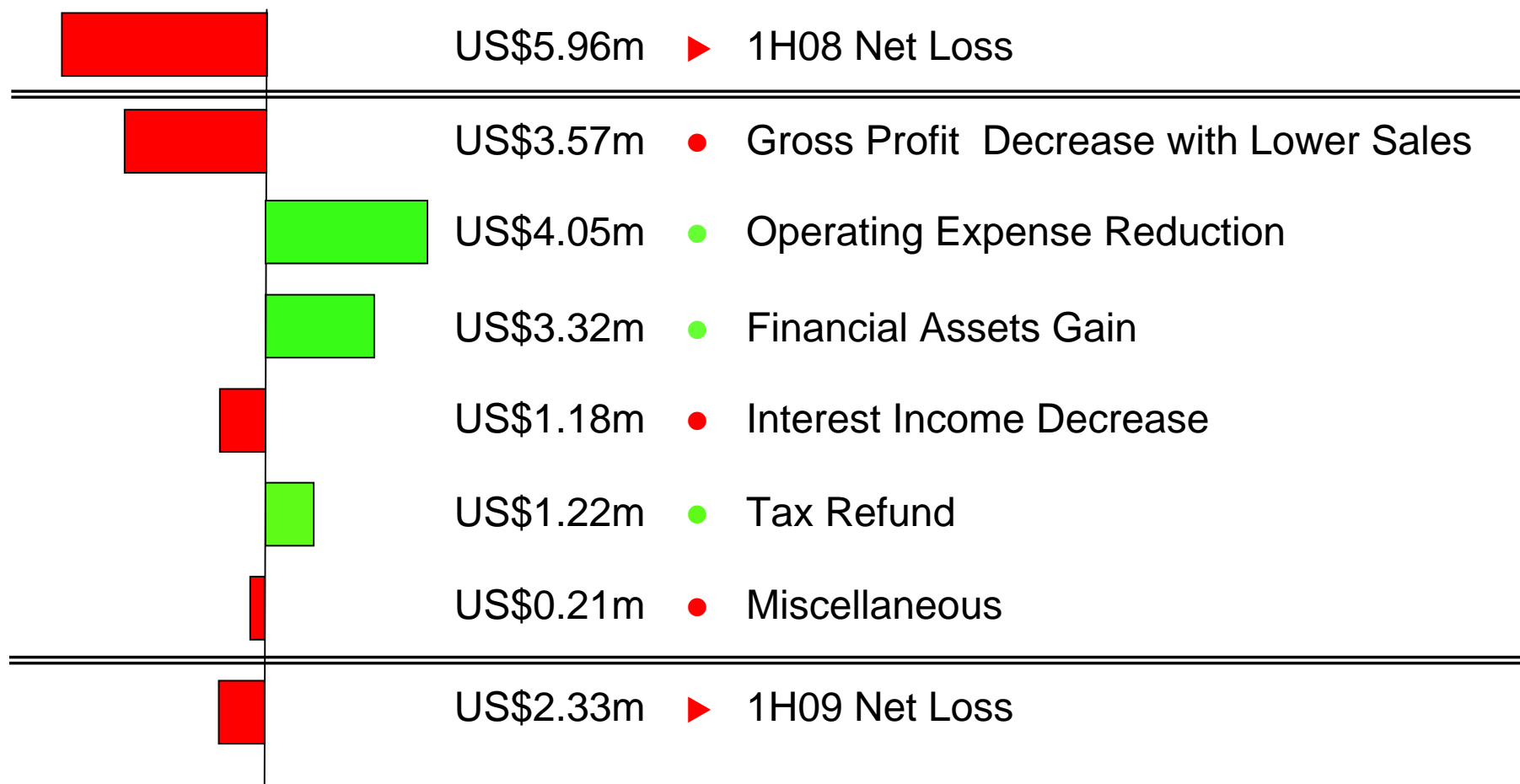
Financial Review



Profit and loss

(US\$ million)	1H09	1H08	2H08	YoY	HoH
Sales	26.7	50.8	42.0	(47%)	(36%)
Gross profit	7.4	11.0	5.9	(33%)	25%
<i>Gross profit margin</i>	27.9%	21.7%	14.1%		
Net loss	2.3	6.0	17.4	62%	87%
<i>Net margin</i>	(8.7%)	(11.8%)	(41.4%)		
(HK cents)					
Loss per share	0.75	1.95	5.55	62%	86%
Dividends per share	Nil	Nil	3.00		
Book to Bill ratio	1.07	0.90	0.74		

Profit and loss delta analysis 1H09 vs 1H08



Balance sheet

(US\$ million)	As at 30 Jun 2009	As at 31 Dec 2008	HoH Change
Total assets	146.5	162.3	(9.7%)
Total borrowings	0.8	Nil	N/A
Shareholders' funds	132.5	143.8	(7.9%)
Net cash	93.1	110.9	(16.1%)
(HK cents)			
Shareholders' funds per share	42	46	(8.7%)
Net cash per share	30	35	(14.3%)

Net cash delta analysis Jun 09 vs Dec 08



- ▶ Net Cash @ :

- ▶ US\$93.1m (30 Jun 09) vs \$110.9m (31 Dec 08)
-

- ▶ Major Cash Outflow

- ▶ Business Operating Loss - US\$ 2.3m
- ▶ Working Capital Change - US\$ 5.4m
- ▶ Strategic Investment / Capex - US\$ 0.9m
- ▶ Financial Assets - US\$ 2.3m
- ▶ Dividend Payout - US\$ 9.5m

- ▶ Major Cash Inflow

- ▶ Interest Received + US\$ 1.7m



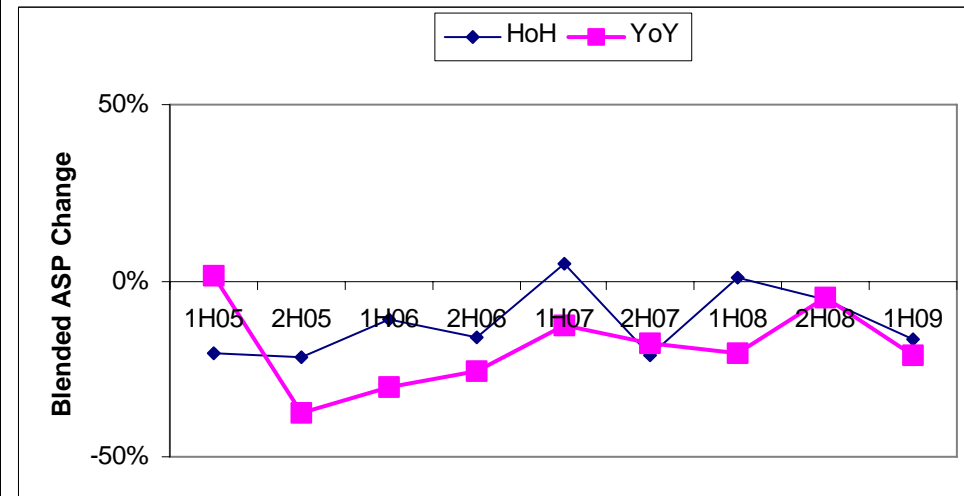
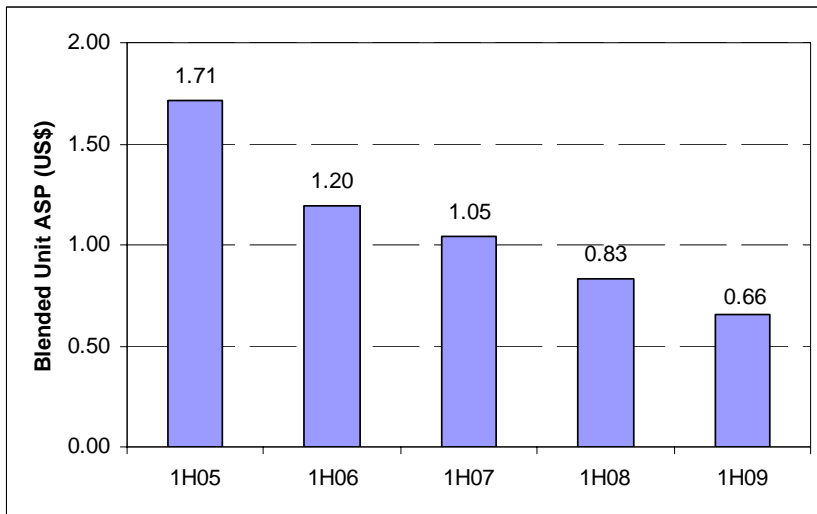
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Business Review



Blended average selling price

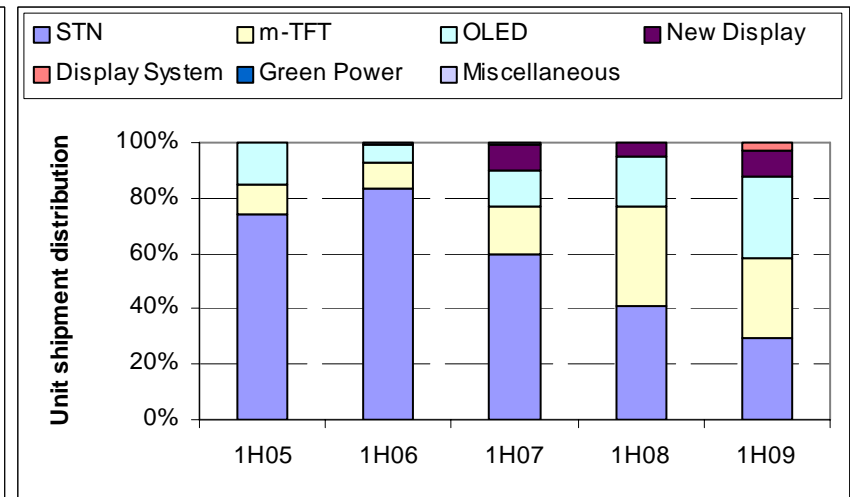
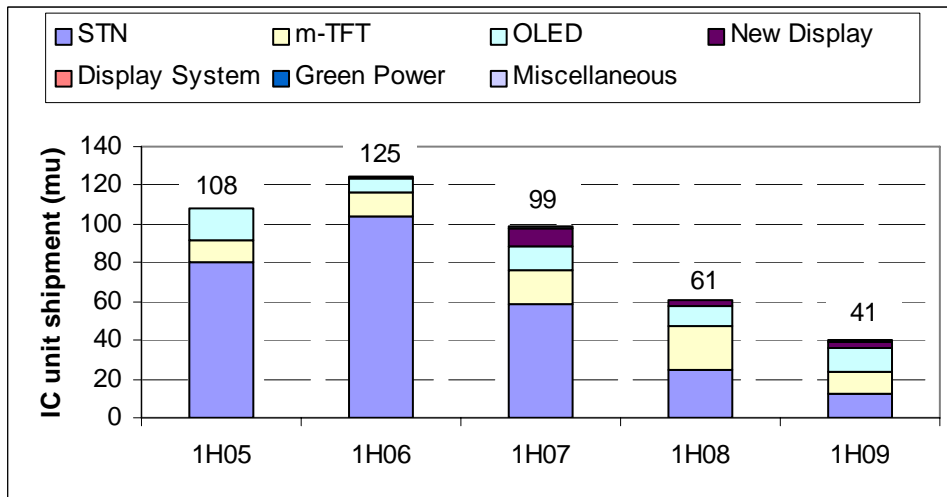
- ▶ 1H09 blended ASP = US\$0.66, down 21% YoY



Unit shipment by product line



- ▶ Total unit shipment 41 million units



Examples of 1H09 design-wins

New Customers, New Products, New Applications

Mobile Display



Messaging Phones

Photo Printer

OLED & New Display



MP3

Digital Meter

USB Thumb Drive

Display System



Mobile Phone

MDTV

Mini-projector

Green Power



LED Street Lamp



LED Indoor Lighting

Outlook



2H 2009 Outlook



- ▶ Sales
 - ▶ Potential improvement based on the book to bill ratio
 - ▶ Demand for mobile electronics is improving, particular from China and global brands
- ▶ Gross profit margin
 - ▶ Stay inline with industry range
- ▶ Operating expenses
 - ▶ Maintain control
 - ▶ Invest in focused R&D projects
- ▶ New businesses or customers
 - ▶ Leverage China Electronics Corporation (CEC) relationships
 - ▶ Green Power business will benefit from China and global initiatives in energy-saving and environmental protection
 - ▶ Expand business based on Display System Solution platforms

Continuous Development

Customer, Product and Application Diversification

▶ Display IC

Mobile Display

- ▶ Mobile phone, applications with multi-touch technology, AV Products, GPS, e-book, MDTV



Mobile Phone -TFT

Multi-touch applications

AV Products

e-book

OLED Display

- ▶ Mobile phone, MP3, health care products, office equipment and industrial applications



Mobile Phone - OLED

MP3

Keyboard

Traffic Payment

New Display

- ▶ Electronic shelf label, IC card, storage devices



Electronic Shelf Label

IC Card

Storage Device

Continuous Development

Customer, Product and Application Diversification

▶ System Solutions

Display System

- ▶ Mobile phone, MDTV, mini-projector, GPS, WiFi and 3.5G mobile internet device



Mobile Phone



MDTV



Mini-projector

Green Power

- ▶ Indoor lighting, LED street lamp, architectural lighting



Indoor Lighting



Street Lamp



Architectural Lighting

Thank You



Solomon Systech (International) Limited

Stock code: 2878

www.solomon-systech.com