SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2878)

2006 INTERIM RESULTS ANNOUNCEMENT

Financial Highlights

- Unit shipment grew by 16%, year-on-year
- Sales amounted to approximately US$150 million
- Net profit was about US$18 million
- Basic earnings per share was 0.73 US cents (5.7 HK cents)
- The Board resolved to declare an interim dividend per share of 2 HK cents (0.26 US cents)

Interim Results

The Directors are pleased to announce the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2006 together with the comparative figures for the corresponding period of last year as follows.

Condensed Consolidated Profit and Loss Account

For the Six Months Ended 30 June 2006

		Unaudited Six months ended 30 June	
	Note	**2006**	**2005**
		US$'000	*US$'000*
Sales	5	**149,415**	185,713
Cost of sales		**(112,464)**	(127,782)
Gross profit		**36,951**	57,931
Other gain – net		**139**	10
Research and development costs		**(7,882)**	(5,563)
Selling and distribution expenses		**(1,728)**	(1,588)
Administrative expenses		**(8,658)**	(7,168)
Other operating expenses		**(15)**	(27)
Operating profit		**18,807**	43,595
Interest income		**3,198**	1,270
Finance costs		**(1)**	(1)
Share of results of an associated company		**(400)**	(74)
Profit before taxation		**21,604**	44,790
Taxation	7	**(3,712)**	(8,486)
Profit attributable to shareholders		**17,892**	36,304
Dividends	8	**6,472**	12,912
Earnings per share (expressed in US cents per share)	9		
Basic		**0.73**	1.50
Diluted		**0.72**	1.50

Condensed Consolidated Balance Sheet

As at 30 June 2006

	Note	Unaudited 30 June 2006 US$'000	Audited 31 December 2005 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**12,188**	11,077
Investment in an associated company		**503**	903
Available-for-sale financial assets		**3,902**	—
Fixed bank deposit		**—**	5,000
		16,593	16,980
Current assets			
Inventories		**43,682**	36,212
Trade and other receivables		**63,914**	59,219
Other financial assets		**7,000**	1,250
Pledged bank deposits		**130**	130
Short-term fixed deposits		**41,178**	37,000
Cash and cash equivalents		**57,706**	119,479
		213,610	253,290
Total assets		**230,203**	270,270
EQUITY			
Capital and reserves			
Share capital		**32,360**	32,360
Own shares held		**(523)**	(605)
Reserves			
Proposed dividend	8	**6,472**	48,540
Others		**141,811**	126,718
		180,120	207,013

	Note	Unaudited 30 June 2006 US$'000	Audited 31 December 2005 US$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases		**24**	29
Deferred tax liabilities		**743**	574
		767	603
Current liabilities			
Trade and other payables		**42,677**	56,357
Tax payable		**6,629**	6,287
Obligations under finance leases		**10**	10
		49,316	62,654
Total liabilities		**50,083**	63,257
Total equity and liabilities		**230,203**	270,270
Net current assets		**164,294**	190,636
Total assets less current liabilities		**180,887**	207,616

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation and accounting policies

These unaudited Interim Financial Statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

These Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") should be read in conjunction with the 2005 annual report.

2. Changes in accounting policies

The accounting policies adopted are consistent with those of the Consolidated Financial Statements for the year ended 31 December 2005.

The following new standards, amendments to standards and interpretations which are relevant to its operations are mandatory for financial year ending 31 December 2006.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intagroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HK(IFRIC)-Int 4	Determining whether an Arrangement contains A Lease

The adoption of new/revised HKAS 19 (Amendment), 21 (Amendment), 39 (Amendment), HKFRS 4 (Amendment) and HK(IFRIC)-Int 4 did not result in substantial changes to the Group's accounting policies.

The following new standards, amendments to standards and interpretations relevant to the Group's operations have been issued but are not effective for 2006 and have not been early adopted:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments : Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economics
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives

3. Financial risk management

3.1 *Financial risk factors*

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, and cash flow and interest rate risk.

(a) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Revenue and majority of the cost of sales are US dollar based. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

(b) *Credit risk*

Customers of the Group are mainly well-known distributors with sound financial background. In addition, the Group has policies in place to ensure that sales of products are made to customers with appropriate credit history or limits.

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

(d) *Cash flow and interest rate risk*

The Group has no significant interest-bearing assets or liabilities except for bank balances. In view that majority of these bank balances are under short maturity terms, the cash flow and fair value interest rate risk is considered to be low.

3.2 *Fair value estimation*

The available-for-sale financial assets are stated at fair value. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Equity compensation

In determining the total expenses for the Group's equity compensation plans, the Group estimates the number of options/shares that are expected to become exercisable/vested at the date of grant. At each balance sheet date before the options/shares that are become fully exercisable/vested, the Group will revise the total expenses where the number of options/shares that are expected to become exercisable/vested are different to that previously estimated.

(c) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. Management will revise the depreciation charge where useful lives are different to that previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

5. Sales

At 30 June 2006, the Group is principally engaged in the research, design, development and distribution of Integrated Circuits ("IC").

The Group has been operating in one single business segment, i.e. the research, design, development and distribution of ICs. Sales amounted to US$149,415,000 and US$185,713,000 for the six months ended 30 June 2006 and 2005 respectively.

6. Expenses by nature

Expenses included in cost of sales, research and development costs, selling and distribution expenses and administrative expenses are analysed as follows:

	Unaudited Six months ended 30 June	
	2006	**2005**
	US$'000	*US$'000*
Depreciation of owned property, plant and equipment	**2,689**	1,982
Depreciation of leased property, plant and equipment	**6**	3
Operating leases for land and buildings	**414**	357
Employee benefit expenses		
Equity compensation	**3,026**	811
Non-equity compensation portion	**7,469**	7,296
Net exchange (gains)/losses	**(17)**	57
Provision/(write-back of provision) for doubtful debts	**7**	(494)
Provision for obsolete inventories	**1,271**	1,575

7. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Unaudited Six months ended 30 June	
	2006	**2005**
	US$'000	*US$'000*
Current taxation:		
Hong Kong profits tax	**3,536**	8,117
Overseas profits tax	**7**	—
Deferred taxation	**169**	369
Taxation	**3,712**	8,486

8. Dividends

	Unaudited Six months ended 30 June	
	2006	**2005**
	US$'000	*US$'000*
(a) Dividend attributable to the previous year, approved and paid during the period:		
2004 final dividend, paid, of HK$0.12 (approximately 1.54 US cents) per ordinary share	**—**	38,655
2005 final dividend, paid, of HK$0.15 (approximately 1.93 US cents) per ordinary share (note (i))	**48,540**	—
Less Company's share of dividends paid on the shares held by a special purpose entity of the Group	**(753)**	(749)
	47,787	37,906
(b) Dividend attributable to the year:		
2005 interim, paid, of HK$0.04 (approximately 0.51 US cents) per ordinary share	**—**	12,912
2006 interim, declared, of HK$0.02 (approximately 0.26 US cents) per ordinary share (Note (ii))	**6,472**	—
Less : Company's share of dividends paid on the shares held by a special purpose entity of the Group	**—**	(242)
	6,472	12,670

Note:

(i) On 13 March 2006, the Directors proposed a final dividend of HK$0.15 (approximately 1.93 US cents) per ordinary share. The final dividend was paid on 12 May 2006.

(ii) On 3 August, 2006, the Director declared an interim dividend of HK$0.02 (approximately 0.26 US cents) per ordinary share which will be payable on 18 September 2006 to shareholders whose names appear on the register of members on 31 August, 2006. The interim dividend is not reflected as a dividend payable in the Interim Financial Statements, but will be reflected as an appropriation of retained earnings for the year ended 31 December 2006.

9. Earnings per share

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to shareholders of US$17,892,000 (1H 2005: US$36,304,000)

The basic earnings per share is based on the weighted average of 2,464,909,041 (1H 2005: 2,426,719,229) ordinary shares in issue excluding own shares held during the period.

Diluted earnings per share information is based on 2,489,441,986 (1H 2005 : 2,428,155,857) ordinary shares which is the adjusted weighted average number of ordinary shares outstanding assuming the conversion of all share options outstanding but excluding unallocated own shares held during the period. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares as calculated is compared with the number of shares that would have been issued assuming the exercise of the share options.

		Unaudited Six months ended 30 June	
		2006	**2005**
Weighted average number of ordinary shares in issue		**2,464,909,041**	2,426,719,229
Adjustments for	– allocated own share	**23,476,265**	—
	– share option	**1,056,680**	1,436,628
Weighted average number of ordinary shares for diluted earnings per share		**2,489,441,986**	2,428,155,857

Interim Dividend

The directors (the "Directors") of Solomon Systech (International) Limited (the "Company") have resolved to declare an interim dividend of 2 HK cents per share to shareholders whose names appear on the Register of Members of the Company on 31 August 2006. The interim dividend will be paid on 18 September 2006.

Closure of Register of Members

The Register of Members of the Company will be closed from 28 August 2006 to 31 August 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 25 August 2006.

Management Discussion and Analysis

Financial Review

An Overview

For the six months ended 30 June 2006, the Group's sales was US$149.4 million (1H 2005: US$185.7 million). The decline was mainly due to (1) average selling price erosion (2) weak market demand for OLED display and (3) the new business of m-TFT not growing as fast as the Group expected. During the review period, gross profit was US$37.0 million. Through internal cost reduction measures and ongoing price discussion with contract manufacturers, the Group managed to offset part of the gross margin pressure brought by industry price erosion. For the first half of 2006, the Group's gross margin was about 25%.

Throughout the period, the Group continued to expend on R&D and business development, therefore there was a moderate increase in operating expenses. Coupled with a lower gross profit, the Group's net profit was US$17.9 million, representing a net profit margin of 12%.

In light of the Group's healthy financial position as well as its cash generative business model, the Board resolved to declare an interim dividend of 2 HK cents per share to shareholders whose names appear on the Register of Members of the Company on 31 August 2006.

Financial Position and Liquidity

Net cash outflow from operations during the period amounted to US$1.3 million. The Group ended the period with US$106 million of net cash, comprising all bank deposits, other financial assets, cash and cash equivalents less bank loans. Going forward, the Group intends to use the cash primarily for its product development, investment in securing production capacity, corporate venture investing as well as general corporate purposes. As at 30 June 2006, the Group had no borrowings and there were no charges on the Group's assets. The Group's cash balance was mainly deposited in interest-bearing accounts with reputable financial institutions.

The main trade receivables and payables of the Group are in US dollars. As regards payments of operational costs in currencies other than US dollars or Hong Kong dollars, the Group will convert US dollars or Hong Kong dollars into the currency of payment at the prevailing foreign exchange rate. During the review period, the Group did not use any derivative instruments to hedge its foreign currency exposure as the Directors considered the Group's foreign currency exposure to be insignificant.

Capital Expenditure

Capital expenditure for the period was approximately US$3.8 million (1H 2005: US$1.5 million), the majority of which was spent on the purchase of computer hardware and critical manufacturing equipment (in cooperative arrangement with contract manufacturers) to ensure timely product delivery.

During the review period, the Group held no significant investments and did not make any material acquisitions nor disposals of subsidiaries and associated companies.

Capital Commitment and Contingent Liabilities

The Group had no material capital commitments or contingent liabilities as at 30 June 2006.

Business Review

Book to Bill Ratio and Backlog

In the review period, the book to bill ratio stood at 1.05 (1H 2005: 0.93), indicating the business flows are fairly steady. As at 30 June 2006, the Group registered a backlog of orders in excess of 85 million units (as at 30 June 2005: 80 million units) for the second half of 2006.

Product Shipment

The growth of unit shipment in the first half was healthy, representing an increase of 16% year-on-year. For the mobile phone related display IC shipment (i.e. monochrome STN, color STN and m-TFT), the growth was over 20%, comparable to the market trend. Going into the second half of 2006, the Group will concentrate on providing comprehensive services and solutions to customers, launching more new products and defending its market position. The shipment breakdown by product type is as follows:

Units Shipped (million)	**1H 2006**	**1H 2005**	**Growth**	**2005**
Monochrome STN	23	18	28%	45
Color STN	81	62	31%	143
m-TFT	12	12	0%	34
OLED	8	16	-50%	40
Miscellaneous	1	—	NA	1
Total	**125**	**108**	**16%**	**263**

Note: Miscellaneous includes graphic controller, PDA driver ICs, large display driver ICs and others.

Abbreviation: STN stands for super twisted nematic, TFT thin film transistor and OLED organic light emitting device.

Total shipment of display ICs in the review period was 125 million units. According to recent forecasts made by iSuppli and Gartner, global shipments of mobile phones for 2006 are expected to be about 930 million units. The Group believes that its global market share in mobile phone display ICs for the first half was close to 20%.

Among the Group's products, monochrome STN display ICs found rising application in low-cost mobile phones and MP3 players, and their shipment grew by 28% to 23 million units. At the same time, color STN ("CSTN") display ICs recorded a solid growth, indicating the Group's strong product offerings in this area. The shipment for the period reached 81 million units, an increase of 31% as compared to the same period in 2005. Mobile TFT ("m-TFT") display ICs shipment remained broadly flat at 12 million units, mainly due to longer than expected design-in cycle time. OLED display ICs showed an unusual annual decline in shipment, because of the weak adoption of OLED display in MP3 players. The shipment of OLED display ICs reduced by half to 8 million units as compared to the same period in 2005. In the first half, the Group shipped small volume of large display TFT driver ICs which, in the Group's opinion, will take more time to be one of the major growth drivers in the future.

Business Relationships

To win new business from existing or potential customers, it is recognized that in addition to competitive pricing, field application support and reliable solutions are equally important. In the first half, the Group added more resources to provide customers with more timely services and support.

For the Display Panel business, the Group currently serves most major display module makers in the world. It is the Group's objective to focus more on approaching ODM (original design manufacturer) and IDH (independent design house) directly so as to achieve better connections with the participants in the value-chain. During the period, the Group gained more business from Korean and Japanese customers, through whom it can broaden its relationship with top-tier mobile phone brand names.

Regarding the Display System business, the Group provides customers with "total display IC solutions" for high volume specific applications. Given this enlarged product offerings, the Group can reinforce its business relationships with existing customers as well as new end-product manufacturers.

Research and Development

In the past six months, research and development costs were approximately US$7.9 million. To support business growth and to be competitive in the marketplace, the Group will keep on enhancing the features of existing products and developing future products, e.g. high speed interface ICs, LTPS m-TFT display ICs, AM-OLED display ICs and multimedia processors. In the first half of 2006, the Group filed two patents with the United States Patent and Trademark Office and had four technical articles published in international magazines such as Display Devices and EEPW.

As at 30 June 2006, the Group had over 250 professionals in the design and engineering function, representing approximately 65% of the Group's total employees. The Group's R&D team continually designed products using various wafer technologies as advanced as 0.13µm.

Human Resources

As at 30 June 2006, the total number of the Group's employees was close to 370, of which approximately 65% was based in its Hong Kong head office.

As a technology company, the Group highly values its human resources. To reward talent, the Group offers competitive remuneration to employees and constantly provides employees with trainings, career development programs, job satisfaction and a first-rate working environment in the hope that they will enjoy working with the Group and contribute their efforts to the Group's success. Lately, the Group recruited two senior executives for its operation and corporate development departments.

In the first half of 2006, most employees were granted cash bonuses and Company's shares in recognition of their performance in 2005. Further, at the Board level, Directors were awarded options for their past and forthcoming contributions to the Group.

Prospects

Following the last year initiative to establish two distinct business units, namely Display Panel and Display System, the Group has made progress and is better positioned to grow its business with products diversification.

Display Panel

Mobile Display

In the mobile phone market, there are essentially four Display Panel technologies, namely monochrome STN, color STN, m-TFT and OLED. Each of them is experiencing different phase of growth because of their uniqueness in display characteristics. Generally speaking, the market will see continued migration from monochrome to color display and will have more mobile phones with entertainment features such as embedded cameras, video recording function, Internet access, MP3, radio, MMS, photo albums, etc.

As regards the Group's business in the next six months, it is expected that the growth of monochrome display ICs will likely remain flat. Despite the industry anticipating that m-TFT will gradually replace color STN display technology, the Group maintains a positive view on the 2006 unit shipment of color STN display ICs because (i) the overall demand for color display is relatively healthy (ii) the mobile phone sub-display segment is still dominated by color STN and (iii) there is a trend of color STN being adopted in more mid to low-cost mobile phones and MP3 players.

The Group sees two factors that may affect the shipment of m-TFT display ICs in the second half, namely the speed of adoption of the Group's products by its customers as well as the Group's competitors' strategy toward m-TFT business in connection with pricing and market share protection. Going forward, the Group will put more efforts to introduce new and competitive products, and to actively engage ODM, IDH and module makers in exploring business opportunities.

About OLED display ICs, there may be slight recovery in the second half subject to sales momentum of MP3 players. Nevertheless, OLED display ICs have been used in mobile phone main display and the Group will look at more new application opportunities, for instance, MP4 and notebook sub display.

Large Display

The Group continuously works with a few large panel makers in Japan and Greater China region on new design-ins. An ongoing project between the Group and one of its customers in Japan is underway.

In light of the merger of AU Optronics Corp. ("AUO") and Quanta Display Inc. ("QDI") announced in April 2006, the Group considers the merger is positive to its large display business as the merged entity will be a bigger potential customer to the Group and the Group has been working with AUO in the past on the mobile display area. However, as AUO has a number of large display driver ICs suppliers already, it will pose an uncertainty to the Group's near-term business. Despite such uncertainty, the Group will devote more resources to this business and aims to establish itself as a preferred supplier to the new AUO / QDI entity.

New Display

Two favorable developments are the volume shipment of microdisplay ICs and the forthcoming commercialization of bistable display ICs. For the former, the Group shipped thousands of units in the past six months to Kopin Corporation for their "Video On-the-Go" technology eyepiece. This new technology has drawn market attention and the eyepiece products, consisting of binocular display modules where the Group's microdisplay ICs are used, are for sale in the market. As for bistable display ICs, the Group has completed the product design and applied it to end-product application of electrophoretic display. The bistable display ICs are ready for mass production in the second half.

Display System

Display System ICs are aimed for high growth applications. This business unit is developing three product families, namely high speed interface IC, controller and multimedia processor. High speed interface IC deals with connectivity inside a mobile phone, TV or other portable consumer products, such connectivity examples are MDDI, MIPI and LVDS. Regarding controller, the Group launched image processor for portable products and timing controllers for PC monitors, TV and soon for notebook computers. In the area of multimedia processor, the Group expects products developed for high volume applications to be introduced towards the end of this year or early 2007.

Display System will speed up its products development through strategic alliance, business cooperation and core IP rights acquisition. With the development of Display System business, the Group can further its relationship with customers by offering them “total display IC solutions”. In the long run, the Group believes this business will bring in strong sales growth and a more balanced business mix.

Corporate Governance

Corporate Governance is highly regarded within the Group. The Group keeps abreast of the best practices in the corporate governance area and strives to implement such practices as appropriate. At present, the roles of Chairman and the Chief Executive Officer (in the case of the Group, the Managing Director) are separated. In addition, Non-Executive Directors (“NEDs”) are appointed for a specific term up to 30 June 2008, subject to re-election according to the procedures set out in the Company’s Articles of Association. NEDs are encouraged to take educational courses at the expense of the Group on duties of the Board and corporate governance. The above-mentioned practices were well implemented and basically follow the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules which came into effect on 1 January 2005.

Compliance with the Code on Corporate Governance Practices

The Company has complied with all the Code Provisions set out in the Appendix 14 of the Listing Rules. As at 30 June 2006, Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee had been formed with their respective terms of reference in force.

Compliance with the Model Code

The Company also established its own written guidelines on securities transactions by Directors and relevant employees ("Guidelines") on no less exacting terms than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules ("Model Code"). Having made specific enquiry of all Directors of the Company, during the six months ended 30 June 2006, all of them were in compliance with the Guidelines.

Supplementary Information

Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the review period.

Audit Committee

The Audit Committee is composed of a majority of Independent Non-Executive Directors. The Audit Committee, alongside the newly recruited corporate audit personnel, has reviewed with the management and external auditors the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2006.

Publication of Interim Results on the Stock Exchange's Website

The Company will submit to the Stock Exchange on 3 August 2006 the financial information required to be disclosed under paragraphs 46(1) to 46(6) (both paragraphs inclusive) of Appendix 16 of the Listing Rules.

On behalf of the Board
Solomon Systech (International) Limited
LEUNG Kwong Wai
Managing Director
Hong Kong, 3 August 2006

As at the date of this announcement, the Executive Directors of the Company are Leung Kwong Wai, Huang Hsing Hua, Lo Wai Ming and Lai Woon Ching. Non-Executive Directors are Lam Pak Lee, Chang Ching Yi, Steven and Wong Yuet Leung, Frankie. Independent Non-Executive Directors are Choy Kwok Hung, Patrick, Sun Patrick and Kao Kuen, Charles.

Please also refer to the published version of this announcement in South China Morning Post.