



**SOLOMON
SYSTECH**

SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2878)

ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES

The Board wishes to remind the shareholders of the Company and investors that the Group's results for the second half of 2006 was substantially lower than that for the first half of 2006 due to the depressed market conditions for display ICs in the third quarter of 2006. Any upturn in the Group's results in 2007 is expected to be gradual. The Group has also recently been made aware that a US based mobile phone brandname owner revised its original 2007 guidance concerning its sales for the first quarter of 2007 and its business outlook for the full year 2007. The recovery rate of the Group's business in the first half of 2007 may be affected by the performance of this mobile phone brandname owner.

Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of Directors (the "Board") of Solomon Systech (International) Limited (the "Company", together with its subsidiaries shall collectively be referred to as the "Group") wishes to remind the shareholders of the Company and investors that the Group's results for the second half of 2006 was substantially lower than that for the first half of 2006 due to the depressed market conditions for display ICs in the third quarter of 2006. Any upturn in the Group's results in 2007 is expected to be gradual. Furthermore, the Group has also recently been made aware that a US based mobile phone brandname, with whom the Group has an indirect sales relationship (as such brandname owner sources certain of the Group's products from the Group's display module maker customers), revised its original 2007 guidance concerning its sales for the first quarter of 2007 and its business outlook for the full year 2007. The recovery rate of the Group's business in the first half of 2007 may be affected by the performance of this mobile phone brandname owner.

Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

The Group is principally engaged in the design and sale of display IC, a significant portion of which are supplied to mobile phone makers through display module makers. As mobile phones have become a type of fast moving consumer goods (FMCGs), the leading brand owners usually respond swiftly to changes in product reception by shifting their marketing and product strategy. As the Group has a global customer base, we always work towards supplying our products to different customers and for different models of mobile phones.

The Board considers that the overall operations of the Group as a whole remain sound and intact, and the financial position of the Group remains solid. With a view to diversifying the Group's business into non-mobile phone applications in the long run, the Board reviews the Group's business plan and monitors its progress regularly.

For and on behalf of
SOLOMON SYSTECH (INTERNATIONAL) LIMITED
LEUNG Kwong Wai
Managing Director

12th April, 2007, Hong Kong

As at the date of this announcement, the Board comprises (a) Executive Directors - Mr LEUNG Kwong Wai (Managing Director), Mr HUANG Hsing Hua, Mr LAI Woon Ching, Mr LAM Shun Fu, Mr LO Wai Ming (b) Non-Executive Directors — Mr. LAM Pak Lee and Mr. CHANG Ching Yi, Steven (c) Independent Non-Executive Directors - Mr SUN, Patrick (Chairman), Mr CHOY Kwok Hung, Patrick, Professor KAO Kuen, Charles and Mr WONG Yuet Leung, Frankie.

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