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SOLOMON SYSTECH (INTERNATIONAL) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2878)

DISCLOSEABLE TRANSACTION

PRICE-SENSITIVE INFORMATION

Disposal of an investment in available-for-sale financial asset

The Disposal

The Board is pleased to announce that on 4 June 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser for the disposal of the Vendor's entire interest in the Target Company (representing approximately 3.4% of the entire issued share capital of the Target Company) for a consideration of US\$5,532,000. The completion of the Sale and Purchase Agreement is subject to the Purchaser obtaining the relevant governmental/regulatory approval in Taiwan.

As one of the relevant applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceeds 5% but does not exceed 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

The Disposal, if completed and based on the management's current estimate, is expected to result in a gain of approximately US\$3 million for the Group. However, the completion of the Sale and Purchase Agreement is subject to the Purchaser obtaining the relevant governmental/regulatory approval in Taiwan, and, if completion takes place, it may be in the second half of 2010, and therefore any such gain (if the Disposal is completed) may only be recorded the soonest in the second half of 2010 and as an extraordinary income, and potential investors and shareholders of the Company should not view such extraordinary gain (if any) as an indication or representation of the operating or overall results of the Company for any period.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

THE DISPOSAL

Introduction

The Board is pleased to announce that on 4 June 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser for the disposal of the Vendor's entire interest in the Target Company (representing approximately 3.4% of the entire issued share capital of the Target Company) for a consideration of US\$5,532,000.

The Sale and Purchase Agreement

A summary of the salient terms of the Sale and Purchase Agreement is as follows:

Date:	4 June 2010
Vendor:	Mentor Ventures Limited, a wholly owned subsidiary of the Company
Purchaser:	Chipbond Technology Company, a company incorporated and listed in Taiwan (ticker code 6147.TW)
Transaction:	The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares constituting approximately 3.4% of the entire issued share capital of the Target Company
Consideration:	US\$5,532,000, payable in cash and in full at completion
Condition precedent and completion:	Completion of the Disposal is subject to the Purchaser obtaining the relevant governmental/regulatory approval in Taiwan

Reason for the Disposal

The Sale Shares have been held by the Company (through the Vendor) as a strategic investment, as both a subsidiary of the Target Company and the Purchaser (being an existing shareholder of the Target Company) are suppliers of the Group. The consideration for the Disposal was determined after the Board's evaluation of the Purchaser's offer and that the Disposal would allow the Company to realize a return of investment of 136% for a holding period of 4.5 years. In view of the unchanged supply chain relationship and the gain expected to be realised from the Disposal, the Board considers that the Disposal is beneficial to the Group. The Board also considers that the terms of the Disposal are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole. Barring unforeseen circumstances, the proceeds from the Disposal is expected to be used as general working capital of the Group.

The unaudited consolidated net profit of the Target Company before and after tax for the year ended 31 December 2008 was US\$65,000. The unaudited consolidated net profit of the Target Company before and after tax for the year ended 31 December 2009 was US\$2,542,000.

The carrying value of the Sale Shares as at 31 December 2009 was US\$2,346,000, and the Disposal, if completed and based on the management's current estimate, is expected to result in a gain of approximately US\$3 million for the Group, by reference to the said carrying value. However, the completion of the Sale and Purchase

Agreement is subject to the Purchaser obtaining the relevant governmental/regulatory approval in Taiwan, and, if completion takes place, it may be in the second half of 2010, and therefore any such gain (if the Disposal is completed) may only be recorded the soonest in the second half of 2010 and as an extraordinary income, and potential investors and shareholders of the Company should not view such extraordinary gain (if any) as an indication or representation of the operating or overall results of the Company for any period. **Thus, potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.**

Information on the Company, the Purchaser and the Target Company

The Group is a fabless semiconductor business specializing in the design, development and sales of proprietary integrated circuit products and system solutions that enable a wide range of display applications for mobile phones, portable devices, LCD TVs, consumer electronic products, industrial appliances and lighting. The principal business activity of the Vendor is investment holding.

Insofar as the Company is aware, the principal business of the Purchaser is semiconductor packaging and test service and the principal business of the Target Company is semiconductor packaging and test service. To the best of the directors' knowledge, information and belief and after having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Listing Rules Implications

As one of the relevant applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceeds 5% but does not exceed 25% the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

Unless otherwise defined, capitalized terms used herein shall have the following meanings:

Board	the board of directors of the Company
Company	Solomon Systech (International) Limited, whose shares are listed on the Stock Exchange
Disposal	the disposal by the Vendor of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
US\$	United States dollars, the lawful currency of United States
Group	the Company and its subsidiaries
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Purchaser	Chipbond Technology Company, a company incorporated and listed in Taiwan (ticker code 6147.TW)

Sale and Purchase Agreement	the conditional sale and purchase agreement dated 4 June 2010 entered into between the Vendor and the Purchaser in relation to the Disposal
Sale Shares	2,346,015 shares in the capital of the Target Company, representing approximately 3.4% of the entire issued share capital of the Target Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Target Company	Chipmore Holding Company Limited, a company incorporated in the Cayman Islands with limited liability
Vendor	Mentor Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

By Order of the Board
Solomon Systech (International) Limited
 FUNG Lui Kit Har, Keziah
 Company Secretary

Hong Kong, 4 June 2010

As at the date of this announcement, the Board comprises (a) Executive Directors - Mr. LEUNG Kwong Wai (Managing Director), Mr. CHEUNG Wai Kuen, Kenny, Mr. HUANG Hsing Hua, Mr. LAI Woon Ching and Mr. LO Wai Ming, (b) Non-executive Directors - Mr. CHANG Ching Yi, Steven and Dr. LAM Pak Lee (Mr. SHEU Wei Fu as his alternate), (c) Independent Non-executive Directors - Mr. SUN, Patrick (Chairman), Mr. CHOY Kwok Hung, Patrick, and Mr. WONG Yuet Leung, Frankie.