SOLOMON SYSTECH

2025 Interim Results Presentation

Stock code: 2878

August 2025

Contents

FINANCIAL REVIEW

SOLOMON SYSTECH

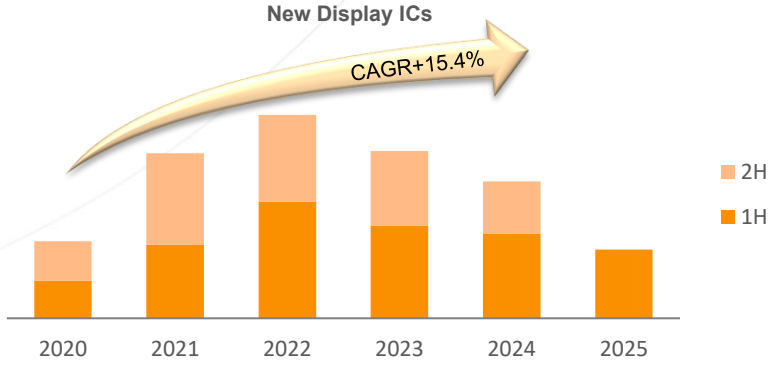
Financial Highlights

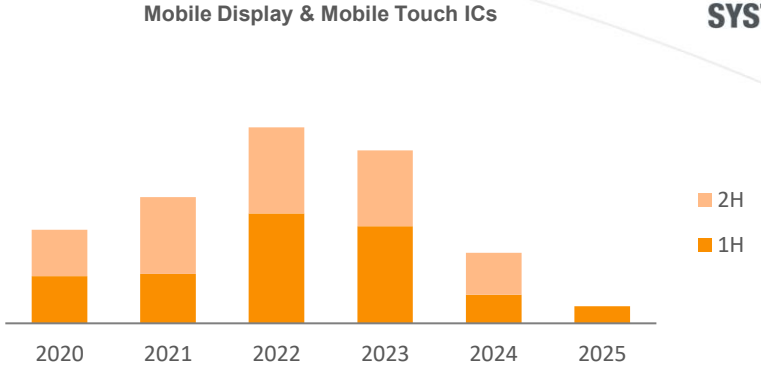
	1H2025	1H2024	Change %
	(US$ million)	(US$ million)	
Revenue	**45.9**	61.9	-25.8%
Gross profit **GP margin**	**18.2** **39.6%**	19.8 32.0%	-8.4% +7.6p.p.
R&D expenses	**9.9**	8.0	+24.3%
Profit attributable to owners of the parent	**4.0**	7.5	-46.4%
Earnings per share (US cents)	**0.16**	0.30	-46.7%
Current ratio	**4.83**	4.59	

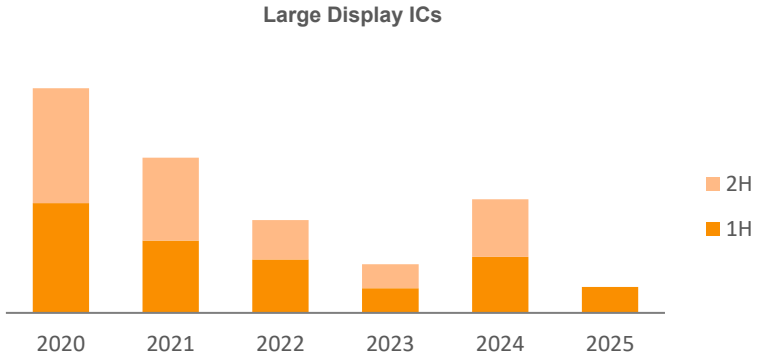
Balance Sheet

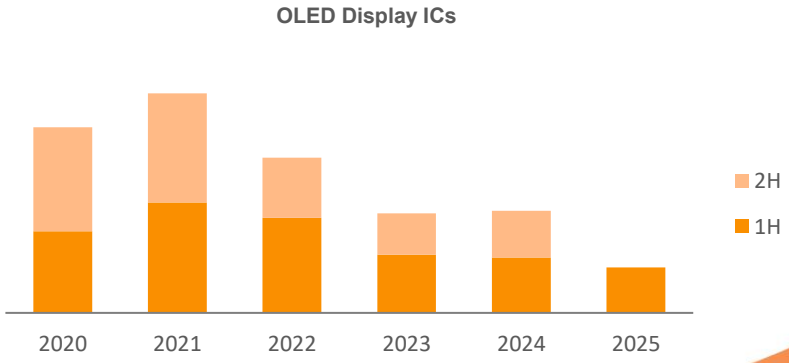
	As at 30 Jun 2025	As at 31 Dec 2024	Change %
	(US$ million)	(US$ million)	
Total assets	**176.5**	163.7	+7.8%
Shareholders' equity	**141.1**	137.0	+3.0%
Bank deposits and cash	**116.0**	107.7	+7.7%

Revenue Trend By Products

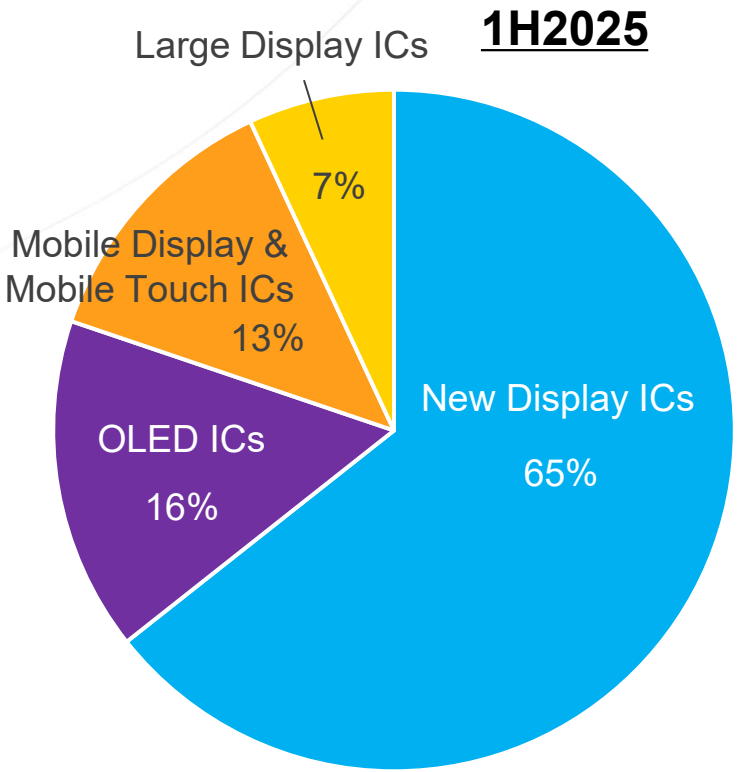


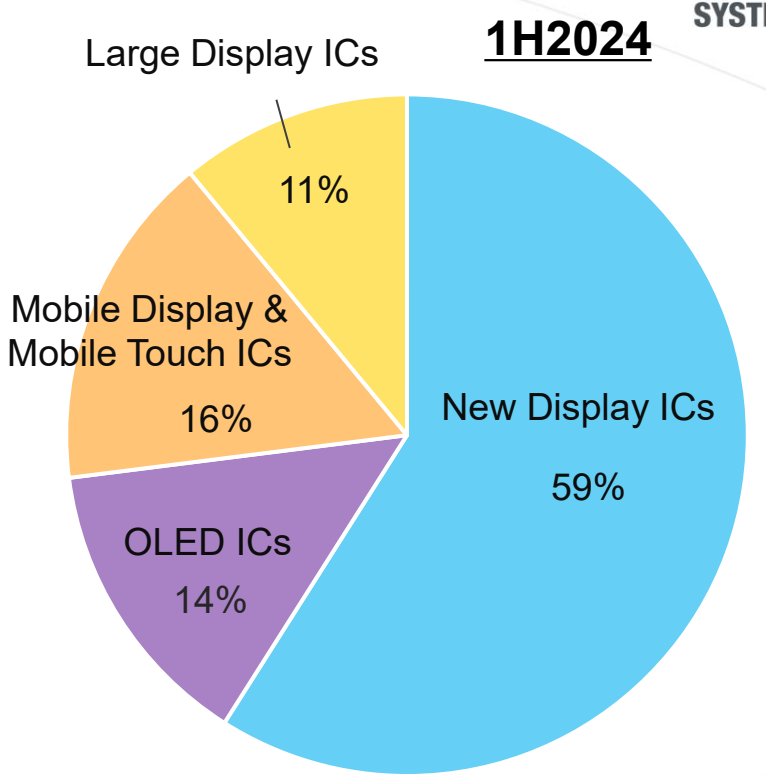






Revenue By Products





Consolidated Cash Flow

	1H2025	1H2024	Change %
	(US$ million)	(US$ million)	
Net cash generated from operating activities	**7.3**	14.0	-47.9%
Net increase in cash and cash equivalents	**8.3**	15.8	-47.6%
Total bank deposits and cash	**116.0**	102.1	+13.7%

BUSINESS REVIEW

SOLOMON SYSTECH

New Display ICs

As a global leader in e-paper display driver ICs, the Group holds a leading market share and serves a client base that includes several of the world's top-ranked supermarket chains

The shipment volume of new display IC products increased, however, the decline in ASP led to reduced revenue:

- The US imposed reciprocal tariffs on major economies, prompting retailers to accelerate orders during the grace period, which drove increased demand for electronic display labels and led to higher shipment volumes
- Intensified market competition resulted in a decline in the ASP of products, leading to reduced revenue

Latest developments:

- The market completed the transition from three-color (E4) to four-color (E5) electronic display labels, and the Group successfully updated the specifications for all models of its **four-color display** labels
- The electronic display label market is poised to enter the era of seven-color displays. The Group is currently developing IC products to support **seven-color (E5 3-bit)** electronic display labels, with prototype production planned for 4Q 2025
- The introduction of full-color displays will broaden the range of potential applications, e.g.:
  - electronic photo frames for various products
  - electronic name badges capable of displaying images

OLED Display ICs

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OLED Display ICs

- The Group is **the world's largest supplier of PMOLED display driver ICs**, maintaining a dominant market share based on shipment volume
- Although shipment volumes and revenue declined during the Period, effective cost control allowed the GP margin to remain stable compared with 2H 2024

Continuous promotion

- **Mini-LED/Micro-LED display IC**
  - Launched the world's 1st small-sized passive micro-LED display driver IC – SSD2363 in 2023. This product supports next-generation, high-brightness displays of 3 inches or smaller, making it ideal for wearable devices, home appliances, and industrial applications
  - Mini-LED DDI solution for 50- to 100-inch indoor display signage - used in curved display panels at underground stations in the UK and the US
- **New series icon IC**
  - Applicable to displays ranging from 1 to 4 inches, offering competitive pricing
  - Suitable for the large display market of portable products and smart home appliances

New products

- **IC products supporting transparent PMOLED displays**
  - Transparent PMOLED is an emerging technology with promising applications in end products requiring see-through displays, such as diving masks and golf ball tracking eyewear
  - End products of transparent PMOLED displays adopting the Group's newly developed IC products have been launched in 1H 2024

Mobile Display & Mobile Touch ICs

- Due to **delays in the launch of new products**, mobile display and mobile touch IC products experienced a notable decline in both shipment volume and revenue
- Sales of **game controller ICs** were impacted by the fact that the current generation of mainstream gaming consoles has been on the market for several years, resulting in a certain degree of market saturation. Demand slowed again as the initial excitement surrounding the new game releases in 2H 2024 subsided

Latest developments:

- The Group is actively developing new applications for mobile display and mobile touch ICs across a wider range of sectors
- At present, the Group is working on a **mini-LED backlight solution**. The FPGA development platform has been completed, and the production of a conceptual product has been confirmed by a customer. The Group is now developing a standard IC, which is expected to be launched in 2H 2025, targeting applications such as automotive head-up displays (HUDs)

Large Display ICs

Shipment and revenue of large display ICs decreased

- During the Period, fierce competition in the large display market—encompassing monitors and smart TVs—resulted in a significant decline in both shipment volumes and revenue for the Group's large display IC products
- The Group will accelerate the upgrade of its product portfolio by introducing more high-end products, including high refresh rate commercial and gaming monitors, and high-resolution televisions, to enhance future revenue growth
- The Group continues to work closely with leading display manufacturers to mass-produce a variety of mainstream new products for prominent end-user brands, including **23.8-inch UHD gaming monitors with 100Hz refresh rate, 43-, 50- and 58-inch FHD smart TVs, and 32-inch HD entry-level smart TVs**

Large Display ICs

Latest developments:

- **Display driver ICs**
  - Authorized by a major Chinese display manufacturer to develop a next-generation **P2P high-speed transmission interface display driver IC** (Prototypes are expected to be available in 4Q 2025, signalling the official commencement of project verification)

- **Automotive driver ICs**
  - Signed a memorandum of understanding on strategic cooperation with a SZ-based automotive display manufacturer and has commenced collaboration on the design and development of its 1st **automotive-grade integrated driver IC** (Scheduled for launch in 2025)

Large Display ICs

Latest developments:

- **Medium to large e-paper driver ICs**
  - The Group completed verification of driver IC sets for **extra-large e-paper learning whiteboards and extra-large color electronic retail signage (Spectra 6)** in 2024, with mass production expected to begin in 2H 2025
  - Continued to ship **full-color e-paper notebook** driver IC. With increasing market penetration of end products, IC shipment volumes are expected to rise further in 2H 2025
    - The notebook features the Group's Active Matrix Electrophoretic Display (AMEPD) driver IC, designed for advanced color e-paper ink screens (**Gallery**), and this technology is expected to be more widely used in the future.
  - The Group is currently developing driver ICs for **portable black-and-white e-book readers**, with IC prototypes expected to be produced in 2H 2025.
    - These portable e-book readers cater to the preferences of a large user base in China that favors smaller sizes and cost-effectiveness

OUTLOOK

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Outlook

New Display ICs

- The electronic display label market is poised to enter the era of seven-color displays
- Currently developing IC products to support **seven-color (E5 3-bit) electronic display labels**, with prototype production planned for 4Q 2025
- Maintain a cautious outlook for the Group's new display IC products in 2H 2025

Mobile Display & Mobile Touch ICs

- **Mini-LED backlight solution** expected to be launched in 2H 2025 for automotive HUD applications
- Active R&D the application of mobile display and mobile touch ICs in various fields

OLED Display ICs

- Promote the world's 1st small-sized passive micro-LED display driver IC - SSD2363 launched by the Group
- Continue to vigorously develop PMOLED smart home appliance display driver ICs

Large Display ICs

- **Automotive driver IC solutions** targeting a market launch in 2025 for use in China's mainstream automotive systems
- With increasing market penetration of end products, shipments of **full-color e-paper notebook** driver IC sets are expected to further increase in 2H 2025
- Driver IC sets for **extra-large e-paper learning whiteboards and extra-large color electronic retail signage (Spectra 6)** are expected to officially enter mass production in 2H 2025
- Driver ICs for **portable black-and-white e-book readers** are expected to produce IC prototypes in 2H 2025
- Shipment volumes of medium to large e-paper related IC products are expected to grow steadily in the future

ABOUT THE COMPANY

SOLOMON SYSTECH

Our Milestones

1999 — Spin-off from Motorola

2000 — Set up of Shenzhen Technology Center

2002 — Rebranded with new company logo

2003 — Entered Hong Kong Science Park as the 1st semiconductor company in the Park

2004 — Listed on main board of HKEx (stock code: 2878)

2017 — Set up of Taiwan & Nanjing Technology Center

2025

Along the years, we have launched:

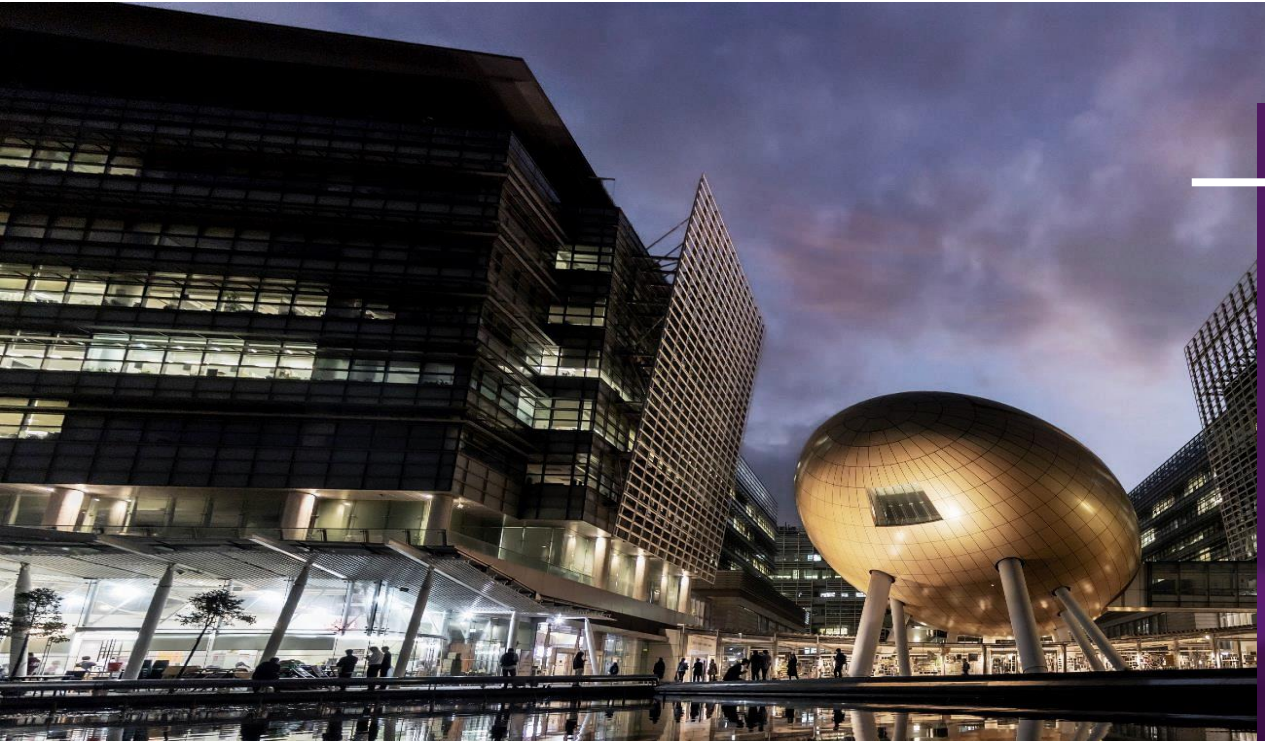
- World's 1st In-Cell PMOLED TDDI IC
- World's 1st Full Color TDDI in Wearable Display
- World's 1st Passive Matrix display driver dedicated for PM-micro-LED display

…and a lot more!

- World no.1 PMOLED display driver IC player
- World-leading market share for ESL applications
- Approx. 660 IC design patents

Our Presence

SOLOMON SYSTECH

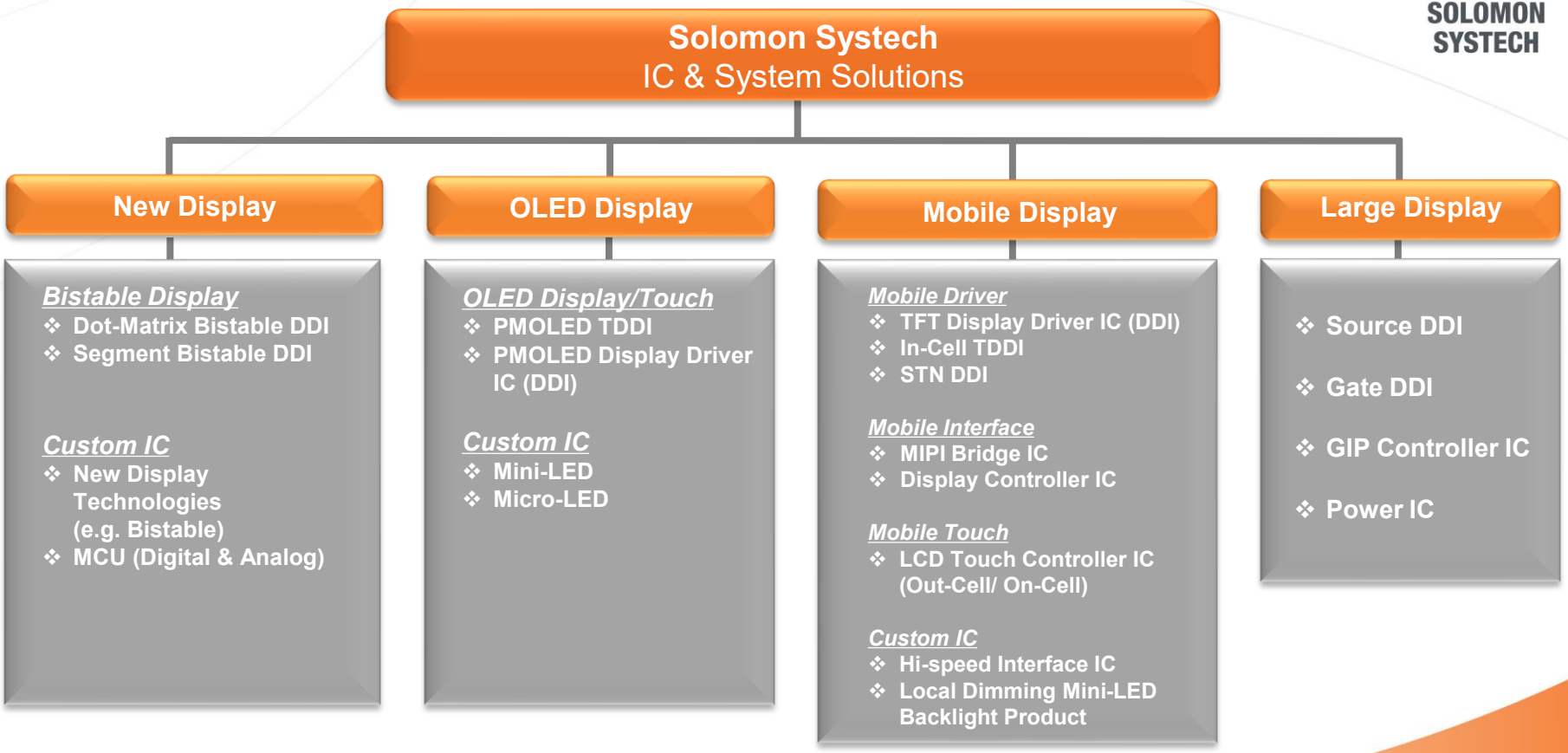


Head Office
Hong Kong

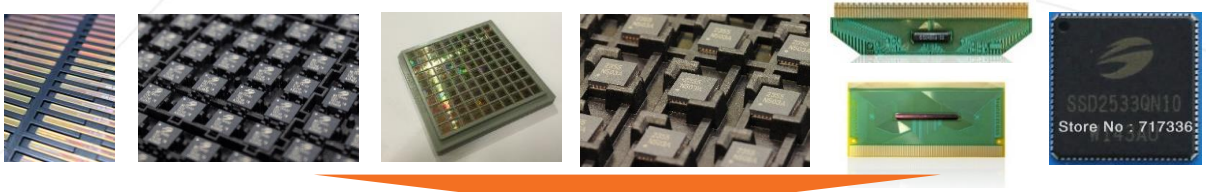
Technology Centers
Hong Kong
Nanjing
Shenzhen
Taiwan

Sales Networks
Hong Kong
Shenzhen
Beijing
Nanjing
Shanghai
Taiwan
Japan
Korea
USA
Europe

Key Business Units

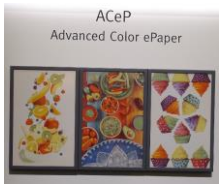


Product Applications



ePaper/ Electronic Shelf Label





Smartphone / Tablet


Medical

Gaming

Smart Home Appliances




Custom ICs

- Custom ICs for digital, analog and mixed-signal applications
- One-stop solution from designing, testing to delivering
- Our turnkey services provide one of the most convenient and easiest ways from ASIC to SoC production

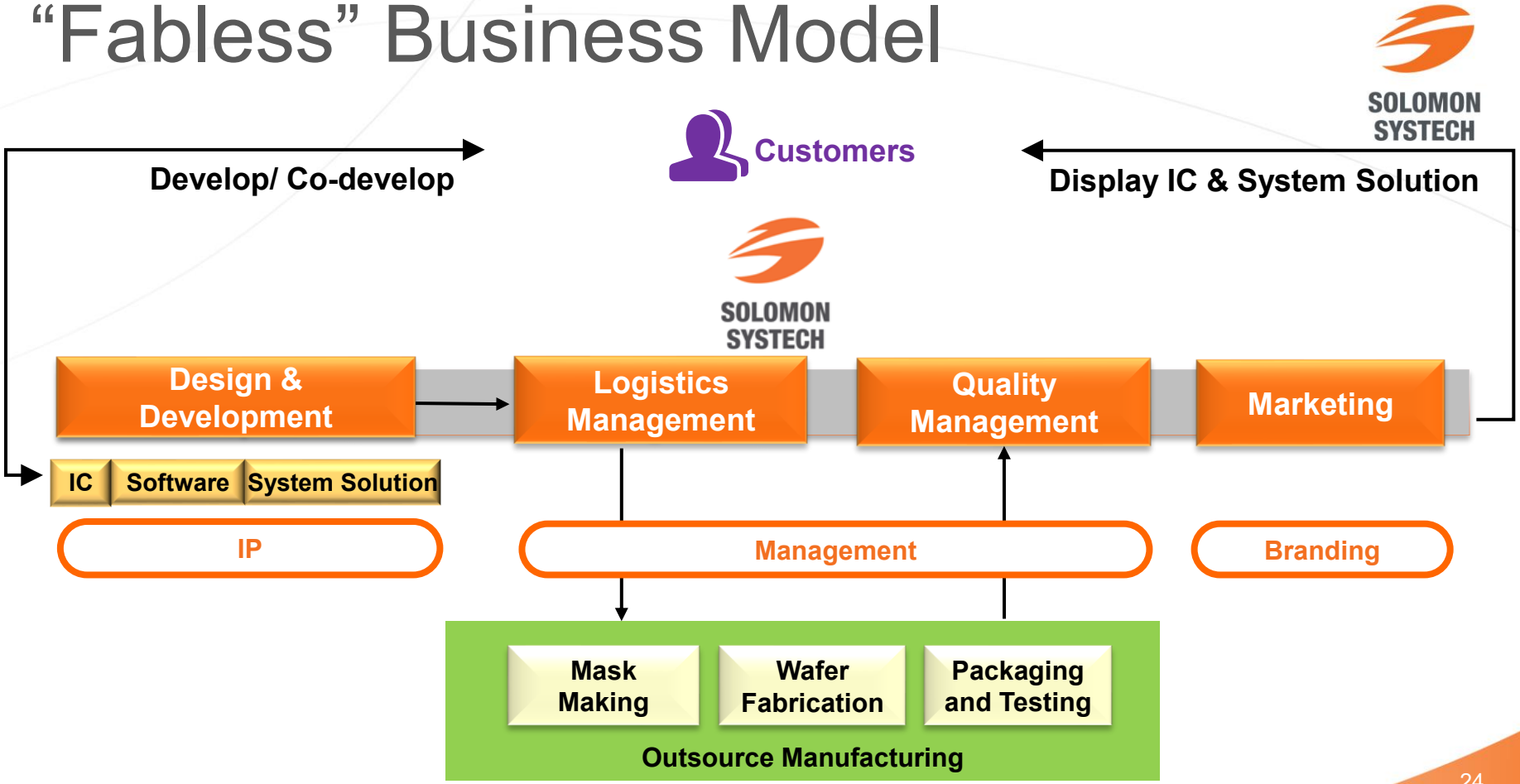
Mini-LED/ Micro-LED Custom Driver Controller

- The fast-response and vivid color mini-LED/micro-LED display is very popular for high resolution devices nowadays.
- The Group has rich experience in passive matrix, amorphous/LTPS/Oxide-TFT driver design.
- The Group owns a library featuring state-of-the-art IPs that are tailor-made for mini-LED/ micro-LED display.

Applications

Mobile phone, tablet PC, TV, consumer appliance, ePaper/ electronic shelf label, portable game console etc.

“Fabless” Business Model



Awards & Achievements

SOLOMON SYSTECH

- **World-leading** market share for **electronic shelf labels (ESL)** applications
- **Ranked 1st** in global market share for **PMOLED** applications for consecutive years

Hong Kong Awards for Industries - Technological Achievement Award

2018 香港工商業獎 HONG KONG AWARDS FOR INDUSTRIES 科技成就獎 TECHNOLOGICAL ACHIEVEMENT AWARD

EE Awards Asia
- **Best of the MCU/Driver IC 2023**
- **Most Topical Product and Technology 2022**

EE AWARDS 亞洲金選獎 工程師信賴的選擇

China Semiconductor Innovative Products and Technology Award

IET Innovation Award

中国芯 CHINACHIP

1st runner up, Industry Category of Hong Kong Electronics Project Competition 2019, Hong Kong Institution of Engineers

CEC Technology Advancement Award

2022 Benchmark IC Enterprise Award

QuamIR Awards 2020

QuamIR Awards 2020

EE AWARDS 亞洲金選獎 工程師信賴的選擇

EE Awards Asia 2021 – Executive of the Year

HDSC 华大半导体 HUADA SEMICONDUCTOR

HDSC Outstanding Semiconductor Entrepreneurs 2022

International Partnership

Solomon Systech's customers include many international labels:

SOLOMON SYSTECH

Patents

- **Approx. 660 IC design patents from China, US, Europe and other Asia regions**
- **PMOLED**
  - Developed world's first PMOLED TDDI
  - Patented driving architecture in US and China
- **ePaper**
  - Patent on fully automated panel defeat detection method which benefits IoT application
- **Mini-LED/ Micro-LED**
  - Various patents to increase color depth/ allow high refresh rate plus high dynamic range/ minimize white balance shift…etc.

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Thank You

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