SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2878)

2007 INTERIM RESULTS ANNOUNCEMENT

Highlights

- Unit shipment was 99 million units
- Sales amounted to US$103.4 million
- Net profit was US$9.8 million
- Basic earnings per share was 0.4 US cent (3.1 HK cents)
- The Board of Directors (the "Board") resolved to declare an interim dividend per share of 1.0 HK cent (0.13 US cent)
- Book to bill ratio at 30 June 2007 was 0.67
- Global market share in mobile phone display ICs ranged between 13-15%

Interim Results

The directors (the "Directors") of Solomon Systech (International) Limited (the "Company") are pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2007 together with the comparative figures for the corresponding period of last year as follows.

Condensed Consolidated Interim Income Statement

For the Six Months Ended 30 June 2007

		Unaudited Six months ended 30 June	
	Notes	**2007**	**2006**
		US$'000	*US$'000*
Sales	3	**103,420**	149,415
Cost of sales		**(78,461)**	(112,464)
Gross profit		**24,959**	36,951
Other gain — net		**650**	139
Research and development costs		**(9,210)**	(7,882)
Selling and distribution expenses		**(1,550)**	(1,728)
Administrative expenses		**(6,964)**	(8,658)
Other operating expenses		**(16)**	(15)
Operating profit		**7,869**	18,807
Interest income		**3,979**	3,198
Finance costs		**(1)**	(1)
Share of results of associated companies		**(159)**	(400)
Profit before taxation		**11,688**	21,604
Taxation	5	**(1,879)**	(3,712)
Profit attributable to shareholders		**9,809**	17,892
Dividends	6	**3,184**	6,467
Earnings per share (in US cent per share)	7		
Basic		**0.40**	0.73
Diluted		**0.39**	0.72

Condensed Consolidated Interim Balance Sheet

As at 30 June 2007

	Notes	Unaudited 30 June 2007 *US$'000*	Audited 31 December 2006 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**10,929**	13,785
Investments in associated companies		**3,227**	3,185
Available-for-sale financial assets		**4,177**	2,535
Fixed bank deposits		**4,000**	2,000
		22,333	21,505
Current assets			
Inventories		**14,627**	18,253
Trade and other receivables	8	**32,926**	61,688
Other financial assets		**2,682**	1,000
Pledged bank deposits		**130**	130
Short-term fixed bank deposits		**39,638**	8,083
Cash and cash equivalents		**107,445**	110,422
		197,448	199,576
Total assets		**219,781**	221,081
EQUITY			
Capital and reserves			
Share capital		**32,083**	32,251
Own shares held		**(303)**	(491)
Reserves			
Proposed dividend		**3,184**	12,869
Others		**142,519**	135,254
		177,483	179,883
LIABILITIES			
Non-current liabilities			
Obligations under finance leases		**14**	19
Deferred tax liabilities		**444**	827
		458	846
Current liabilities			
Trade and other payables	9	**39,280**	38,527
Tax payables		**2,550**	1,815
Obligations under finance leases		**10**	10
		41,840	40,352
Total liabilities		**42,298**	41,198
Total equity and liabilities		**219,781**	221,081
Net current assets		**155,608**	159,224
Total assets less current liabilities		**177,941**	180,729

Notes to the Condensed Consolidated Interim Financial Statements

1. **Basis of preparation**

   These unaudited condensed consolidated interim financial statements ("Interim Financial Statements") for the half year ended 30 June 2007 have been 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 Interim Financial Statements should be read in conjunction with the Company's 2006 annual report.

2. **Accounting policies**

   The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2006.

   (a) Amendments to published standards and new/revised standard/interpretation which are relevant to the Group's operations and are mandatory in 2007:

HKAS 1 (Amendment)	Presentation of Financial Statements — Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) — Int 8	Scope of HKFRS 2
HK (IFRIC) — Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) — Int 10	Interim Financial Reporting and Impairment

   The adoption of these new/revised Hong Kong Financial Reporting Standards ("HKFRS") did not result in substantial changes to the accounting policies of the Group.

   (b) New HKFRS relevant to the Group's operation that have been issued but are not yet effective for 2007 and have not been early adopted by the Group:

HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK (IFRIC) — Int 11	HKFRS 2 : Group and Treasury Share Transactions

   The Directors of the Company anticipate the application of these HKFRS will not result in substantial changes to the accounting policies of the Group.

3. **Sales and Segmental Information**

   (a) *Primary reporting format — business segment*

   During the period, the Group is principally engaged in the research, design, development and sales of proprietary integrated circuits ("IC").

   The Group has been operating in one single business segment, i.e. the research, design, development and sales of ICs. Sales amounted to US$103,420,000 and US$149,415,000 for the periods ended 30 June 2007 and 2006 respectively.

(b) *Secondary reporting format — geographical segments*

The Group mainly operates in Hong Kong SAR ("Hong Kong"). The Group mainly sells to customers located in Hong Kong, Taiwan, Southeast Asia and Japan. Sales are allocated based on the places/countries in which customers are located.

	Unaudited	
	Six months ended 30 June	
	2007	**2006**
	US$'000	*US$'000*
Hong Kong	**76,263**	113,034
Taiwan	**13,151**	11,437
Southeast Asia	**5,998**	1,924
Japan	**3,622**	16,641
Mainland China ("China")	**1,849**	3,577
Korea	**679**	2,446
United States of America ("USA")	**99**	221
Others	**1,759**	135
	103,420	149,415

4. **Expenses by nature**

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

	Unaudited	
	Six months ended 30 June	
	2007	**2006**
	US$'000	*US$'000*
Depreciation of owned property, plant and equipment	**3,124**	2,689
Depreciation of leased property, plant and equipment	**7**	6
Operating leases for land and buildings	**521**	414
Director and employee expenses		
- Equity compensation	**2,538**	3,026
- Non-equity compensation	**7,908**	7,469
Net exchange gain	**(89)**	(17)
Provision for impairment of receivables	**3**	7
(Write-back of provision) / provision for obsolete or slow moving inventories	**(149)**	1,271

5. **Taxation**

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Unaudited Six months ended 30 June	
	2007	**2006**
	US$'000	*US$'000*
Current taxation:		
Hong Kong profits tax	**2,261**	3,536
Overseas profits tax	**1**	7
(Reversal) / charge for deferred taxation	**(383)**	169
Taxation	**1,879**	3,712

6. **Dividends**

	Unaudited Six months ended 30 June	
	2007	**2006**
	US$'000	*US$'000*
(a) Dividend attributable to the previous year, approved and paid during the period:		
2006 final dividend, paid, of HK$0.04 (approximately 0.51 US cent) per ordinary share	**12,802**	—
2005 final dividend, paid, of HK$0.15 (approximately 1.93 US cents) per ordinary share	**—**	48,540
	12,802	48,540
Less: Company's share of dividends paid on the shares held by a special purpose entity of the Group	**—**	(753)
	12,802	47,787
(b) Dividend attributable to the period:		
2007 interim dividend, declared, of HK$0.01 (approximately 0.13 US cent) per ordinary share	**3,184**	—
2006 interim dividend, paid, of HK$0.02 (approximately 0.26 US cent) per ordinary share	**—**	6,467
	3,184	6,467
Less: Company's share of dividends paid on the shares held by a special purpose entity of the Group	**—**	(94)
	3,184	6,373

7. **Earnings per share**

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to shareholders of US$9,809,000 (2006: US$17,892,000).

The basic earnings per share is based on the weighted average of 2,461,715,063 (2006: 2,464,909,041) ordinary shares in issue excluding own shares held during the period.

Diluted earnings per share information is based on 2,485,384,312 (2006: 2,489,441,986) 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.

8. **Trade and other receivables**

	Unaudited 30 June 2007 ***US$'000***	**Audited 31 December 2006** *US$'000*
Trade and bills receivables	**28,179**	57,707
Less: provision for impairment of receivables	**(64)**	(61)
Trade and bills receivables - net	**28,115**	57,646
Prepayments and other receivables	**4,811**	4,042
	32,926	61,688

The Group's sales to corporate customers are mainly entered into on credit terms of 30 days. The ageing analysis of trade and bills receivables is as follows:

	Unaudited 30 June 2007 ***US$'000***	**Audited 31 December 2006** *US$'000*
0 - 30 days	**25,707**	41,633
31 - 60 days	**1,184**	12,445
61 - 90 days	**967**	2,980
91 - 180 days	**257**	523
181 - 365 days	**—**	65
	28,115	57,646

9. **Trade and other payables**

	Unaudited 30 June 2007 *US$'000*	Audited 31 December 2006 *US$'000*
Trade payables	**30,310**	28,672
Accrued expenses	**8,970**	9,855
	39,280	38,527

The ageing analysis of the trade payables is as follows:

	Unaudited 30 June 2007 *US$'000*	Audited 31 December 2006 *US$'000*
0 - 30 days	**30,112**	28,442
31 - 60 days	**78**	50
61 - 90 days	**14**	7
Over 90 days	**106**	173
	30,310	28,672

Management Discussion and Analysis

Financial Review

An Overview

For the six months ended 30 June 2007, the Group's sales was US$103.4 million (1H 2006: US$149.4 million). The decline was mainly due to a 21% decline year-on-year in shipment quantity of Solomon Systech Limited, the major subsidiary of the Company, and a continuous drop in the prices of its products. During the review period, gross profit was US$25.0 million. Through altering product mix, 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 2007, the Group's gross margin was 24.1%.

Throughout the period, the Group continued to expend on R&D and business development, therefore there was an increase in R&D expenses. The operating expenses were maintained at the same level as the Group has taken cost control measures in administrative expenses. Affected by a lower gross profit, the Group's net profit was US$9.8 million, representing a net profit margin of 9.5%.

In light of the Group's net profit and relatively rich cash position, the Board resolved to declare an interim dividend of 1.0 HK cent per share to shareholders whose names appear on the Register of Members of the Company on 28 September 2007.

Financial Position and Liquidity

Net cash flow from operations during the period amounted to US$49.1 million. The Group ended the period with US$107.4 million of net cash (i.e. cash and cash equivalents less bank loans) together with US$43.6 million fixed bank deposits. Going forward, the Group intends to use the cash for its product development, investment in securing production capacity, corporate venture investing as well as general corporate purposes. As at 30 June 2007, the Group had no borrowings and there were no significant 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$2.2 million (1H 2006: US$7.7 million), the majority of which was spent on the purchase of available-for-sale financial assets.

As at 30 June 2007, the Group held US$7.4 million investments in associated companies and available-for-sale financial assets. During the review period, the Group 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 2007.

Business Review

Book to Bill Ratio and Backlog

In the review period, the book to bill ratio stood at 0.67, reflecting the competitive market situation and reduced business from a major customer. As at 30 June 2007, the Group registered a backlog of orders in excess of 50 million units for the second half of 2007.

Product Shipment

The unit shipment in the first half declined by 21% year-on-year. The shipment of monochrome STN and color STN ("CSTN") display ICs decreased as the mobile phone market had gradually shifted its demand to mobile TFT ("m-TFT") display ICs. M-TFT display ICs shipment recorded a solid growth of 42% to 17 million units, reflecting that the design-in activities of this product family was progressively turning into mass production. OLED display ICs showed a growth of 63% year-on-year to 13 million units as the OLED display market became more stable and the display technology continued to find new applications. The shipment of bistable display ICs remained steady since its introduction in 2H 2006. In the first half, the Group also shipped small volumes of display system ICs and large display TFT driver ICs. The shipment breakdown by product type is as follows:

Units Shipped (million)	**1H 2007**	**1H 2006**	**Change**	**2006**
Monochrome STN	18	23	-22%	43
Color STN	41	81	-49%	134
m-TFT	17	12	42%	19
OLED	13	8	63%	22
Bistable	9	—	+%	10
Miscellaneous	1	1	0%	2
Total	**99**	**125**	**-21%**	**230**

Note: Miscellaneous includes image processors, graphic controllers, MIPI ICs, microdisplay ICs, large display driver ICs and others.

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

The total shipment of display ICs in the review period was 99 million units. According to a recent forecast made by iSuppli, global shipments of mobile phones for 2007 are expected to have a modest growth of 10.1% in 2007 to 1.09 billion units, after a nearly 21% growth in 2006 to 990 million units. The Group believes that its global market share in mobile phone display ICs for the first half was in the range of 13-15%.

Going into the second half of 2007, the Group will concentrate on developing projects with strategic alliances, providing dedicated services, comprehensive products and solutions to customers in order to defend its market position and prepare for long-term growth.

Business Relationships

To enhance business development and customer relationships, the Group strategically focused resources to develop key customer accounts in the first half of 2007. Each key account identified has a dedicated support team, including an account champion, technical and field application support, and quality assurance, to provide timely services to customers as well as open up more opportunities for specific projects.

For the Display Panel business, the Group currently serves most of the world's major display module makers. The Group continues to focus on approaching original design manufacturer (ODM) and independent design house (IDH) directly so as to achieve connections with the participants in the value-chain. During the period, the Group extended its relationships with leading customers from China, Japan, Korea and Taiwan, through whom it can broaden its relationship with top-tier end-product manufacturers.

Regarding the Display System business, the Group provides customers with "total display IC solutions" for specific high-volume applications. Given this enlarged product offering, the Group broadened its customer base for the emerging consumer product applications. Meanwhile, the Group's leading technology in system solutions reinforced its business relationships with existing customers and also attracted new key customers.

Research and Development

In the past six months, research and development costs were approximately US$9.2 million. To support business growth and to be competitive in the marketplace, the Group keeps on enhancing the features of existing products and developing future products, e.g. dynamic backlight function, new generation of OLED ICs, MIPI[1] second-generation bridge ICs and multimedia processors. In the first half of 2007, the Group filed two patents with the United States Patent and Trademark Office and had three technical articles published in international magazines such as *Display Devices* and *EEPW*.

As at 30 June 2007, the Group had around 240 professionals in the design and engineering function, representing approximately 60% of the Group's total employee headcount. The Group's R&D team continually designs products using various wafer technologies as advanced as 0.13μm. Besides, the Group has a specialist team in place to develop its own wafer process technology so as to achieve cost advantages in the long run.

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[1]MIPI — Mobile Industry Processor Interface

Human Resources

As at 30 June 2007, the total number of the Group's employee headcount was about 400, of which approximately 57% were based in its head office in Hong Kong. The rest were located in China, Japan, Singapore, Taiwan and the USA.

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 training, career development programs 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.

In the first half of 2007, most employees were granted cash bonuses and Company's shares in recognition of their performance in 2006. On top of that, a share option award scheme was also put in place for selected employees, subject to their levels of achievement, to drive for business performance in 2007. At the Board level, directors were awarded share options for their past and forthcoming contributions to the Group.

Prospects

As per the book to bill ratio of 0.67 as at 30 June 2007, a decline in sales should be expected for the second half of 2007. To improve the situation, the Group has made progress in delivering new technologically leading ICs, and has expanded its customer base. The Group will continue its efforts in product diversification and in providing fast turnkey solutions for customers.

Display Panel

Mobile Display

The markets covered by this business unit include mobile phones, MP3/MP4, GPS, portable equipment, AV applications, etc. Key display panel technologies range from monochrome STN, color STN, m-TFT and OLED displays to the recently introduced E-paper display. Each of these display technologies has its own unique display characteristics and is therefore experiencing different phases of growth in different applications.

As regards the Group's business in the next six months, it is expected that the shipment of monochrome display ICs will decrease gradually in time with the migration of monochrome displays to color displays. Due to the cost of m-TFT modules becoming more competitive, which has limited the shipment of CSTN display modules, the CSTN display IC shipment will continue to decline. The Group is aware that there will be an expected shortage of m-TFT LCD panel supply in the industry in the coming six months. Such shortage will affect the growth of m-TFT display ICs, although m-TFT display ICs recorded significant growth in the first half of this year. The Group carries on expanding its m-TFT business through (i) creating strategic alliances with panel makers; (ii) introducing new generation driver IC products with MIPI high speed interface; and (iii) supporting more display resolution formats for product application diversification.

About OLED display ICs, the market will remain stable in the second half with some major business opportunities due to (i) the increasing maturity of the OLED display technology in mass production; and (ii) the rising demand for new applications, such as Bluetooth headsets, mobile phone main displays, OLED mobile phone keypads and notebook sub-displays. The Group continues to be the leader in the OLED display ICs market.

Large Display

The core competency in IC design and development has enabled the Group to develop technologically competitive ICs for large displays. The Group is making an effort to build relationships with large TFT LCD panel makers in China, Japan and Taiwan region on new design-ins. It is expected that this business will take longer time to gradually contribute to revenue.

New Display

The E-paper mobile phone introduced in 2H 2006 using the Group's bistable display IC has made a noteworthy impact in the market and aroused a lot of interest in this technology. Potential applications beyond the mobile phone are plentiful as E-paper technology improves. Being the leader in the industry with its high-volume production of bistable display ICs, the Group has a positive view on the emerging bistable display IC business as more applications realize the advantages of the bistable display technology. Apart from the volume shipment to support the E-paper mobile phone applications, the Group has begun shipping production quantities to supply memory card applications in the first half of 2007. It has also developed a dedicated bistable driver IC for electronic shelf label applications. Testing of this IC is underway and it will be ready for mass production by the end of this year.

For the microdisplay business, in addition to the existing VGA resolution microdisplay controller, the next-generation WVGA-resolution microdisplay controller is under development for applications in high-definition movies, stereo 3D games entertainment, and viewfinders of high-end digital cameras.

Overall, the Group believes the demand for new display applications will surge; thus it will keep researching and expanding this business to make sure it stays ahead of the competition.

Display System

This business unit focuses on developing total solutions that (i) support high-speed mobile interfaces; (ii) increase display image quality and functions; and (iii) generate high-performance multimedia features. Products in production like image processors and graphic controllers are supporting consumer applications such as MP4, GPS, digital photo frames and portable consumer products. A key, high-performance multimedia SoC introduced in 2Q 2007 will be able to open up additional opportunities with strategic alliances for high-volume mobile applications.

Regarding the high-speed mobile interface market, the business unit leverages its early leadership in MIPI and has started the development of next-generation driver ICs and display system controllers in collaboration with top-tier industry players.

The Group will continue to grow this business through its strong R&D team to provide high-performance, cost-effective and comprehensive solutions. The Group expects that Display System will see sales growth in the second half of 2007.

Corporate Governance and Supplementary Information

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 Non-executive 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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 2007, Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee had been formed with their respective terms of reference in force.

During the first half of 2007, there have been a number of changes in the Board.

(a) Effective from 1 January 2007:

- Dr. Lam Pak Lee resigned as Non-executive Chairman of the Board but remained on the Board as a Non-executive Director;

- Mr. Sun, Patrick was appointed as Non-executive Chairman of the Board and;

- Mr. Wong Yuet Leung, Frankie was re-designated as Independent Non-executive Director.

(b) Effective from 1 July 2007, Mr. Sheu Wei Fu was appointed as Alternate Director to Dr. Lam Pak Lee.

(c) Effective from 1 January 2007, the number of Independent Non-executive Directors ("INEDs") of the Company increased from a minimum of three pursuant to Listing Rule 3.10 to four with Mr. Wong Yuet Leung, Frankie being re-designated from NED to INED. The percentage of INED in the Board becomes over one-third which is in compliance with the Recommended Best Practices (A.3.2 of the Appendix 14 of the Listing Rules).

On 24 April 2007, the Asset magazine named the Company as one of the Rising Stars of good corporate governance in Asia in the Asset magazine's annual Corporate Governance Rankings 2007.

Compliance with the Model Code

Pursuant to Appendix 14 of the Listing Rules, the Group established its own written guidelines ("Guidelines") on no less exacting terms than the Appendix 10 of the Listing Rules ("Model Code") for directors and relevant employees who are likely to be in possession of unpublished price sensitive information in respect of their dealings in the securities of the Company. Specific enquiry had been made with the directors and relevant employees and they had complied with the Group's own Guidelines throughout the six months ended 30 June 2007.

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

During the period, a total of 13,050,000 shares of HK$0.10 each of the Company were repurchased by the Company at prices ranging from HK$1.21 to HK$1.29 per share through the Stock Exchange. Except for the aforesaid repurchase of the Company's own ordinary 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. Shares were repurchased during the period to enhance the net asset value.

Review of Interim Financial Statements

This unaudited Interim Financial Statements for the six months ended 30 June 2007 have been reviewed by the Audit Committee of the Company, and the independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of The Entity" issued by the HKICPA. The unqualified review report is included in the Interim Report to shareholders.

Interim Dividend

The Directors of the Company have resolved to declare an interim dividend of 1.0 HK cent per share to shareholders whose names appear on the Register of Members of the Company on 28 September 2007. The interim dividend will be paid on 10 October 2007.

Closure of Register of Members

The Register of Members of the Company will be closed from 24 September 2007 to 28 September 2007, 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, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 21 September 2007.

Publication of Interim Results on the Stock Exchange's Website and the Company's Website

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.solomon-systech.com) respectively.

On behalf of the Board
Solomon Systech (International) Limited
LEUNG Kwong Wai
Managing Director

Hong Kong, 6 September 2007

The Directors of the Company as at the date hereof comprise:-

(A) **Executive Directors** — Mr. Leung Kwong Wai (Managing Director), Mr. Huang Hsing Hua, Mr. Lai Woon Ching, Mr. Lam Shun Fu, Percy and Mr. Lo Wai Ming;

(B) **Non-executive Directors** —Mr. Chang Ching Yi, Steven, Dr. Lam Pak Lee and Mr. Sheu Wei Fu (Alternate to Dr. Lam Pak Lee); and

(C) **Independent Non-executive Directors** — Mr. Sun Patrick (Chairman), Mr. Choy Kwok Hung, Patrick, Professor Kao Kuen, Charles and Mr. Wong Yuet Leung, Frankie.