

December 12, 2007

LDK's financial irregularities are evident and highly material.

Investors should be highly suspicious of LDK Solar Co., Ltd.'s ("LDK") announcement with Q-Cells. The convoluted alleged transaction with a supplier would raise eyebrows even if announced by a company whose entire lifetime earnings record has not been seriously questioned. LDK hasn't disclosed complete financial statements for over 11 months.

LDK's reported earnings were suspect even before it went public. LDK had no sales in 2005 or the first quarter of 2006. And then, presto, it started claiming profits almost from day one of sales. It's not as if LDK invented anything new. Or that it bought an existing profitable business. It's a start up. And it's a start up commodity supplier in a highly competitive and well established industry.

LDK reported net income of \$25.9 million in 2006. Yet even by KPMG's own reckoning its operation actually used \$57.1 in cash during this same period. LDK claims to have earned \$48.3 million in the first half of this year. LDK has not provided investors with a cash flow statement for this period. This, and all other LDK reports, and LDK itself, are under investigation by the SEC.

LDK's expense capitalization and asset valuation investigation relate to the capitalization of over \$200 million in expenditures as assets, instead of expenses, in just the first six months of this year. This figure is multiples greater than LDK's entire claimed lifetime earnings.

Simpson Thacher & Barlett LLP, working for an LDK committee of two LDK directors, has hired Deloitte Touche Tohmatsu to investigate LDK. Yet LDK has publicly dismissed this alleged independent review. This public dismissal of the alleged "Independent Committee" and its advisors had led investors to believe that the investigation, including the Securities and Exchange Commission investigation will be resolved shortly and be resolved positively. ([Click here](http://asensio.com/LetterSBT.pdf) to read related letter to Simpson Thacher.)

LDK's accounting irregularities have prevented LDK from releasing any financial statements since June 30, 2007. Investor should understand that even those June statements were incomplete and only in the form of a press release without company certification or footnotes.