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**LDK’s Latest Earnings Announcement Betrays Findings of Independent Committee**

In late 2007, LDK Solar Co., Ltd. (“LDK”) announced the findings of an independent audit committee formed to evaluate criticism of a former employee in connection with the company’s inventory reporting practices. According to LDK’s December 17 press release, the committee uncovered “no material errors in the Company’s stated silicon inventory quantities.”

It appears that LDK’s most recent financial filing betrays the findings of the committee led by two of its own independent directors. On February 25, 2008, LDK reported its financial results for the fourth quarter of fiscal 2007. On the unaudited balance sheet released with this earnings report, LDK now classifies $29.98 million of its $380 million inventory as “Inventories to be processed beyond one year.” During the earnings call, LDK CFO Jack Lai commented on the inclusion of the mysterious line item:

“...based on the manufacturing recipe, we have a limit percentage of polysilicon powder that can be used in the production process. So we work on our formula, work on our production anticipation this year, and some of the inventory will be going beyond this year.”

According to Lai, LDK is unable to productively use nearly $30 million worth of polysilicon powder this year. This fact is remarkably similar to the criticism LDK received from former employee Charlie Situ in September 2007. The company does not include any additional disclosures or notes to describe this inventory or any other item.

In the earnings release, LDK valued its inventories as of December 31, 2007 at $350.00 million. Including the long term inventory, LDK boasted an inventory worth $379.98 million. This figure does not include $157.2 million in pre-payments to suppliers.

Yet LDK has not released a management-certified, complete financial statement since July 3, 2007. In this 242B4 filing, LDK valued its inventories as of December 31, 2006 at $94.9 million.

In the audited financial statement, LDK reported total assets of $292.72 million as of December 31, 2006. One year later, LDK reported total assets of $1.3 billion. A shift in the accounting policy employed to capitalize over $1 billion of expenditures could easily turn LKD’s reported earnings into huge losses.

Asensio.com believes the findings of LDK’s independent audit committee are questionable. In fact, Asensio.com recently contacted Simpson, Thatcher and Bartlett LLP in connection with LDK’s long term inventory. The company continues to file earnings reports without including any notes or discussion. Until LDK’s disclosures improve, it is impossible to properly evaluate the condition of the company’s inventories or the level of earnings it reports.