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LDK: Another Questionable Supply Agreement, Another Recycled Announcement

Today LDK Solar Co., Ltd. (NYSE: LDK \$48.74) made another questionable announcement concerning a supply agreement.

LDK announced signing an agreement with Solartech Energy Corp. to supply 550 MW of silicon wafers over a five-year period, from 2009 to 2013. On October 3, 2007 LDK announced signing a five-year contract with Solartech, to supply \$224 million worth of wafers. To view the press releases, click [here](http://www.asensio.com/LDK/LDK9308.pdf).

Solartech had production capacity of 30 MW last year, and is expanding to 180 MW by the end of 2008, according to LDK's press releases. With 550 MW over five years, LDK is supplying 110 MW per year, over half Solartech's production capacity, not including supplies under the contract announced last year. LDK's average selling price for the second quarter, stated in the earnings conference call, is \$2.44 per watt. At this price, the contract with Solartech announced today is worth approximately \$1.32 billion.

Though Solartech, a Taiwan-based company, is apparently able to sign agreements to spend over a billion dollars, it has not yet managed to have its website translated into English. Though Solartech is publicly traded in Taiwan, it has not made financial statements available to US investors.